Content Requirements
Nonprofit Standard Mail

Umass Amherst 6/15/11

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What This Session Will Cover

- This session focuses on content rules for Nonprofit Standard Mail (nonprofit mail)

What material is (or is not) okay to mail at nonprofit rates?
Agenda

- Seminar
  - Background/basic standards for nonprofit mail
  - Cooperative mailings (including recent changes related to fundraisers)
  - Travel, insurance, and credit card advertising prohibitions/restrictions
  - “Substantially related” advertising standards

- Questions and Answers
Background

- Nonprofit mail standards are based on federal statutes

Why are there so many rules for mailing at nonprofit rates?

Title 39 of the “Code of Federal Regulations” and the “Domestic Mail Classification Schedule” (a product of the Postal Regulatory Commission) provide the basic requirements for mailing at these special rates.
Basic Standards

- *Domestic Mail Manual (DMM)* provides *Mailing Standards of the USPS* for all classes of mail
  - Section 703 provides the requirements for nonprofit Standard Mail
    - View the DMM online at Postal Explorer® at [pe.usps.com](http://pe.usps.com)
    - Publication 417, *Nonprofit Standard Mail Eligibility*
Basic Standards

- Customer Support Rulings (CSRs) clarify rules and provide examples
  - There are many CSRs specifically related to nonprofit mail
    - View CSRs online at pe.usps.com
    - We will go there now and show you what they look like…
What are content rules for mailing at nonprofit rates?

- The first rule for nonprofit mail is that the material must meet the requirements for Standard Mail – it can’t be First-Class Mail.
  - First-Class Mail matter is not mailable at nonprofit rates.
Organization’s Own Material

- An organization authorized to mail at nonprofit rates:
  - May mail only its own material at nonprofit rates
  - May not delegate or lend use of its nonprofit authorization to any other person or organization
  - For example:

  DMM 703.1.6.0
Cooperative Mailings

- A *cooperative mailing* occurs when an authorized organization cooperates with one or more organizations to share the costs, risks, or benefits of the mailing.

- Two (or more) organizations may enter an *eligible cooperative mailing* at nonprofit rates if each of the parties is authorized to mail at nonprofit rates at the entry office (where mail is deposited).
Cooperative Mailings

- An ineligible cooperative mailing occurs when not all of the cooperating parties are authorized to mail at nonprofit rates at the entry office.
  - Postage for ineligible cooperative mailings must be paid at regular Standard Mail rates.
  - For example:

DMM 703.1.6.3
Cooperative Mailings

- To decide if a mailing is cooperative, we must determine the relationship between all participating parties.

DMM CSR PS-209
Recently revised postal standards exempt certain fundraising mail from the cooperative mail rule

- The new standards apply to solicitations for monetary donations
  - Not to announcements or advertising for fundraising events.

Example:

DMM 703.1.6.3
Authorization to Mail at Nonprofit Rates for Affiliated (Umbrella) Organizations

- Customer Support Ruling PS-314 discusses the eligibility of an authorized organization to enter mail on behalf of an integral department of the organization at non-profit rates.

Example:
Advertising

- Prohibited or restricted advertising may not be mailed at nonprofit rates

What’s TIF?
Prohibited/Restricted Advertising

- 1990 statute prohibits or restricts mailing at nonprofit rates if material contains advertising for
  - Travel arrangements
  - Commercial Insurance
  - Credit, debit, or charge cards or similar Financial instruments or accounts

DMM 703.1.6.4
Restricted Advertising: Travel

- Advertising for a travel arrangement may be mailed at nonprofit rates if
  - Organization promoting the arrangement is authorized for nonprofit rates at entry office and
  - Travel contributes substantially to one or more of the nonprofit organization’s qualifying purposes

DMM 703.1.6.4c
Restricted Advertising: Travel

- A travel arrangement has three elements
  - Transportation
  - Destination
  - Accommodations

CSR PS-298
CSR PS-305
Restricted Advertising: Travel

- Advertising for a day trip that doesn’t include accommodations may be mailed at nonprofit rates in a periodical format.

Example:

Tour Old Town with Us!

TBD Transportation Services

Three two-hour tours depart City Centre at 10:00 and 12:00 and 2:00 every Thursday.
Restricted Advertising: Travel

- Business-card-style advertising for a travel agent – the agent’s name and address, phone number, email address, etc. – is advertising for a travel arrangement and is prohibited.

Travis Argent

“World’s best travel agent!”

Email me if you want to go places
Travel@arrangements.com
Restricted Advertising: Insurance

• Advertising for insurance may be mailable at nonprofit rates if
  • Organization promoting insurance is authorized nonprofit rates at entry office AND
  • Policy is designed for and primarily promoted to organization’s members, donors, supporters, beneficiaries AND
  • Coverage is not generally commercially available

DMM 703.1.6.4b & 1.6.5
Restricted Advertising: Insurance

- Revised standards clarify that insurance is not considered “generally commercially available” if
  - Coverage is provided by the nonprofit organization—i.e., the nonprofit organization itself is the insurer, or…

DMM 703.1.6.5c(1)
Restricted Advertising: Insurance

- Coverage is not “generally commercially available” if nonprofit organization provides or promotes coverage to its members so that members may make tax-deductible donations to the nonprofit organization of their proportional shares of any income in excess of costs the nonprofit organization receives from purchase of the coverage by its members.

DMM 703.1.6.5c(2)
Prohibited Advertising: Financial

- There are no exceptions to advertising prohibitions for credit, debit or charge cards or similar items

  - However, advertising for banking services other than prohibited credit cards (etc.) is okay at nonprofit rates in material that meets content requirements for a “periodical format”

DMM 703.1.6.4a

Example:

Open your new Savings Account at ABC Bank today!
Substantially Related

- Advertising for products or services (other than TIF) may only be mailable at nonprofit rates if . . .
  - The sale of the product or providing of the service is _substantially related_ to the exercise or performance of a purpose the organization used to qualify for the nonprofit rates or
  - Any _un_-substantially related advertising is in a periodical format

_DMM 703.1.6.4d & 1.1.6_
Advising using a Periodical format

- **A periodical format must**
  - Have a title
  - Be formed of printed sheets
  - Contain at least 25 percent non-advertising in each issue...

DMM 703.1.6.8
Advertising using a Periodical format

- A *periodical format* also must have
  - ID statement on one of the first five pages and the statement must include:
    - The Title
    - Issue date and issue number
    - Frequency
    - Name and address of authorized organization
    - ISSN and/or subscription price if applicable

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Mailer’s Certification

- Mailers *certify* that advertised products and services are substantially related by signing the postage statement.

The mailer’s signature certifies that: (1) the mailing complies with DMM E670; (2) the income derived from the sale of any products or services advertised in the mailing is not subject to the Unrelated Business Income Tax (UBIT) and any products and services advertised are substantially related to the nonprofit organization’s authorized purpose within the meaning of 39 U.S.C. § 3626(c)(1)(D)(ii)(I) and 26 U.S.C. § 513(A); (3) the mailing, if made by a voting registration official, is required or authorized under the National Voter Registration Act of 1993; and (4) it will agree to pay, subject to appeal, any revenue deficiencies assessed on this mailing. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer, and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control.

The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and that the mailing qualifies for the rates and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation.

I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment. **Privacy Notice:** For information regarding our Privacy Policy visit www.usps.com.

<table>
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<tr>
<th>Signature of Mailer or Agent</th>
<th>Name of Mailer or Agent</th>
<th>Telephone</th>
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Mailer’s Certification

- Certification also specifies (in part) that income derived from the sale of products or services advertised in the mailing is not subject to Unrelated Business Income Tax (UBIT)
Mailer’s Certification Recap

- The mailing is accepted at nonprofit rates based on mailer’s certification, unless material is ineligible for other reasons:
  - Must be Standard Mail (not First-Class Mail)
  - Must not be ineligible cooperative mailing
  - Must not contain TIF
  - Just because you sign, it does not make it eligible

DMM 703.1.6.6f
Q & A

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