

PAY LESS ON LARGER MAILINGS

How to use your new postage meter to process Presorted Standard Mail – and save 30% or more on postage.

As someone who regularly sends information and solicitations to customers and prospects, you may from time to time have a larger mailing. Even if you're mailing as few as 200 pieces at a time, you may be surprised at how many ways you can save money with your new Pitney Bowes postage meter.

It's true that the cost of a First-Class stamp is now 37 cents. But most business mail is sent at significant discounts by taking advantage of special rates set by the United States Postal Service. At the extreme, one can take steps to reduce their postage expenses by over 85%!

At Pitney Bowes, we are pleased to provide you with this guide that can help you reduce the amount of money you spend on larger mailings. You'll find that Pitney Bowes wants to help you run your business more efficiently. And with your new Pitney Bowes meter, you have a new tool that can help you better manage expenses.

This guide is designed to be simple – so it's not going to explain everything. But, it will provide you with the easy basics – things you can do yourself, right in your office – that can save you up to 30% to 60% or more on postage.

Before we get into some of the more detailed ways to save big money, the first rule is: **never pay more for postage than you have to.** You would be surprised at how many people take an envelope, hold it in their hands for a few seconds, and then come to the conclusion "we better put a few extra stamps on this one." An independent study has shown that businesses can save up to 20% simply by applying the correct postage.

SMART TIP Simply weigh your mail on the electronic scale that came with your postage meter and check the rate chart to see the exact amount of postage required. Set your postage meter for the proper amount, and then apply postage.

For a two-ounce letter:

The "extra stamp" method: \$0.74

The Pitney Bowes method: \$0.60

You save 19%!

Saving dimes and nickels is important – but when you have larger mailings, you can use your postage meter to save hundreds of dollars. And when we say larger mailings, we are not talking about thousands of letters – you can qualify for these discounts if you are sending as few as 200 pieces. The keys to these savings involve Standard Mail and a concept known as "Presorting."



Standard Mail. This class of mail goes by many names, including "Third Class," "Permit Mail" or "Bulk." The official term used by the Post Office is "Standard Mail."

Standard mail is a cost-effective way to advertise your business, send information and reach your customers and prospects.

Unlike "First-Class Mail," which usually reaches its destination in 3 days, "Standard Mail" can take longer to reach its recipient, sometimes up to three weeks. Certain types of mail, including personal correspondence, bills and invoices must be mailed First Class. But for circulars, newsletters, bulletins, advertising mail and flyers, for example, taking advantage of Standard Mail is a great way to save. Best of all, you can use your new Pitney Bowes meter to apply postage!

Presorting. To qualify for Standard Mail rates, you must sort your mail according to the number of pieces going to a particular destination, or ZIP code. Because you are doing some of the work, the Post Office has to do less – and these savings are passed on to you. While there are many levels of presort available, this Guide will focus on the fundamentals – including Basic Presort and 3/5-digit ZIP Sorts. Depending on your mail piece, these levels of presort can save you 30% to 60% or more.

Class	Weight	Presort	Rate
First Class	Up to one ounce*	None	\$0.37
Standard	Up to 3.3 ounces	Basic	\$0.268
Standard	Up to 3.3 ounces	3/5-Digit Zip	\$0.248

* For First-Class mail, each additional ounce is \$0.23 cents, up to a maximum of 13 ounces. For Standard Mail, pieces over 3.3 ounces are charged a per-piece rate plus a per-pound rate.

For more advanced information, you can find out more by visiting www.usps.com. Or, you can visit your local Post Office. Some particularly good tools available at the website include:

- *Getting Started with Standard Mail*
- *Business Mail 101*

At the Postal Service website, you can find more information on:

- Discounts for nonprofit mailers
- Sending parcels
- Automation-compatibility
- Designing self mailers
- Barcoding
- Address correction services
- Mail preparation guidelines
- Postal forms



There's nothing easier in this world than metering 37¢ onto a letter and dropping it into the mailbox. As mentioned above, in order to take advantage of Standard Mail rates,

you need to do more work. For many businesses, Standard Mail makes sense when they have either larger mailings or heavier mailings. Let's look at some examples.

Larger Mailings (over 200 pieces).

In this example, The Doe Company wants to promote their business by sending out a flyer to 1,000 prospects. Switching from First-Class to Basic Presort Standard Rates saved The Doe Company over \$100.

Regular First-Class Rate	\$0.37
Total Postage	\$370 (1,000 x 0.37)
Basic Presort Standard Rate	\$0.268
Total Postage	\$268 (1,000 x 0.268)
Total Postage Savings:	\$102 (370 minus 268)

Heavier Mailings (over one ounce).

Because Standard Mail allows you to send up to 3.3 ounces at the base rate, it can save you a lot of money, even on smaller mailings. In this example, Smith &

Associates wants to send an informational booklet to their 400 best customers. Each mail piece weighs three ounces. Switching from First-Class to Basic Presort Standard Rates saved Smith & Associates over \$200.

Regular First-Class Rate	\$0.37
Additional Ounce Rate	\$0.23
Per-Piece Postage	\$0.83 (.37 plus .23 plus .23)
Total Postage	\$332 (400 x 0.83)
Basic Presort Standard Rate	\$0.268
Total Postage	\$107.20 (400 x 0.268)

Total Postage Savings: \$224.80

What you need to do.

The first time you set out to send a mailing at Standard Mail rates, it's easy to get overwhelmed. On paper, it looks like there are a lot of rules and regulations – which there are – but many of these rules will not apply for the type of mailing you want to send. For more details, you may want to look through "Getting Started with Standard Mail," which you can find at www.usps.com. Or, you can stop into your local Post Office, and they will be happy to help you.

In general, there are six steps to sending out a mailing at Standard Mail rates.

1 CREATE YOUR MAILPIECE

Standard Mail is great for a broad range of mailings. Some of the more common types include envelope kits, and self mailers.

- The Postal Service has requirements regarding the size of your mailpiece – but you still have a lot of flexibility. Depending on the size, the post office may refer to your mailing as "Letters" or "Flats." The way you package your mail (and the postage rate) may be different depending on its classification.

Letters

Length: 5½" to 11½"
Height: 3½" to 6⅛"

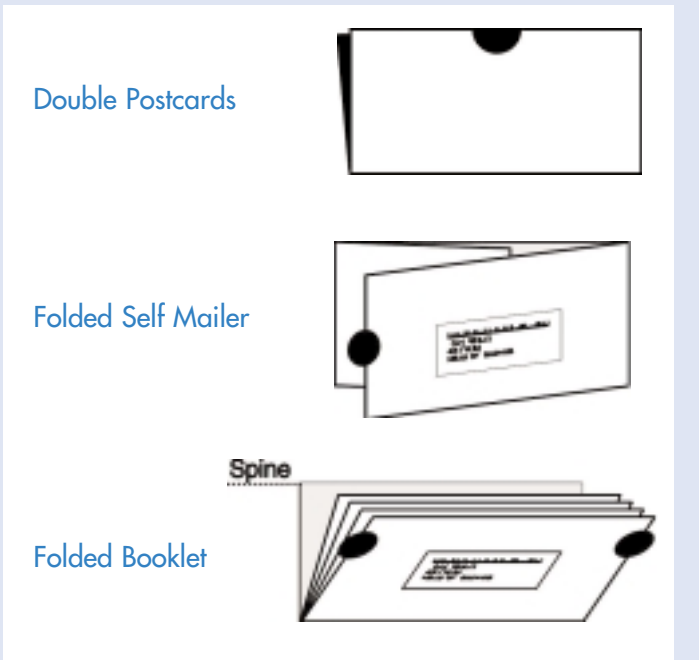
Flats

Length: 11½" to 15"
Height: 6⅛" to 12"

- Often, Standard Mailings are “envelope kits” (which may include a letter and brochure inside of an envelope). More frequently, businesses are designing Self Mailers – which are mailpieces designed to be sent without envelopes. Some examples include:
 - A folded card or flyer
 - A newsletter
 - A folded booklet

In order for Self Mailers to qualify for automation rates, their open edges need to be fastened together. One of the easiest ways to seal a self mailer is by using wafer seals. These can be purchased at your local office supply store.

Examples of Self Mailers that you can find on the Postal Service website include:



2 APPLY FOR A PERMIT

A mailing permit is simply permission to mail a certain class of mail. You must have a valid mailing permit before you can mail at Standard Mail postage rates. You can pick up a copy of Form 3615, *Mailing Permit Application and Customer Profile*, at your local post office. You should expect to pay an annual mailing fee of \$150, sometimes called a “bulk mailing fee,” via cash or check.

If your goal is saving money, you should make sure that you will be sending enough mail over the course of the year to recoup the cost of this fee.



3 PAYING FOR POSTAGE

With your permit, you have three ways you can pay for postage.

- You can use special pre-cancelled stamps. These look like other stamps, and you can buy them at your local post office.
- You can pre-print a permit imprint in the upper right-hand corner of your mailpiece. This will include the words “Presorted Standard,” and will also show the city and state where the permit is held, and your permit number.
- Or, because you are a Pitney Bowes customer, you can use your **postage meter**.

According to the Post Office, using your postage meter is a convenient way to pay for postage. And, you can print exact postage, right down to a fraction of a penny.

- You will need to add a “slug” into your meter – this Standard Mail slug lets the Post Office know you are mailing at special reduced rates. You can order a Presorted Mail slug by calling the Pitney Bowes supply line at 1-800-243-7824.
- On each mailpiece, print the exact amount of postage due. To set a postage amount on your meter, simply key in the postage amount and press enter. For example, if the rate is \$0.268, press the decimal key first, then the number. For example: **. 2 6 8 Enter.**
- If part of your mailing qualifies for one rate, and part of your mailing can be sent at a lower rate, some mailers meter all of the mail at the lower rate, then “pay up” the difference when they bring their mail to the post office. You can ask your local post office about this option.
- If you print a date with your meter impression, you must use the date you actually deposit the mail at the post office. However, meter impressions for Standard Mail mailings do not have to show a date. You can turn off the Date Function on your postage meter by pressing the Setup button on your meter until you see “Turn Date Off?”. Then press “yes.”

4 ACCURATE ADDRESSING

To ensure that your mailing receives the best delivery service possible, always use addresses that are accurate and complete. To mail at Standard Mail rates, you must certify that the 5-digit ZIP Codes on the mailpiece have been verified as accurate in the past 12 months. There are a few ways you can verify ZIPS for your mailing.

- The Postal Service offers a free, one-time only service called Diskette Coding. You would submit your list to the Postal Service, and they would standardize the elements of your addresses and add ZIP+4 codes. For more information, you can call the National Customer Support Center at 1-800-238-3150.
- Presort Software. This type of software corrects elements in your addresses and can presort your list to ensure you qualify for the best rates. Be sure to look for a package that is "PAVE Certified" – which means that the software has been tested and approved by the Postal Service. You can check at your local office supply store – or you can go online at www.pb.com. SmartMailer™ Addressing Software from Pitney Bowes can help you manage your address database to the finest detail.
- Do it Yourself. While time consuming, you can also manually check each address in a database to ensure that each ZIP Code is accurate. As a Pitney Bowes customer, you can access the Pitney Bowes address lookup service free by going online at www.valuemail.com. Just click on "Addressing" and you can verify any address instantly.

5 PRESORTING YOUR MAIL

When you presort your mail, it costs the Postal Service less money to process and deliver your mail. These savings are passed on to you, which is why Presorted Standard Mail is such an economical way to send your mail.

There are four major steps:

1. Get supplies. You will need some supplies to sort and prepare your mail. You can get these supplies free from the Post Office. (If your local post office does not offer this service, they can direct you to a nearby location.) You will need: *rubber bands, mail trays and lids, package labels and tray labels.*

2. Make packages. Presorted mailpieces must be put into "packages" – that's the postal term for a handful of mail held together with rubber bands. First put a rubber band around the length (that's parallel to the address) and then around the girth (perpendicular to the address). Packages should not be thicker than 6 inches.

You will need to keep a running total of the exact number of pieces in each package. This will help you calculate the exact postage you need.

Sort One: Create 5-Digit Packages

- Group your mail according to ZIP Code.
- When you have ten or more pieces going to the same 5-digit ZIP Code, band those together in a single package. Count them. Rubber band them. Then put a red "D" sticker in the lower left-hand corner of the top mailpiece in the package.
- Continue until all possible 5-digit packages have been made.



Sort Two: Create 3-Digit Packages

- Group your remaining mail according to ZIP Code.
- When you have ten or more pieces going to the same 3-digit ZIP Code, band those together in a single package. (That means all mail where the first 3 digits of the zip code are the same.) Count them. Rubber band them. Then put a green "3" sticker in the lower left-hand corner of the top mailpiece in the package.
- Continue until all possible 3-digit packages have been made.

Sort Three: Create ADC Packages and Mixed ADC Packages

- Most mailers who mail locally will not have ADC packages. ADC stands for Area Distribution Center, and relates to a mail-processing center that handles multiple Zip Codes. If your mailing includes pieces that go beyond your local area, there is an extra level of sorting that may be required. When you pick up your supplies at the Post Office, ask for Labeling List L004, which will identify each ADC group.

3. Determine your Rate. For letters, you may qualify for even further discounts whenever you have at least 150 pieces going to the same 3-digit ZIP Code. Put all of your 5-digit and 3-digit packages into groups by each 3-digit ZIP Code Area. If you have at least 150 pieces to a single 3-digit ZIP Code Area, those pieces will qualify for the lower 3/5 letter rate. If you do not have at least 150 pieces going to the same 3-digit ZIP Code, that mail will qualify for the Standard Mail basic letter rate. For flats, the postage rate you pay depends on whether you have at least 125 pieces or 15 pounds.

4. Making trays. The post office has strict guidelines on how your mail needs to be assembled (in trays or sacks) depending on the type of mail and the level of presort you qualify for. You can find out more information from the Postal Service, or by reviewing the booklet "Getting Started with Standard Mail."

6 PREPARING YOUR POSTAGE STATEMENT

When your mailing is ready, you'll need a postage statement to document the amount of postage to pay for your mailing. They are a few different versions of forms, depending on how you have chosen to pay for postage. (For example, for metered mailings, the form to use is 3602-R.)

These postage statements are available on the Postal Service website at www.usps.com. There you will also be able to access a Postage Statement Wizard, a free interactive program that will do all the calculations for you.

With your mail prepared, and postal statement complete, simply bring your mail into the post office where your permit is held. Be sure to bring all of your mail, a signed and dated postage statement, any supporting documentation (for example, the tally sheet where you counted how many pieces were in each package). If you owe additional money for postage, please bring a check or cash. The postal clerk will check to make sure that you've prepared your mail properly. (If it's your first time, don't

Checklist for Mailers

Think you're finished? The Postal Service recommends that you use this checklist to make sure you've completed every step.

- Decide on a class of mail
- Create your mailpiece
- Get an address list
- Check the accuracy of your address list
- Address your mail
- Choose a postage payment method
- Get a mailing permit
- Pay an annual mailing fee
- Get supplies
- Sort the mail
- Prepare the containers of mail
- Fill out a postage statement
- Go to the post office

be surprised if your mailing needs a little "fine tuning" – the postal clerk will help you fix anything that is not perfect). And you're done!

Mailing is an integral part of most business operations. If you occasionally have large mailings – you may find that you can save a lot of money by using Presorted Standard Mail. Even if you only send a few hundred pieces at a time, doing the work required to send Standard Mail can save you hundreds of dollars a year. As a member of the Pitney Bowes family, we hope you'll be able to take advantage of some of the tips, ideas and practices outlined above.

You postage meter provides you with many of the tools to start saving right away. For more information on Pitney Bowes products – including other ways to promote your business – we invite you to visit our website at www.pitneyworks.com.

THANK YOU FOR CHOOSING PITNEY BOWES
FOR YOUR MAILING AND SHIPPING NEEDS.

