
CHAPTER 9. REIMBURSEMENT TO THE U.S. POSTAL SERVICE FOR POSTAGE

- 9-1. Estimate of Anticipated Mail Costs. The Department is required to provide the U.S. Postal Service, by September 1 of each year, with an estimate of postage costs for the subsequent fiscal year. The estimate is based on the cost of the past year, correlated with projected volume trends.
 - 9-2. Mail Cost Adjustments. Adjustments will be made in the payments for mail costs based on mail samplings made during the current year. Year-end adjustments, reflecting data from samplings, must be included in the annual report made by November 30.
 - 9-3. Reporting Requirements. Postage Accountability Reports, Form HUD-706, are required from mail facilities and offices that place Departmental official mail into the U.S. mailstream. These reports provide information necessary to determine the amount of reimbursement to the U.S. Postal Service. The reports include data on semiannual samplings of regular mailings and a complete actual count of all supplemental bulk mail, including mailings performed by printer-mailer and mailer contractors on contract to the Department. (See paragraph 9-6c.) Reports shall not include Express Mail or Business Reply Mail services, which the U.S. Postal Service bills separately.
 - 9-4. Regular and Special Services. During the two random sampling periods selected by the U.S. Postal Service, an accurate record of envelopes and packages, cards and third-class and special services shall be kept. During the sampling periods, all outgoing mail should be dispatched from one central point in small offices and through designated mail facilities for larger offices so that an accurate mail count may be obtained. Rates for mailing pieces are based on class of service, size and weight. It is not necessary to weigh any mail during sampling periods. When the weight is required to determine the rate, estimate the weight.
 - 9-5. Daily Workload Tally Report of Official Mailings. Form HUD-97, Daily Workload Tally Report of Official Mailings (Appendix 17), is used for keeping a record of items mailed to be included on Form HUD-706, Postage Accountability Report. Offices with a small volume of mailings may not require a separate Form HUD-97 for each day, and one or two Form HUD-97's may be adequate for the entire sampling period.
 - 9-6. Postage Accountability Reports. Form HUD-706, Postage Accountability Report (Appendix 18), shall be used by all HUD organizational elements in Headquarters and the Field for reporting postage. Use Part I, Regular Mailings, Page 1 for sampling envelopes and packages, cards, third-class single piece and special services and Part II, Supplemental/Bulk Mailings, Page 2, for actual internal mailings,
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and a separate Form HUD-706, Page 2, to report contractor mailings. (See paragraph 9-6c below.) A zero (0) must be shown in any box for which there is nothing to report. This will indicate that there has not been an oversight or omission in filling out the report. If there are no in-house supplemental/bulk mailings to report on Page 2 of the form, check the box at the top showing "none" and disregard the remainder of that side of the form. Registered, certified, return receipts, restricted delivery, special delivery and address corrections shall be included under Special Services and also under "Regular Mailing" because the cost of these services is in addition to the regular postage.

- a. Form HUD-706, Postage Accountability Report (Regular Mailings). Use all items on Page 1, "Regular Mailings", for reporting regular sample mailings only. The preprinted figures in the "unit rate" column represents the postage rates established by the U.S. Postal Service for each mail category.
 - b. Form HUD-706, Postage Accountability Report (Supplemental/Bulk Mailings). An accurate record of all supplemental/bulk mailings shall be maintained throughout the year and reported per instructions contained on Page 2 of HUD-706. Report any unusual quantities of mailings which would not ordinarily be reflected in the regular sampling period, such as:
 - (1) Voluminous periodic mailings--once a year, semi-annually, quarterly, monthly, etc.
 - (2) Any other special type mailings outside the Department which reflect a large volume. As stated in paragraph 9-6a above, the preprinted figures are the rates of payment set by the U.S. Postal Service for the various categories (See Appendix 18.)
 - c. Mailing by Commercial Mailers and Printing Contractors. When the Department utilizes interagency agreements, commercial mailers, or printing contractors to perform official mailings through the use of the Departmental permit imprint, whether mailing labels or printed mailing pieces are furnished or the permit is printed by the contractor, actual counts of these mailings must be reported for each individual contractor in Part II, on Page 2 of a separate Form HUD-706. These mailings shall be identified with the name of the commercial mailer, printing contractor, or interagency agreement as the case may be.
 - (1) In cases where Form HUD-97.1, Record of Supplemental/Bulk Mailings, is completed on a daily basis for this type of mailing, they shall also be identified in the same manner as stated above. (See Appendix 19.)
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- (2) When Departmental mailing services are required by printing requests to the Government Printing Office (GPO), the GPO requires each contractor to verify each mailing and provide a Form PS-3602-G, Statement of Mailing with Penalty Permit Imprints, in duplicate.
- (3) When contracts or interagency agreements contain mailing requirements that provide for payment of postage by the contractor or another Government agency, the Departmental indicia or permit imprint shall not be used by that activity.

9-7. Submission of Reports. One copy of the completed Postage Accountability Report on Form HUD-706 shall be submitted as prescribed below:

a. Field

- (1) Field Offices. Field Offices under the direct jurisdiction of a Regional Office will send the Report directly to the Regional Office within ten (10) work days following the sampling period. Reports from offices in paragraph 2 below are not to be consolidated with any other reports.
- (2) Other Field Components - Category D and/or Valuation Stations. These offices shall send the Report through the appropriate organizational channel on the first business day following the sampling period. These reports are not to be consolidated with any other reports.
- (3) Regional Offices. Collect Reports from subordinate Field Offices. When all Reports have been submitted by subordinate offices, forward them and Regional Office Reports to the Mail Management Officer, ASB, within fifteen (15) work days following the sampling period. Do not consolidate any information on subordinate Office Reports with the Regional Office Report.

b. Headquarters

Facilities Operations Division. After all Headquarters, Regional, Field Office and other Field component Reports are received for the sampling periods, prepare a consolidated Departmental Report as follows:

- (1) Form HUD-706 Part I - Regular Mailings. Total the quantity of mailings by class and rate for all Reports. Determine volume of annual mailings.
 - (2) Form HUD-706 Part II - Supplemental/Bulk Mailings. Total the quantity of mailings by class and rate for all Reports.
 - (3) Form HUD-706 (Commercial Mailers and Printer-Mailer Contractors). Total the quantity of mailings by class and rate for all contractor type Reports.
 - (4) Semi-Annual Volume. Use the results of computations of Regular Supplemental/Bulk Mailings and contractor type mailings to determine the projected semi-annual volume of HUD mailings.
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