

VOLUME 10, CHAPTER 16: “PAYMENT FOR POSTAL SERVICES AND SMALL PACKAGE DELIVERY COSTS”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [March 2018](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions, and added source references throughout.	Revision
1.1 (160101)	Added a reference to Chapter 8 for general payment policies due to the deletion of redundant detailed references from section 1602 (previous version).	Revision
160102.B.2 (Previous Version)	Removed the subparagraph that referenced to General Services Administration’s Bulletin G-02, “Conversion to Commercial Payment Processes for Postage,” which expired April 13, 2010.	Deletion
1.2.3 (160102.C)	Updated the regulatory reference for appointing Official Mail Managers (OMM) to the DoD Instruction (DoDI) 4525.09, “Military Postal Service,” which canceled and replaced DoDI 4525.08.	Revision
21602 (Previous Version)	Removed section 1602 (previous version), as it was redundant of general payment policies contained in Chapter 8.	Deletion
2.1.2 (160201.B)	Revised policy concerning the methods of payment for postage, to incorporate the U.S. Postal Service’s transition from the Centralized Account Processing System to the Enterprise Payment System, for eligible products.	Revision
3.1 (160301)	Updated the minimum General Schedule (GS) grade level for OMM appointments for DoD civilians from GS-6 to GS-9 in accordance with DoDI 4525.09.	Revision

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CHAPTER 16

PAYMENT FOR POSTAL SERVICES AND SMALL PACKAGE DELIVERY COSTS

1.0 GENERAL (1601)

*1.1 Purpose (160101)

This chapter provides DoD policy on processing payments to the U.S. Postal Service (USPS) for various types of postal services, to non-Government service providers, and for commercial small package delivery costs. Refer to Chapter 8 for additional information concerning general payment policies such as electronic invoicing requirements, prevalidation, the use of electronic and digital signatures, supporting documentation requirements, and the requirement for tax identification numbers. Volume 5, Chapter 5 provides policy concerning payment certification requirements.

1.2 Authoritative Guidance (160102)

1.2.1. [Title 41, Code of Federal Regulations \(CFR\), Part 102-192](#) prescribes policy for mail management in Federal agencies.

* 1.2.2. [Title 39, CFR 501.15](#) provides policy on the Computerized Meter Resetting System (CMRS).

* 1.2.3. The [DoD 4525.8-M](#), “DoD Official Mail Manual;” DoD Instruction [\(DoDI\) 4525.09](#), “Military Postal Service (MPS);” and [DoD Directive 5101.11E](#), “DoD Executive Agent for the Military Postal Service (MPS) and Official Mail Program (OMP),” contain policy for official DoD mail management.

2.0 PAYMENTS (1602)

2.1 Methods of Payment for Postage (160201)

2.1.1. [Title 41, CFR, Subpart B, § 102-192.50](#) establishes the following payment policy and methods for paying the USPS:

2.1.1.1. The U.S. Department of Treasury (Treasury) Intragovernmental Payment and Collection (IPAC) process associated with the Official Mail Accounting System (OMAS);

2.1.1.2. The USPS Centralized Account Processing System ([CAPS](#)) associated with commercial payments; or

2.1.1.3. Another Treasury approved means of paying the USPS.

* 2.1.2. Effective April 1, 2019, the USPS required the migration of eligible mail services and products from CAPS to their new Enterprise Payment System (EPS) (see [USPS.com](#)). Products not currently supported by the EPS will continue to be supported through CAPS. See [USPS PostalPro](#)

for additional information on supported products, as well as User Guides, Frequently Asked Questions, and fact sheets.

2.1.3. Payments made to service providers other than USPS must be made by Treasury payment methods such as automated clearing house (ACH) electronic funds transfer (EFT), or another Treasury approved means of paying the vendor.

2.2 Payment to Service Providers (160202)

Metered or permit-mail payments must be made using EFT transactions to commercial banks designated by the USPS as their financial agents (DoD 4525.8-M, Chapter 2, paragraph C2.7.2). Payments for postage may not be held in postal vendor accounts unless the DoD Component has statutory authority to do so, or it has received prior written approval from Treasury.

3.0 INSTALLATION OFFICIAL MAIL MANAGERS (OMM) (1603)

*3.1 OMM Appointment (160301)

The DoDI 4525.09 prescribes policy for installations, units, staff elements, and the DoD Components to appoint OMMs. Such appointment must be in writing, and the function is inherently Governmental. OMM appointments are reserved for commissioned, warrant, and noncommissioned officers (Enlisted-6 or higher), or DoD civilians (General Schedule-9 or higher). This requirement may be granted a waiver when the activity concerned has no personnel in the grades specified. Since the OMM function is inherently Governmental, those duties will not be contracted out.

3.2 OMM Responsibilities (160302)

Each installation has an OMM who is responsible for planning and coordinating outgoing postal and delivery purchases. The OMM must work closely with facility personnel to minimize postage requirements, and with managers to ensure that the person who makes the decision to send any significant number of pieces of mail is the same person who controls the funds for postage. OMMs are responsible for interpreting and carrying out the Private Express Statutes ([USPS Publication 542](#)) within their organization; acquisitioning use or disposition of supplies and property; budgeting for and the expenditure of appropriated funds for postage and fees; providing oversight for the monthly reconciliation of trust and debit accounts; and reporting requirements (General Services Administration (GSA) [Federal Management Regulation, Subchapter G, Part 102-192](#)).

3.3 DoD OMM Reporting (160303)

The DoD OMM must provide an annual Mail Management Report to GSA when the Agency's collective total payments for mail service expenditures equal or exceed \$1 million per fiscal year (GSA Federal Management Regulation, [Subchapter G, § 102-192.85](#)).

4.0 CENTRALIZED TRUST AND DEBIT ACCOUNTS (1604)

4.1 CAPS and Centralized Trust Accounts (160401)

DoD Components can establish a centralized trust account with the USPS by enrolling in CAPS prescribed by DoD 4525.8-M, [Chapter 2, section C2.7](#). The CAPS is an electronic postage payment system designed to make payment for all classes of mail easier and more cost effective. The CAPS provides electronic alternatives to making manual transactions and will enable the OMM to charge postal services at multiple locations, eliminating the need for trust accounts at numerous post office locations. Electronic reports are available to CAPS users that provide the capability to consolidate reports by types of mailing transactions, account, and defined date ranges. Reports are available in printed form and are import-compatible with most electronic reporting systems. Commercial pre-paid postage procurement options are:

4.1.1. Centralized trust account. DoD Components deposit funds electronically via standard ACH banking mechanisms, or Fed Wire, to the CAPS bank prior to mailing. The CAPS account is then reduced automatically as local offices process postage statements.

4.1.2. Centralized debit account. DoD Components designate a debit-enabled bank account for postage charges. The bank debits the account for the total day's postage on the next bank business day.

4.1.3. Government Purchase Card. The GSA Smart Pay credit card may be used for all transactions for which the USPS accepts the card. Use the CAPS or CMRS trust account instead of a GSA Smart Pay card when there is a choice ([DoD 4528.8-M, paragraph C2.7.1.2.2](#)).

4.1.4. Advance Deposit Trust Accounts. Advance deposit trust accounts at local post offices may be used when one of the preceding methods are not available. The use of advance deposit trust accounts is not authorized at military post offices ([DoD 4528.8-M, Appendix 1, Part III.10](#)).

4.2 Availability of CAPS Accounts (160402)

The use of CAPS accounts is a local decision. CAPS accounts are not available at overseas military post offices. CAPS accounts are established to include customer meter advance deposits, business reply mail (BRM) advance deposits, and permit imprint advance deposits. A payment into a centralized trust or debit account is an advance deposit payment to the post office. The OMM must monitor and reconcile the established centralized trust or debit account to ensure receipt of services that were paid in advance. If the OMM establishes one or more centralized trust or debit accounts, then the OMM maintains a record of all transactions in each account and is responsible for each account balance.

4.3 Centralized Trust and Debit Account Payment Process (160403)

4.3.1. The OMM must request funds to set up or replenish each centralized trust or debit account by preparing and submitting a [Standard Form \(SF\) 1034, Public Voucher for Purchases and](#)

Services Other Than Personal. The OMM must ensure funds are available and approved by the designated approving official and a properly appointed certifying officer.

4.3.2. The OMM charges postal services against a trust or a debit account as required. Each time there is a charge to a centralized trust account or debit account, the USPS issues a receipt. The OMM verifies services received on the postal receipt and reduces the advance based on the amount shown on the receipts. The OMM must identify receipts to each trust or debit account.

4.3.3. One SF 1034 can establish or replenish more than one trust or debit account. The SF 1034 must identify the amount to be deposited into each particular centralized trust account or debit account. Once the designated finance and accounting office makes a deposit into an account, the OMM has limited authority from the USPS to transfer funds between trust or debit accounts. If a transfer between accounts is necessary, then the OMM must coordinate the transaction with the designated finance and accounting office and the USPS. The designated finance and accounting office must use an [Optional Form 1017-G](#), Journal Voucher, or equivalent to record the transfer between accounts.

4.3.4. The OMM must reconcile the trust accounts monthly with the USPS transactional documentation as required by DoD 4525.8-M, [Chapter 2, paragraph C2.7.5](#). The designated finance and accounting office confirms the balance in each centralized trust account or debit account monthly with the OMM. The OMM must provide documentation to support any unexplained difference and report those findings to the Comptroller of the designated finance and accounting office. Any unresolved discrepancy must receive a joint review by the OMM and the designated finance and accounting office. Service specific, or locally developed, automated or manual worksheets must be used to assist with the reconciliation process to provide a greater tracking capability of postal expenditures. All Official Mail and Distribution Centers must maintain this information. The OMM must submit a written letter to the USPS to correct account errors.

4.3.5. Advance payments for any centralized trust account or debit account are limited to the postal requirements of the current quarter. The designated finance and accounting office, and the OMM, must review balances versus the postal requirements on a monthly basis. When required, the OMM must adjust the balances by allowing the trust account or debit account to decrease with subsequent use, or by the OMM submitting a request (SF 1034) to designated finance and accounting office to deposit more funds to support the quarterly postal requirements.

4.3.6. There are cases where the USPS refunds cash for unused services in a trust or debit account. The OMM mail manager must provide a written request to the USPS to process the refund to the appropriate DoD Component account via IPAC or EFT. If the USPS cannot send the refund via IPAC or EFT, then the OMM must request a reimbursement by check from the USPS using a [Postal Service \(PS\) Form 3533](#), Application for Refund of Fees, Products and Withdrawal of Customer Accounts. Every copy of this form is uniquely barcoded and is no longer available online at the USPS website. The OMM must contact the local Post Office to secure a PS 3533 for each refund transaction. The OMM will submit the USPS refund check to the designated disbursing office with a DoD [\(DD\) Form 1131](#), Cash Collection Voucher, for deposit as a collection.

5.0 POSTAL METERS (1605)

5.1 CMRS Agreements (160501)

DoD customers must enter into an agreement with the USPS for authorization to use postage evidencing systems (e.g., via electronic click-through or contract signature), in conjunction with executing a separate agreement with an authorized provider for rental, lease, or use of a postage evidencing system as prescribed by the [Domestic Mail Manual, section 604.4.0](#), “Postage Meters and PC Postage Products (“Postage Evidencing Systems”).” The [PS Form 3615](#), Mailing Permit Application and Customer Profile, must be completed and submitted to the USPS if the DoD mailer will be using a postage evidencing system.

5.2 Commercial Meter Settings (160502)

In accordance with 39 CFR 501.15, the USPS accepts payment through ACH transfers, EFT, and check for resetting postal meters. For overseas check payments, the mail manager requests an EFT payment by submitting an SF 1034 with appropriate supporting documentation. The designated payment office must make the EFT payable to the USPS licensed vendor. The designated disbursing office releases the funds to the USPS Accounting Service Center, and upon validation and verification, the USPS forwards the funds to the licensed vendor. Upon receipt of the funds by the USPS Accounting Service Center, the postage meter vendor will reset the metering account over an analog line or internet secure line. For guidelines on preparing the SF 1034 for payment and additional information on postal meters, refer to DoD 4525.8-M, Chapter 2, sections C2.7 and C2.11.

5.3 Refunds for Spoiled Meter Tapes (160503)

The OMM may receive refunds from the USPS for spoiled meter tapes, or other types of unused services previously paid. The USPS will issue a refund in the amount remaining in a customer's CMRS account, after the customer provides a written request to the provider. The refund request must meet the USPS approved minimum amount and time frame (39 CFR 501.15(h)). Subparagraph [160403.F](#) contains the guidelines for requesting refunds. The DoD 4525.8-M, Chapter 2, [paragraph C2.11.3](#) provides additional information about refunds.

5.4 Remote Meters (160504)

DoD Components can reset postal meters using a remote method. Title 39, CFR 501.15 provides the legal authority for using the CMRS and contains details about this payment process.

6.0 MISCELLANEOUS PAYMENTS (1606)

6.1 Official Business Envelopes (160601)

The Defense Logistics Agency (DLA) Document Services serves as the DoD single manager for printing services ([DoDI 5330.03](#)). All DoD Components must procure official business envelopes, and other document services, from DLA at the [DLA Document Services](#) link.

6.2 Postage Stamps (160602)

All DoD activities must use only prepaid postage (DoD 4525.8-M, [Chapter 2, paragraph C2.7.1](#)). In instances where the environment will not support the electronic processes, the OMM that purchases postage stamps for official use from the local post office may use a Government purchase card. All working postal accounts advanced by the USPS must be audited at least once monthly by responsible commanders or their designated representatives, postal officers, and Military Post Office supervisors, as required by DoD standards outlined in [DoD 4525.6-M](#), “Department of Defense Postal Manual,” Chapter 12, [paragraph C12.3.5.1](#).

6.3 BRM (160603)

6.3.1. Specially printed postcards, envelopes, cartons, and labels may be mailed without postage prepayment. Postage and fees are collected when the mail is delivered back to the original sender. This domestic service enables authorized mailers to receive First-Class Mail, without prepaid postage, from customers by paying the postage and a fee upon return receipt of the mail pieces. The OMM obtains a new commercial BRM permit by submitting a PS 3615 to the local post office. The OMM uses a copy of the completed PS 3615 to support the SF 1034. Attach a postal receipt certified by the OMM to the SF 1034. For information on BRM, refer to the [Domestic Mail Manual, section 505](#) and the DoD 4525.8-M, Chapter 1, [paragraph C1.11.3](#).

6.3.2. A permit holder may choose to pay an annual account maintenance fee and establish an advance deposit account, which qualifies returned BRM pieces for the high-volume per piece charge. The account maintenance fee must be paid once each 12-month period at each post office where a permit holder holds an advance deposit account and only during the last 60 days of the current 12-month period. Refer to the Domestic Mail Manual, section 505.1.1.9 for the conditions in which an advance deposit account can be used.

6.4 Postage Due Costs (160604)

6.4.1. Under normal circumstances, postage due mail is not accepted by DoD mail rooms. Postage due mail is returned to the sender at the sender's expense.

6.4.2. An exceptional circumstance is when DoD Components are engaged in a hostile environment, or operating under arduous conditions. Those units can send official matter through the USPS when postage is not available. The addressee will not refuse the postage due penalty mail received from military units engaged in hostile operations, and is obligated to pay the cost of postage. Refer to DoD 4525.8-M, Chapter 2, section C2.14 for additional details on penalty due postage.

6.4.3. Government agencies using penalty mail must pay postage due through an OMAS postage due account. Government agencies may no longer use penalty meter strips, or penalty mail stamps to pay postage due ([Domestic Mail Manual, section 604.6.3](#)).

6.5 Address Correction Costs (160605)

In accordance with the DoD 4525.8-M, Chapter 2, Figure C2.F1, costs for address correction in CAPS is an ancillary service and must be paid by EFT. Supporting documentation must accompany each payment request for processing.

6.6 Express Mail (160606)

Payment for express mail is made with stamps, metered postage, or through an express mail corporate account (DoD 4525.8-M, Chapter 1, paragraph C1.10.4). This account is similar to a trust account officially authorized by the OMM. Payments into an express mail account are advances to the USPS, and these deposits are controlled similarly to trust account payments; refer to section 1604. The OMM submits PS Form 5639, USPSCA Application and Payment Authorization Form, to establish the account. The USPS provides the OMM with a statement each month. The OMM must reconcile this account with the USPS at least once a month. The designated finance and accounting office confirms the balance in the account with the OMM monthly.

7.0 SMALL PACKAGE DELIVERY COSTS (1607)

7.1 Commercial Service (160701)

DoD Components may elect to use commercial bills of lading or commercial procedures, and payment practices to the maximum extent possible (41 CFR 102-118.130), rather than Government Bills of Lading, to procure express transportation services for small package shipments weighing up to 150 pounds.

7.2 Terms and Conditions (160702)

Commercial shipments are subject to the terms and conditions set forth in 41 CFR 102-118, and any other applicable contract or agreement of the carrier for the transportation of shipments for the United States. Freight loss and damage claims against commercial carriers using these procedures are processed according to 41 CFR 102-118.450 through 41 CFR 102-118.540.

7.3 Method of Payment (160703)

The approved method for billing and payment of commercial small package express shipments is the authorized electronic processes used by DoD for transportation. In instances where the environment will not support the electronic processes, or business reasons preclude the use of these processes, a waiver may be requested from the Office of the Secretary of Defense (Transportation Policy) in accordance with the Defense Transportation Regulation, Chapter 212, section C.3. Waiver requests must contain detailed justification as to why electronic means cannot be used, and a proposed future date when the electronic requirement will be met.