



- P000 Basic Information
- P010 General Standards

## P014 Refunds and Exchanges

**Summary** P014 describes the process of postage refunds and exchanges. There are certain standards under which refunds can be made. A refund may be requested for excess postage, metered postage and Express Mail.

### 1.0 STAMP EXCHANGES

**USPS Fault** 1.1 The post office may correct mistakes in selling damaged, defective, or otherwise unserviceable stamps by exchanging stamps at full postage value.

**Damaged in Customer's Possession** 1.2 Stamps that are damaged or otherwise unusable for postage (because of humidity, moisture, or other causes) while in a customer's possession may be exchanged only for an equal number of stamps of the same denomination. Unusable stamps accepted from a customer under these conditions must be those on sale at post offices within 12 months before the transaction. Quantities of the same denomination over \$10 must be returned in the same configuration as when bought, i.e., sheets, coils, booklets. Each such transaction is limited to \$100 worth of postage from each customer.

**Condition and Quantity** 1.3 The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If coils of stamps are partially stuck together and cannot be counted, the postmaster may accept the customer's estimate of the number of stamps left in the coil and give equal quantities in exchange.

**Appeal** 1.4 Any customer denied an exchange for damaged stamps may appeal the postmaster's decision to the [Consumer Advocate, USPS Headquarters](#) (see [G043](#) for address).

**Purchase Error** 1.5 If a customer bought the wrong denomination stamps (or the wrong kind, size, or denomination envelope), they may be exchanged at full postage value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of stamped cards may be exchanged. A customer exchanging \$250 or more of such stock must show proof of identity (e.g., a driver's license) and must present the stock for exchange to the postal unit from which his or her mail is delivered.

**Exchange of Spoiled and Unused Postal Matter** 1.6 Unusable and spoiled stamped envelopes or stamped cards, if uncanceled, and unused precanceled stamps and stamped cards, are exchanged for other postage-stamped paper. Only the buyer may exchange stamped envelopes or aerogrammes (airletter sheets) with a printed return address and stamped cards with any printed matter of the buyer. If there is no purchaser's printing, any responsible person may exchange them. These conditions apply:

- a. Stamped envelopes (mutilated no more than is necessary to remove contents): postage value plus value of postage added because of a rate increase or for additional service.
- b. Unmutilated aerogrammes (airletter sheets): postage value minus \$0.01 for each aerogramme redeemed.
- c. Unmutilated single and double stamped cards: 85% of postage value, plus full value of postage added because of a rate increase or for additional service. Either half of a double stamped card may be redeemed, if the double

card is printed and cut for use as single cards. Unused double stamped cards printed for reply should not be separated but, if they are separated in error and the buyer presents both halves, the cards may be redeemed. Reply halves of double stamped cards returned to sender outside of the mail are not redeemable by the original buyer, even though the reply half received no postal service.

- d. Sheet stamped cards spoiled when cut to size: 85% of postage value plus full value of postage added because of a rate increase or for additional service, if all cut sections are submitted.
- e. Stamps affixed to commercial envelopes and postcards: 90% of postage value. Envelopes and postcards must be in substantially whole condition and in lots of at least 50 of the same denomination and value.
- f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders: 90% of postage value.

### **Stamps Converted to Other Postage Forms**

1.7

A customer may submit postage stamps for conversion to a meter-setting or advance deposit for permit imprint mailings, subject to these conditions:

- a. Only full panes of postage stamps (or coils of stamps in the original sealed wrappers) are accepted for conversion. Accepted stamps include commemorative stamps issued no earlier than 1 year before the requested conversion date or regular stamp issues not officially withdrawn from sale.
- b. A request for stamp conversions must be in writing to the district manager of Customer Service and Sales of the district where the customer's post office is located. The customer's request must include:
  - (1) Name, denomination, quantity, and value of postage stamps for which conversion is requested.
  - (2) Name of the post office where the stamps were bought.
  - (3) Evidence of purchase of the stamps.
- c. The amount of postage applied to a meter-setting or permit imprint advance deposit account through conversion is the full face value of the stamps.
- d. The district manager may ask the customer to submit additional records to support the information in the request. After reviewing the documentation, the district manager approves or denies the request. The customer is notified when the conversion is approved. The postmaster is advised of the procedures for accepting the stamps and making the required accounting entries.
- e. No part of any amount applied to a meter-setting or advance deposit account from the conversion of postage stamps is later refundable in cash or by any other means.

### **Not Exchangeable**

1.8

The following postage items are not exchangeable:

- a. Adhesive stamps, unless mistakes were made in buying, stamps were defective, stamps were affixed to commercial envelopes and postcards, or under 1.7.
- b. Stamps cut from stamped cards, stamped envelopes, or aerogrammes (airletter sheets).
- c. Parts and pieces of stamped cards.
- d. Stamped cards, stamped envelopes, and aerogrammes received for reply.
- e. Mutilated and defaced stamps.



## 2.0 POSTAGE AND FEES REFUNDS

### Refund Standards

2.1

A refund for postage and fees may be made under:

- a. The standards below if postage and special or retail service fees are paid and no service is rendered, or if the amount collected was more than the lawful rate.
- b. 3.0 for refund requests made at a time other than the time of mailing (including refunds for postage and fees paid by stamps, permit imprints, or meter impressions, refunds of unused meter impressions and unused units set in meters, and refunds for retail services and fees not paid by stamps, permit imprints, or meter impressions).
- c. 4.0 for refund requests for postage made at the time of mailing.
- d. P021 for rejected personalized envelopes.

### Ineligible Matter

2.2

The USPS is presumed at fault and no service is rendered in cases involving returned articles improperly accepted in either domestic or international service because of excess size or weight. Any mailer who customarily weighs and rates mail is expected to be familiar with basic standards. The USPS is not at fault if the mailer is required to withdraw articles from the mail before dispatch.

### Torn or Defaced Mail

2.3

If First-Class Mail or Standard Mail (B) is torn or defaced during USPS handling so that the addressee or intended delivery point cannot be identified, the sender may receive a postage refund. This applies only when the failure to process and/or deliver is the fault of the USPS. Where possible, the damaged item is returned with the postage refund.

### Full Refund

2.4

A full refund (100%) may be made when:

- a. The USPS is at fault.
- b. Postage or fees are paid in excess of the lawful rate.
- c. Service to the country of destination is suspended.
- d. Postage is fire-scarred while in USPS custody (including in the letterbox), and the mail is returned to sender without service.
- e. Special delivery stamps are mistakenly used to pay postage, and the mail is returned to the sender without service.
- f. Fees are paid for special handling, certified mail, or Delivery Confirmation and the article fails to receive the special service for which the fee is paid.
- g. Surcharges are mistakenly collected on domestic registered mail or collected over the proper amount, or represented by stamps affixed to matter not actually accepted for registration.
- h. Fees are paid for return receipt or for restricted delivery, and the USPS (through fault or negligence) fails to furnish the return receipt or its equivalent, or makes erroneous delivery or nondelivery.
- i. [8-10-00] An annual mailing fee is paid for Presorted First-Class Mail, Standard Mail (A), destination entry Parcel Post, Presorted Special Standard Mail, or Presorted Library Mail and no mailings are made during the corresponding 12-month period.
- j. Customs clearance and delivery fees are erroneously collected.
- k. Fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.



- I. Express Mail is not delivered according to the applicable service standard. No refund is made if the mail was properly detained for law enforcement purposes (see *Administrative Support Manual 274*).

**Partial Refund—Meter Stamps**

2.5

A partial refund for complete and legible unused meter stamps is made when they are submitted within 1 year from the dates shown on the stamps. If the face value of the stamps is \$250 or less, 90% is refunded. If the face value is more than \$250, refund is made for the face value of the stamps minus \$10 per hour for the actual hours to process the refund; the minimum charge is \$25.

**Intercepted Mail**

2.6

When mail is returned at the sender's request or for a reason not the fault of the USPS, any difference between the amount paid and the appropriate surface rate chargeable from mailing office to interception point and return is refunded.

**Unallowable Refunds**

2.7

**[3-9-00]** The limits on refunds are not intended to prohibit payments for unused adhesive stamps and adhesive stamps affixed to unmailed matter in connection with an authorized marketing program. Refunds are not made for the following:

- a. An application fee to use permit imprints.
- b. Collect on delivery (COD), Express Mail insurance, insured, and registered fees after the USPS accepts the article, even if the article is later withdrawn from the mail.
- c. Unused adhesive stamps (may be exchanged under [1.1](#) through [1.5](#)).
- d. Adhesive stamps affixed to unmailed matter.

**Applying for Refund**

2.8

The customer must apply for a refund on Form 3533, submitted to the postmaster, and must provide the envelope, wrapper, or a part of it showing the names and addresses of the sender and addressee, canceled postage and postal markings, or other evidence of postage and fees paid for which the refund is requested.

**Ruling on Refund Request**

2.9

The local postmaster grants or denies requests for refunds under [2.0](#). The customer may appeal an adverse decision through the postmaster to the [RCSC](#). A mailer's request for a refund for an Optional Procedure (OP) mailing must be submitted to the [RCSC manager](#).

**Breast Cancer Research Semi-Postal Stamps**

2.10

Customers may exchange or convert Breast Cancer Research semi-postal stamps for their postage value, i.e., the price of the stamps less the contribution amount, to the extent exchange or conversion of postage stamps is permitted under [P014](#).

The postage exchanged or converted is equivalent to the First-Class Mail single-piece rate in effect at the time of exchange. The contribution amount is not included in the exchange or conversion value.

**Stamps Affixed to Business Reply Mail**

2.11

**[11-2-00]** A business reply mail (BRM) permit holder may request a credit or refund for postage stamps affixed to returned BRM pieces. Only the value of the postage stamps affixed may be credited or refunded. Refunds are not given for foreign postage stamps. Refunds are not given for any BRM or QBRM per piece charges, annual accounting fees, or monthly maintenance fees. To receive a refund for postage stamps affixed to returned BRM pieces, the permit holder must submit a completed Form 3533 to the postmaster, documenting the excess postage payment for which a credit or refund is desired. The permit holder also must present to the designated office properly faced and banded packages of 100 identical BRM pieces with identical amounts of postage affixed. A charge of \$15 per hour, or fraction thereof, is assessed for the workhours used to process the refund. With permission from the postmaster, a BRM permit holder may submit a package with fewer than 100 BRM pieces.



### 3.0 REFUND REQUEST FOR METERED POSTAGE

**Unused Meter Units**  
3.1 The postage value of unused units in a meter being checked out of service may be refunded or an equivalent amount may be transferred to another meter used by the same license holder. If the meter is withdrawn from service for faulty mechanical operation, a final postage adjustment or refund may be withheld pending the meter manufacturer's report of the cause of faulty operation. If the meter is damaged by fire, postage is refunded or transferred only if the registers are legible, or can be reconstructed by the meter manufacturer.

**Unused Meter Stamps**  
3.2 Unused meter stamps are considered for refund only if complete and legible, submitted with Form 3533 within 1 year of the date in the meter stamp, and part of the envelope or wrapper showing the addressee's name and address (including the window on a window envelope). Meter stamps printed on labels or tapes not stuck to wrappers or envelopes must be submitted loose. If a part of the stamp is printed on one envelope or card and the remaining part on another, the two must be fastened together to show that they represent one stamp. Refunds are allowable for stamps on metered reply envelopes only when it is obvious that an incorrect amount of postage was printed on them. Envelopes or address parts of wrappers on mail returned to sender from the mailing office, marked to show no effort was made to deliver (e.g., "Received without contents"), must be submitted separately with an explanation.

**Ineligible Meter Postage Items**  
3.3 The following meter postage items are ineligible for refunds:

- a. Meter reply envelopes or cards paid at the proper postage rate.
- b. Meter stamps printed on labels or tape removed from wrappers or envelopes.
- c. Meter stamps lacking a date or the post office and state name.
- d. Meter stamps printed on mail dispatched and returned to sender as undeliverable as addressed, including mail marked "No such post office" and mail addressed for local delivery and returned after directory service was given or delivery was attempted.

**Rounding**  
3.4 Any fraction of a cent in the total to be refunded is rounded in favor of the USPS (e.g., \$4.187 is rounded to \$4.18).

### 4.0 REFUND REQUEST FOR EXCESS POSTAGE (VALUE ADDED REFUND)—AT TIME OF MAILING

**Value Added Refund**  
4.1 Subject to the standards in this part, a *presenter* (i.e., the mailer or other party, such as a presort service bureau), who prepares First-Class Mail or Standard Mail (A) for customers and presents it to the USPS in their behalf, may request a *value added refund* (VAR) for postage affixed to mail in excess of the rate applicable to that mail when presented to the USPS. A presenter must be authorized by the USPS to seek the refund. Any refund is issued to the presenter, and the disposition of any such refund is a private matter between the presenter and the presenter's customer.

**Application**  
4.2 The presenter must make a written application to the postmaster serving each location where VAR mailings are to be deposited, verified, and paid. The application must describe the presenter's mail preparation system and the documentation that it can produce. The application must also show that the presenter can produce the postage statements and the refund documentation required by 4.17. The postmaster forwards the application and supporting



- documentation for approval to the [RCSC manager](#) serving the post office where VAR mailings are to be entered.
- Mailer System**  
4.3 Eligibility to submit requests for VARs requires that the presenter process and document mail through a fully automated mail sorting system. The system must include barcoding equipment (e.g., multiline optical character readers) to read the address information and determine the correct ZIP+4 code; an ink jet or laser printer to apply the correct POSTNET barcode in the required location; and a barcode reader (BCR) to read the POSTNET barcode, verify it for accuracy, and sort the mailpiece to the correct location.
- Presenter Agreement**  
4.4 In applying for authorization to make VARs, the presenter agrees:
- That verification samples taken by the USPS represent the entire mailing and are to be used to adjust the total refund amount requested.
  - To provide the USPS with advance written notice of plans for system changes that affect the calculation of postage, amount of refund, generation of required documentation, or mail presorting.
  - To cooperate with the USPS during mail verification or system audits, and to process sampled mail through barcode readers (BCRs) when requested.
- Authorization**  
4.5 If the application is approved, an authorization to make refund requests is valid for a period not to exceed 2 years, subject to renewal after USPS review.
- Appeal**  
4.6 If the application is denied, the presenter may file a written appeal within 15 days through the [RCSC](#) to the [Mail Preparation and Standards manager, USPS Headquarters](#), who issues the final agency decision.
- Suspension**  
4.7 The [RCSC manager](#) may suspend an authorization after determining that the presenter does not meet the standards in [4.0](#).
- Cancellation**  
4.8 The [RCSC manager](#) may cancel an authorization for any of these reasons:
- The presenter consistently provides incorrect information and is unwilling or unable to correct the problem.
  - The presenter continually fails to meet the standards in [4.0](#).
  - No mailings are made under these procedures during any 12 consecutive months.
- Appeal of Cancellation or Suspension**  
4.9 A cancellation or suspension takes effect 15 days from the presenter's receipt of the notice unless, during that time, the presenter files a written appeal with the [RCSC manager](#) stating why the authorization should not be canceled or suspended. If the manager upholds the action, the appeal is forwarded to the [Mail Preparation and Standards manager, USPS Headquarters](#), who issues the final agency decision. A final cancellation takes effect 15 days after receipt by the presenter.
- Form 8096 Required**  
4.10 The presenter must provide the USPS with an original Form 8096 completed and signed by each of the presenter's customers who meter any pieces in the mailing for which a VAR is requested, and a list of those customers. (If metered postage is affixed to the pieces by an intermediate agent (not the presenter of the mailing) for the owner of the pieces, a signed Form 8096 must be on file from the agent whose meters were used to affix the postage.) Refund requests are denied if all required Forms 8096 are not provided.



- Form 8096 Not Required**  
4.11 Form 8096 is not required for a customer whose mail is metered by the presenter with the presenter's own meters. In such cases, the presenter must provide the post office where it submits refund requests with a list, in ascending numeric order, of its own meter numbers and those of any intermediate agent used for affixing postage to the presenter's clients' pieces included in the mailing.
- First-Class Mail**  
4.12 If a VAR request is submitted when a First-Class mailing is presented to the USPS, each piece in the mailing must be:
- Letter-size and weigh less than the applicable maximum weight for automation mail prescribed in [C810](#).
  - Part of a barcoded mailing prepared by the presenter.
  - Metered by the presenter or the presenter's customer at the Presorted First-Class or automation rates applicable to a piece of that weight, including the full postage for the second and third ounces, if applicable.
- Standard Mail (A)**  
4.13 If a VAR request is submitted when a Standard Mail (A) mailing is presented to the USPS, each piece must be letter-size, weigh less than the applicable maximum weight for automation mail prescribed in [C810](#), be part of an automation rate mailing, and be metered by the presenter or the presenter's customer at a nonautomation rate or at any automation minimum per piece rate. *Pieces for each entry must be prepared as a separate mailing if the destination entry rates are claimed.*
- Criteria for Mailing**  
4.14 A mailing for which a VAR request is submitted must meet these criteria:
- The presenter must process the mail for each customer so that the rate of postage affixed on each piece can be documented by customer, unless otherwise authorized by the [RCSC](#), and rate category.
  - Documentation must be kept showing internal quality control procedures done for each mailing submitted for which a VAR is claimed.
  - Mail must be prepared by the standards corresponding to the First-Class Mail or Standard Mail (A) rate claimed.
  - The presenter must be authorized by the [RCSC](#) to submit Standard Mail (A) mailings that contain both Regular and Nonprofit rate pieces under the applicable standards.
  - Each piece in the mailing for which barcodes are applied by an MLOCR must bear an automation marking that also describes the method of postage payment and the rate of postage affixed for metered and precanceled stamp mail or other postage information for permit imprint mail as described in [P760](#).
- Postage Statement**  
4.15 The presenter must provide a complete and accurate postage statement with each mailing annotated to show the presort option used to prepare that mailing, and reporting postage data based on the rate category for which each piece qualifies when presented to the USPS.
- Applying for Refund**  
4.16 To request a VAR, Form 3533 and supporting documentation as described below must be provided with the corresponding mailing at the time of mailing. After the time of mailing, refund applications are not considered. The entry office postmaster pays refunds weekly or on another schedule agreed to with the mailer.

**Documentation for Mailing**  
4.17

Mailers are required to submit or generate the following reports:

- a. Each mailing must be accompanied by all of the following documentation to enable the VAR request and the specific and efficient USPS verification of that request:
  - (1) Form 3533, *Application and Voucher for Refund of Postage and Fees*, if a net VAR refund is due.
  - (2) The applicable postage statement.
  - (3) Form(s) 3553, *Coding Accuracy Support System (CASS) Summary Report*.
  - (4) The USPS qualification report in standardized format detailing by ZIP Code the number of pieces qualifying for each rate by presort level. If plant-verified drop shipment (PVDS) is used for Standard Mail (A), a separate USPS qualification report must be generated for each entry destination.
  - (5) The USPS Summary ZIP Destination report in one of two standardized formats that lists by tray destination and rate category: each mail category, postage payment type, weight and rate affixed (report all postage affixed First-Class Mail pieces as weighing one ounce); number of pieces; dollar amount of postage affixed to those pieces; cumulative postage affixed; total postage; net postage due; cumulative postage due; and a running total of the number of pieces. If plant-verified drop shipment (PVDS) is used for Standard Mail (A), a separate USPS Summary ZIP Destination report must be generated for each entry destination. This report is not required if there is only one metered rate in the mailing. The RCSC may authorize submission of only portions of this report.
  - (6) The USPS Postage Summary in a standardized format. This report shows, by type of payment method, the total postage claimed for all pieces in the mailing by rate level and the total postage affixed by rate level. It also shows a grand total summary of postage affixed, postage claimed, and total postage due. If plant-verified drop shipment (PVDS) is used for Standard Mail (A), a separate USPS Postage Summary report must be generated for each entry destination.
  - (7) Other documentation that may be required by other standards for the rate claimed.
- b. The USPS Customer Mail Report must be generated for each mailing, but is required to be submitted to the USPS only when requested by USPS personnel for the resolution of errors (shortpaid and potential MLOCR profiling) detected in a specific mailing. The Customer Mail Report must list each customer by name and provide the following information about their mail: rate affixed, mail category including postage payment type, weight, total postage, postage affixed, number of pieces, cumulative number of pieces, number of pieces rejected, and total pieces fed.

**5.0 [7-13-00] EXPRESS MAIL POSTAGE REFUND****Who May Apply**  
5.1

A claim for a refund for Express Mail postage may be made only by the mailer (the sender of an Express Mail item or the holder of the Express Mail Corporate Account used to pay for postage).

**Conditions for Refund**  
5.2

A refund request must be made within 90 days after the date of mailing as shown in the "Date In" box on Label 11. A mailer may file for a postage refund only under one of the following circumstances:

- a. The item was not delivered.
  - b. Delivery was not attempted.
  - c. The item was not delivered or was not available for claim by the guaranteed time for the service used.
- Refunds Not Given**  
5.3 A refund claim will not be approved if the guaranteed service was not provided because of a work stoppage, a strike, or because the mail was properly detained for law enforcement purposes (see *Administrative Support Manual 274*).
- How to Apply for a Refund**  
5.4 The mailer must complete Part I of Form 3533, *Application and Voucher for Refund of Postage and Fees*, in duplicate and submit it, along with the original customer copy of Label 11, to any post office.
- Immediate Refund**  
5.5 If the USPS can determine immediately that the mailer is entitled to a refund and the Express Mail item had postage affixed, then the USPS refunds the postage immediately in cash or with a no-fee money order.
- Deferred Refund**  
5.6 If the USPS cannot determine immediately that the mailer is entitled to a refund, then the USPS researches the application and, if appropriate, issues a refund to the mailer within 5 business days.
- Refunds Through a Corporate or Agency Account**  
5.7 If the USPS determines that the mailer is entitled to a refund and postage was paid through an Express Mail Corporate Account or a federal government agency account, then the USPS refunds the postage by issuing a credit to that account within 5 business days.

