How to Recover Lost Postage
Background and Experience
Speaker: Adam Lewenberg

• President of Postal Advocate Inc.
  – The only mail audit and recovery firm in the US and Canada
  – Manage a portfolio of 58,000 pieces of mailing equipment for the largest US companies.
  – Speak and teach nationally on mail savings and industry trends.

• Industry Co Chair- Boston Postal Customer Council and Mail Systems Management Association. CMDSS and MDC Certifications.

• Featured Writer for Mailing Systems Technology Magazine.

• Worked for one of the largest mailing vendors for over 17 years
  – Director of national sales for presort, tabletop inserters, addressing hardware/software and green offerings.
  – Was one of the top 5 account managers nationally working with some of the nations top accounts.
Overview

1. What is dormant postage?
2. Why do funds get lost?
3. How did we get our information?
4. Where does the money go?
5. How much money is out there?
6. How to search for your money?
7. What can be done to avoid this in the future?
8. How can Postal Advocate help?
9. What are other areas of postage and equipment savings?
10. Summary
What is Dormant Postage?

• Postage funds that have not been used in at least a year that are most likely forgotten.

• Money is typically found in:
  – Postage meter funding accounts
  – On the postage meter
  – In unused USPS® permits
  – At the states unclaimed property offices
Why do funds get lost?

Top Reasons:
• Offices closures, mergers, acquisitions, or returned meters.
• Meter vendor changes.
• The money is expensed once sent in for postage.
• The advance account is used when funds sit idle in the prepaid (or vice versa).
• No centralized visibility to funds – Fragmented control
• Account owners may lack mailing expertise.
• Permits are forgotten and typically fragmented. Example:
  – Accounts Receivable - Business Reply Account
  – Marketing - Standard Mail permits at different Post Offices based on where mailing takes place.
  – Field Offices – Each with own Business Reply or Postage Due accounts.
Our Research

• Tried to figure out what happened to lost funds.
• Found 18,000 lost Pitney Bowes transactions turned over to 15 states as unclaimed property – Nothing from USPS or other vendors.
• Did multiple Freedom of Information Act requests to the USPS to get information.
• Had multiple meetings with different USPS account managers and management with no good answers on how to get access to the information.
• Wrote the Jan 14 cover article for Mailing Systems Technology exposing the issue “Has the Post Service been holding millions of mailer’s dollars?”
• The article prompted the USPS Inspector General to do a research project on Dormant Advance Deposit Permit Accounts. They acknowledged that funds are transferred as income to the USPS. USPS management did not want to make changes.
• Wrote the Jan 15 Cover article for Mailing Systems Technology with the findings of the report.
• Have had subsequent meetings with the Inspector General’s office where they are researching specific accounts to validate the issues.
Where does the money go?

Meter Vendors (From our research)

- Neopost, Hasler and FP - USPS®
- Pitney Bowes – Unclaimed Funds Offices throughout US –After they have held the funds for 2-5 years based on that states’ requirements.

USPS Permits

- Stays with USPS
  - After 2 years of inactivity they will send a letter.
  - If you do not retrieve your funds in 60 days of the notice, they transfer to a different GL account and consider it income.
  - No future notifications will be sent
  - Money can be redeemed with customer proof of account.
How much money is out there?

- **US Postage Meters** - 27% have been turned in since 2008 (USPS Meter Populations by Year)
  - Feb 08 = 1,513,455 Meters
  - Feb 15 = 1,104,144 Meters

- In 15 states, we found 18,000 funds turned over to the states as unclaimed property with Pitney Bowes as the holder. Estimated value $4.9 million. With all states, the value would be over $15 million.

- During the Fiscal Year 2012 and 2013 the USPS claimed “$15.6 million of customers’ unclaimed dormant account balances as income to the Postal Service during the same timeframe” FT-MA-15-001

**Estimated Value of Lost Funds = $108,000,000**
- Postage Meter Funds = $30,000,000
- USPS Permit Accounts = $78,000,000
How to search for your money? – Postage Meters

- Find account numbers of your current and past meters.
- Enter these account numbers online on the vendor’s website to see if any data is available.
- Contact your meter vendor to validate funds available.
- Fill out meter refund forms from the vendors.
- Check the unclaimed funds websites to see if funds were turned in. (Pitney Bowes only)
  - Tips for working with the states:
    - Check the states where the meter was returned.
    - Try multiple naming conventions.
    - Make sure to have proof of address and business name and in some cases vendor relationships.
    - Submit claims through the state’s websites.
    - Keep detailed records for follow up.
How to search for your money? – Permits

- Build a listing of current and past permit numbers. This can be done by:
  - Searching accounts payable records for where there was past expenses.
  - Working with your USPS Account Manager requesting lists of permits.
- Enter any permit accounts into the USPS Business Gateway to see what details can be found.
- Reach out to the local Post Masters of the closed permits to see what details they have and if they can validate balances.
- Fill out PS Form 3533 – Application for Refund of Fees, Products and Withdrawal of Customer Accounts form.
What can be done to avoid this in the future?

• Get reports from your vendors that list:
  – Account Numbers (Install, Lease, Prepaid and Advance Postage)
  – Lease Information – Rate, Term, End of Lease, Items covered
  – Meter rentals and maintenance agreements.
  – Model, serial number and description of every item.
• Enter your account numbers on the vendor websites.
• Monitor your inventory, invoices and postage balances online.
• Find all active locations with equipment.
• Centralize account payment for equipment and postage.
• Enter all USPS permit accounts on the Business Gateway.
• Set up a schedule for continual review.
How can Postal Advocate help?

- **Risk Free - Savings analysis at no charge or obligation**
- We work for you and have no vendor affiliations.
- We have helped our clients save and recover millions in fees, overcharges and lost postage.
- We are averaging 57% (Range 37-92%) equipment savings for the largest companies in the US and Canada. This totals over $20 million since 2013.
- **Expertise** – Over 200 years of mailing vendor experience on our team
- **Best-in-Class Tools** – We manage your mailing assets and bills and perform site validations.
- **Insight and Visibility** – Complete visibility to spend through our web-based dashboard and ongoing support.
- We don’t charge for our services and only share in a small piece of any documented savings or recovery.
What are other areas of postage and equipment savings?

- Mail Equipment Savings – 57% By rightsizing and proactive fleet management.

- Eliminate Vendor Fees – We find companies spending tens of thousands on mailing charges that can be avoided.

- Recover Vendor Overcharges – Are you getting the correct rates for only the needed equipment?

- Web Based Asset Management – Providing a dashboard of all equipment and postage expenses.
  - Single place for all mail spends across enterprise.
  - Provides visibility to postage savings opportunities.
Summary

• There are huge amounts of lost postage available and the levels are increasing.
• Postage gets lost due to fragmented processes in many organizations.
• The money can be found and recovered if you are willing to put in the work.
• This can be avoided if you set up the right model for visibility and oversight.
• Postal Advocate can help you recover these funds and to avoid this from happening in the future.

2. Provide copies of vendor invoices, AP export, location list, equipment inventory list.

3. Conduct Analysis
   - Work with current vendor to build population report, contract terms/start/end dates, postage volumes, costs.
   - Analyze spend, check for contract compliance, billing errors, vendor fees/overcharges, lost postage.
   - Identify savings opportunities.

4. Present savings opportunities and get client approval.

5. Provide enterprise visibility of all spend, costs and documented savings through enterpriseAdvocate. Provide client log-in.

6. Postal Advocate provides ongoing support, manages renewals, billing and vendor compliance.

Visit www.postaladvocate.com or call (888)977-MAIL(6245)
Helping multi-location organizations streamline their mailing costs.

58,000 pieces of equipment, managed by Postal Advocate.

Recovered over $2,200,000 in lost postage, vendor overcharges and fees.

Over $20,000,000 in clients savings.

$559K Average Client Savings

57% Average Equipment Savings

Risk-Free No Cost Analysis!

How we do it:
- 200+ years of industry experience
- Comprehensive web-based tool providing visibility of all mail and equipment spend
- Time Savings - Assistance in fleet management

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Questions?

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