



## **Nonprofit 101**

*Tues., May 5, 2026 @ 1:30-2:30 pm*

# Today's Panel



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# The Value of Nonprofit Organizations



- For 2024, charitable giving in the United States reached an estimated **\$592.5 billion**
  - a 6.3% increase in current dollars (a 3.3% increase after adjusting for inflation)

# The Value of Nonprofit Organizations

- “America’s **charitable nonprofits** feed, heal, shelter, educate, nurture, and inspire people of every age, gender, race, and socioeconomic status, from coast to coast, border to border, and beyond” [*National Council of Nonprofits*]
- Nonprofit organizations benefit the U.S. economy, with over 1.9 million recognized 501(c)3 organizations in the U.S. employing **over 13 million people**, representing 9.9% of all private sector employment.
  - As of 2022, nonprofit employment equaled that from the manufacturing industry segment in the U.S. and was second only to the retail and food industries.
  - Nonprofits contributed over \$1.5 trillion to the U.S. economy in 2025

# The Value of Nonprofit Mail

Direct mail was one of the top 3  
most effective fundraising strategies

[*The Rome Group's 2025 Philanthropic Landscape  
Survey*]



# The Value of Nonprofit Mail

- **\$2.12 billion** of the USPS' FY2025 revenue came from nonprofit mailpieces (*USPS FY2025 RPW & Billing Determinant Reports*)
- And that doesn't include the mail in other categories (e.g., First-Class Mail, Business Reply Mail, parcels) that is generated as a result of a direct mail donation or subscription response.



# The Value of Nonprofit Mail

- Nonprofit mail is important to the USPS and the mailing industry because it connects the **over 10 million Americans** who donate each year to their mail
- Nonprofit direct mail has a high response rate, which means recipients are opening and reading nonprofit mail – and the rest of their mail.
- All things that keep Americans interested in mail and going to the mailbox should be valued and retained.
- ***Nonprofit Mail...connecting with Americans for good.***

# The Scope of Nonprofit Mailers

- According to the USPS, there currently are **115,000 organizations** authorized to mail (and actively mailing) at Nonprofit rates
- There are about **100,000 more** that have not mailed in the past 2 years and are pending revocation of nonprofit authorization
- For FY2025, the USPS processed **11.1 billion** pieces of mail sent at Nonprofit rates (nearly 10% of all mail)
  - 10.2 billion pieces were sent as Marketing Mail (18% of all MM)
  - 8.6 billion were letters (78% of total Nonprofit volume)
  - 877 million were sent as Periodicals (36% of all Periodicals)

*(Above data sourced from USPS FY2025 RPW and Billing Determinant Reports)*

# How were Nonprofit Postage Rates Developed?

*A brief history lesson...*



# Who Does What?



- Congress enacted legislation that determines how Nonprofit postage rates are set



- The Postal Regulatory Commission (PRC) interprets, monitors and enforces the laws around Nonprofit postage rates



- The USPS sets actual Nonprofit postage rates in compliance with the law and PRC rules

- Associations (like the Alliance) represent nonprofit mailers' interest on the Hill, at the PRC, and with the USPS

# In the Beginning of the “Postal Service...”



- 1970 postal strike led President Nixon to sign into law the Postal Reorganization Act (PRA) in 1970, restructuring the Post Office Department into the U.S. Postal Service

- The PRA required that Nonprofit postage rates (and other preferred subclasses) cover **attributable** costs, with the rate increases needed to satisfy this requirement phased in over a 10-year period (later extended).



- The **institutional** costs were to be covered by annual **appropriations** from Congress.

# The Law Worked Well...Until 1992



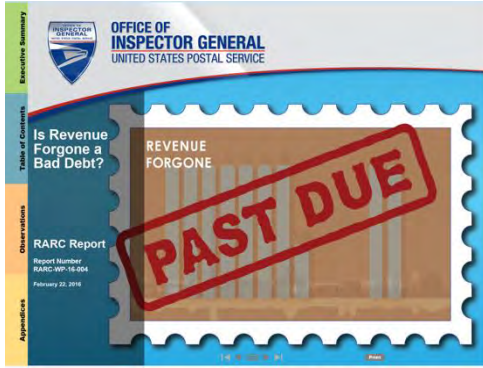
- Congress was poised to dismantle the preferred postal rates in 1992 when the federal budget crisis affected the Revenue Forgone Appropriation
- Alliance staff worked with the House Appropriations Subcommittee on Treasury, Postal Service and General Government to construct a one-year postal rate freeze despite the appropriation shortfall.
- Without that effective advocacy by the Alliance, there would be no preferred rates for nonprofit mailers today. The eleventh-hour fix allowed more time for reasoned legislative approaches

# The 1993 Revenue Foregone Act (RFRA)



- The Alliance of Nonprofit Mailers was the primary representative of nonprofit mailers in securing passage of the 1993 Revenue Foregone Reform Act (RFRA) which preserved the nonprofit postal rate and ended nonprofit mailer reliance on federal appropriations.
  - Nonprofit “markup” = 50% of commercial markup (50% markups rule)
- Since enactment of the RFRA in 1993, there is no longer a Congressional appropriation for nonprofit postage rates (except for the annual appropriation for free mail for the blind, and past due appropriations still owed to the USPS by Congress)

# Revenue Foregone Congressional Appropriation



- The 1993 law provided for paying the cumulative \$1.218 billion debt over 42 years (through 2035), at \$29 million per year, without interest.
- Through 2016, however, only \$562 million had been paid (appropriated) by Congress.
- There have been years when Congress does not appropriate the funds, causing USPS to request additional amounts in subsequent years.
- In its FY2026 appropriations request, the USPS is asking Congress for \$382.7 million in back Revenue Foregone installments, as well as the \$29 million annual installment

The Revenue Foregone Reform Act promised to pay \$1.218 Billion in 42 payments of \$29 Million from 1994 to 2035.

	Interest Free	With Interest*
<b>PROMISED</b>	\$1.218 Billion	\$2.4 Billion
<b>PAID</b>	\$562 Million	\$0.8 Billion
<b>PAST DUE</b>	\$105 Million	
<b>DUE 2017 to 2035</b>	\$551 Million	
<b>TOTAL OWED</b>	\$656 Million	\$1.6 Billion

\* Interest calculated at the Postal service's 1-year borrowing rate from FY 1994 through FY 2015.

# More Legislative Changes Over the Years...

- **1994:** Clarifying amendment to the Revenue Forgone Reform Act, which allowed nonprofit Standard Mail (now called “Marketing Mail”) publications to accept most outside advertising.
- **Late 1990s:** Separately designing Commercial and Nonprofit rates to achieve 50 percent markups rule resulted in rate anomalies. The first anomaly occurred in R97-1 when rates for some nonprofit Periodicals with little or no advertising ended up being higher than rates for identical commercial publications.
- **1999:** Alliance worked with the House Subcommittee on the USPS in pressing the Postal Rate Commission and the USPS Board of Governors for an interim fix allowing nonprofit periodicals with little or no advertising to pay commercial rates when lower.

## More Legislative Changes Over the Years...

- **2000:** To address similar problems in R2000-1, the USPS and representatives of nonprofit and commercial mailers negotiated legislation defining preferred rates in terms of discounts from the corresponding commercial rates.
- Based upon this, **Public Law 106-384** directly linking nonprofit rates to commercial rates was enacted in 2000.
  - NP Standard: Nonprofit rates' revenue per piece = 60% of commercial mail's revenue per piece (applied by subclass).
  - NP Periodicals: Rates set at 5% below commercial editorial rate (advertising not included).
  - Library Rate: 5% below commercial book rate.
- **2007:** After passage of Postal Accountability & Enhancement Act (PAEA), the USPS revised its interpretation of Code 39 Section 3622(a)(6) in that applying the 60 percent ratio at the mail class level vs the subclass level was in compliance with the statute.

## The Bottom Line: Today's Nonprofit Postage Rates are Tied to Commercial Rates

- USPS determines Nonprofit rates based on the statutory percentage of the equivalent commercial rates
- Anything that impacts commercial rates (including workshare discounts, incentives, promotions, rate increase magnitude and frequency, etc.) impacts Nonprofit rates

# NONPROFIT PRICING- OVERVIEW

Reduced prices for USPS Marketing Mail postage are available for eligible organizations that the United States Postal Service (USPS) has authorized and whose individual mailings meet the specific eligibility rules that apply to Nonprofit USPS Marketing Mail.

The U.S. Congress authorized these reduced prices in 1951 and determined the categories of organizations eligible for these prices.

Subsequent legislation extended the privileges to other categories and added restrictions on what material may be mailed at the Nonprofit USPS Marketing Mail (nonprofit) prices.

# NONPROFIT- ELIGIBLE ORGANIZATIONS

**Primary Purpose:** organization must be both organized and operated for a qualifying primary purpose. An organization that incidentally engages in qualifying activities is ineligible for nonprofit prices.

The organization's nonprofit status. An eligible organization may receive authorization to mail at nonprofit prices if it meets the following two financial conditions:

- 1. The organization is not organized for profit**
- 2. None of the organization's net income is intended to benefit any individual or private stockholder**

## Categories of eligible nonprofit organizations:

1. Religious
2. Educational
3. Scientific
4. Philanthropic (Charitable)
5. Agricultural
6. Labor
7. Veterans
8. Fraternal
9. *Qualified Political Committee*
10. *Voting Registration Official*

# NONPROFIT- QUALIFIED POLITICAL COMMITTEES

The following political committees may be authorized to mail at nonprofit prices without regard to their nonprofit status:

- National committee of a political party (the organization responsible for the party's day-to-day operation at the national level).
- State committee of a political party (the organization responsible for the party's day-to-day operation at the state level).
- The Democratic Congressional Campaign Committee.
- The Democratic Senatorial Campaign Committee.
- The National Republican Congressional Committee.
- The National Republican Senatorial Committee.

# NONPROFIT- INELIGIBLE ORGANIZATIONS

***Even if organized on a nonprofit basis***, the following organizations are ***ineligible*** for the Marketing Mail nonprofit prices:

- Associations of rural electric cooperatives
- Automobile clubs
- Business leagues
- Chambers of commerce
- Citizens and civic improvement associations
- Individuals
- Mutual insurance associations
- Political organizations (other than qualified political committees & voter registration officials)
- Service clubs — e.g., Civitan, Kiwanis, Lions, Optimist, and Rotary
- Social and hobby clubs
- Trade associations

**Note:** A publication may qualify for Nonprofit prices, regardless of nonprofit status if the publication is issued by and in the interest of an association of rural electric cooperatives (DMM 207.10.3.1a). **Periodicals** are a separate class of mail from Marketing Mail and has a legal exception from Congress Title 39 of U.S. Code § 3626 to mail as a rural electric cooperative.

# NONPROFIT- APPLICATION PROCESS

Complete PS Form 3624, Application to mail at Nonprofit USPS Marketing Mail Prices & provide supporting documentation.

How to submit application:

1. Online application in Postal Wizard via Business Customer Gateway (BCG)
2. Submit in person to your local BMEU or Post Office

Required documentation includes ***proof of the organization's nonprofit status*** and ***evidence that the organization meets one of the qualifying categories.***

***Note: Common mistakes – Apply using a PO Box as the primary address, or apply in an unauthorized DBA, or apply using operational materials in a different name other than the applied name.***

\*Qualified political committees and voting registration officials are exempt from the requirement to ***document*** nonprofit status

# NONPROFIT APPLICATION- REQUIRED DOCUMENTS

## Evidence of nonprofit status

- Internal Revenue Service tax exemption letter
- Some organizations do not need to show this – check with USPS
- Name of organization must be the same on all documents

## Formative papers (must have at least one)

- articles of incorporation
- constitution
- trust indenture
- charter endorsed by appropriate civil authorities enabling legislation
- other organizing instrument

## Evidence of operation (must have at least two)

- List of activities the organization engaged in during the past 12 months
- Financial statement for the purpose of substantiating operational activities, e.g., expenditures on “qualifying activities”
- Documents of operation- organization’s bulletins, minutes of meetings, brochures, membership solicitation materials, annual report(s), and similar papers showing how the organization operates

# NONPROFIT APPLICATION- REQUIRED DOCUMENTS

## Qualified Political Committees and Voting Registration Officials

Qualified political committees and voting registration officials also must complete PS Form 3624 and provide appropriate documents with their applications as follows:

- Qualified political committees must submit organizational or other documents substantiating that the committee is the state or national committee of the political party.
- Voting registration officials must submit a copy of the statute, ordinance, or other authority establishing responsibility for voter registration. Not required to submit IRS Determination Letter

# NONPROFIT- CONTENT & ELIGIBILITY

Mailpiece and content must be that of the approved organization ONLY- organization must be identified in/on mailpiece.

If a return address is used it MUST be that of the approved organization (name cannot vary, return address must be that of org but does NOT have to match the one in *PostaOne!* if more than one address

## Qualified Mailings

- Marketing Mail Matter Only (no bills, statements, personal)
- Pieces must weigh less than 16 Ounces
- Marketing Mail (DMM 243)
  - Minimum 200 Pieces or 50 Pounds of Addressed Mail (DMM 243.3.1.2)
  - Not sealed against postal inspection (DMM 243.3.2.5)

## Content-Based Restrictions

- Cannot contain TIF or TIC (Travel, Insurance, Financial (Credit) advertisements)
  - Travel, Accommodation, Destination (CSR 298 and 305)
- Advertising Restrictions
- Product Rules (low-cost item rules) \$13.90 (DMM 703.1.6.11)
- Cooperative Mailing (CSR-209)
  - Each must be NP authorized

# NONPROFIT- MAILING WHILE APPLICATION PENDING

## Refund for Mailings While Application Pending

- Organization must pay postage at the applicable prices for First-Class Mail or regular USPS Marketing Mail (regular prices) while application is pending.
- Refunds are **not available for mailings entered as First-Class Mail**. To qualify for any refund of postage for mailings entered at the regular USPS Marketing Mail prices, customers mail under a deposit system while the application is pending.
- If the PCSC approves the application, the organization is eligible for a refund of the difference in postage between the regular prices deposited and the applicable nonprofit prices for mailings entered ***on and after the effective date\* of the application***.

\*The effective date is the date when the organization filed the application or the date when the organization first met the eligibility requirements for the nonprofit prices, whichever is later.

# NONPROFIT- MAINTAINING AUTHORIZATION

## Avoiding USPS Revocation for Nonuse

- Must have Nonprofit mailing activity within a 24-month period.

# NONPROFIT- ADDITIONAL INFORMATION

- DBA's – Doing business as (can't apply in both names)
- Updating org name, address, contact – Name change request must be submitted on PS Form 6015, Nonprofit Database Change Request and forwarded to the PCSC. All other changes may be done locally.
- Nonprofit Authorization Number (NPA) versus permit – The NPA is the organization's "SS" number -- if you will. The permit number is the number used to pay for mailings. These are two separate issues. An organization is not required to have a permit number they may mail using their MSP's permit number.
- CRID linkage – Customer Registration Identification must be linked to the NPA. The CRID must be the CRID of the Nonprofit organization and NOT the MSP CRID.

## IRS Nonprofit Eligibility Authorization – Are You Sure?

- Verify the authorization is on file in your organization.
  - It will be in letter form with IRS letterhead.
  - Check with Counsel, Accounting or Purchasing
  - Has the organization changed –or– modified its name since the original authorization?

## IRS Nonprofit Authorization – Could Not Find It?

- Consult with Counsel. Follow management guidance to contact the IRS requesting a copy of your authorization and amendments.
- Use the correct, formal name of the organization. Not an informal one.
- One point of internal contact. The IRS may respond to the last person on record in your organization.
- Any update, other than address, may require additional IRS verification.

## IRS Nonprofit Authorization – Suspended or Cancelled

*The IRS has places to verify interruptions to Eligibility.*

# Nonprofit – IRS Revocation Authorization Resource 501(c)(3)



Home / File / Charities and nonprofits / Exempt organization types / Charitable organizations / Revocations of 501(c)(3) determinations

## Revocations of 501(c)(3) determinations

### Individuals

### Businesses and self-employed

### Charities and nonprofits

#### Exempt organization types

#### Charitable organizations

#### Tax Exempt Organization Search

#### Educational resources and guidance

#### About us

#### Churches and religious organizations

#### Private foundations

To find official notice of an organization's revocation in the Internal Revenue Bulletin (IRB), you will need the IRB number and the announcement number.

Take the following steps:

- Use the [alphabetical file \(xlsx\)](#) to find both numbers; search for an organization by typing part of its name in the "Find" box of the Adobe software you are using.
- Then go to this [IRB Search](#) page, enter the IRB Number in the "Find" box and click "Find."
- The official notice appears under the Announcement Number in the selected IRB. A link to the IRB Search page also appears on each page of the file.

As of the IRB publication date, listed organizations no longer qualify to receive tax-deductible contributions, with a limited exception for contributions by individuals if the organization initiates a legal proceeding under section 7428. The IRB provides additional information about the deductibility of contributions to organizations with pending court cases.

Because [Tax Exempt Organization Search](#) is updated monthly, it may continue to show an organization as eligible to receive tax-deductible contributions for a short time after the IRB publication date announcing its revocation. Contributors should rely on the IRB publication date.

The file does not include organizations whose tax-exempt status has been automatically revoked for failing to file an annual Form 990-series return for three consecutive years. For information on these organizations, also see [Tax Exempt Organization Search](#).

<https://www.irs.gov/charities-non-profits/charitable-organizations/revocations-of-501c3-determinations>

# Nonprofit – IRS Revoked Authorization Resource



<https://www.irs.gov/charities-non-profits/automatic-revocation-of-exemption>

## Revoked? Reinstated? Learn more

English | Español | 中文 (简体) | 中文 (繁體) | 한국어 | Русский | Tiếng Việt | Kreyòl ayisyen

### Individuals

### Businesses and self-employed

### Charities and nonprofits

Exempt organization types

Lifecycle of an exempt organization

Before applying for tax-exempt status

Applying for tax exempt status

How to stay exempt

Revocation of exemption

501(c)(3) organizations

Most tax-exempt organizations other than churches and certain church-related organizations are required to file an annual information return or notice with the IRS.

Organizations that do not file for three consecutive years automatically lose their tax-exempt status. An automatic revocation is effective on the original filing due date of the third annual return or notice, (Section 6033(j) of the Internal Revenue Code)

### Automatic revocation of exemption list

The IRS publishes the list of organizations whose tax-exempt status was automatically revoked because of failure to file a required Form 990, 990-EZ, 990-PF or Form 990-N (e-Postcard) for three consecutive years.

The list gives the name, employer identification number (EIN), organization type, last known address the organization provided to the IRS, effective date of revocation and the date the organization was added to the list. For organizations that applied for and received reinstatement, the list gives the date of reinstatement. IRS updates the list monthly.

### Charities & nonprofits topics

- [A-Z Index](#)
- [Educational resources and guidance](#)
- [Publications](#)
- [Audit process](#)
- [Contact IRS exempt organizations](#)
- [About us](#)

[Automatic revocation of exemption list](#)

# NONPROFIT- RESOURCES

- [Publication 417, Nonprofit USPS Marketing Mail Eligibility: Nonprofit and Other Qualified Organizations | Postal Explorer](#)
- [USPS Nonprofit Marketing Mail Fact Sheet | PostalPro](#)
- [USPS Nonprofit Authorizations - Frequently Asked Questions | PostalPro](#)
- <https://about.usps.com/forms/ps3624.pdf>
- OR <https://postalpro.usps.com/searchresults?keywords=ps+form+3624+nonprofit>
  - Find a form link and search for PS Form 3624, Application to Mail at Nonprofit USPS Marketing Mail Prices
- Business Mail 101, How to Prepare Nonprofit USPS Marketing Mail:  
<https://pe.usps.com/businessmail101?ViewName=NonprofitPreparation#:~:text=Special%20Prices%20for%20How%20to,Mail%20Eligibility%2C%20or%20DMM%20703>.
- Title 39 U.S. Code: <https://uscode.house.gov/browse/prelim@title39&edition=prelim>

## For More Information

- Alliance of Nonprofit Mailers <https://www.nonprofitmailers.org/>
  - [Kathy@nonprofitmailers.org](mailto:Kathy@nonprofitmailers.org), 202-360-3776
  - NPF Exhibit Hall Booth 1120
- 
- USPS Pricing & Classification Service Center (PCSC)
  - Stephanie McFarlan, 212-330-5300
  - [Stephanie.D.McFarlan@usps.gov](mailto:Stephanie.D.McFarlan@usps.gov)
  - NPF Exhibit Hall Booth for USPS-PCSC



## TEST YOUR KNOWLEDGE

1. Can a letter weigh 16 ounces?
2. Can Nonprofit contain a bill?
3. Can Nonprofit USPS Marketing Mail contain 100 pieces or weigh 30 pounds?



### **Are the following content eligible at Nonprofit USPS Marketing Mail Prices?**

4. The Charity Organization is advertising a day trip to the Grand Canyon. Transportation and Destination are included. There will NOT be an overnight stay. Is this permitted in Nonprofit?
5. Support our mission with the official Charity Visa Card and get 13% interest with no annual fee for the first year. Every purchase will help us grow.
6. Members of our organization are eligible for our company's credit card. Please write HQ for details.