

2012 Bylaws & Rules Book, Edition BM – U.S.

CHAPTER F: CONSUMER MAGAZINES

Article 1

F 1.1 Paid Circulation Defined

Paid circulation is hereby defined to be copies of publications which have been paid for by the purchasers, not for resale, under the following conditions, viz:

(a) If the sale is a single copy sale it shall be paid for at not less than one cent.

(b) Subscription Sales: On term order for any period the subscription must be paid for at not less than one cent.

(c) Subscriptions may be served for no longer than 25% of the original term ordered, with a maximum of three consecutive months, immediately following the expiration date and such "post expire copies" may be included in paid circulation. For publications that have a break in service, e.g., published only during the winter months or all months except the three-month period during the summer, the subscriber may receive post expire service of 25% of the original term ordered, up to three consecutive months, immediately following the expiration date or up to all consecutive issues published between expiration and the break in service plus a maximum of one month following the break in service, with the total number of post-expiration copies served limited to the number of issues published within three months, and said service can be included in paid circulation.

Post expiration copies, if served, must be distributed prior to the distribution of the next regularly scheduled issue.

(d) Subscriptions to any publication received as a result of an offer by a publisher that stipulates that part of the subscription term is free will qualify for inclusion in paid circulation only when a contractual agreement exists for the full term of the subscription and is in accord with the provisions of Paragraph (b) above. Without such contractual agreement, those copies which a subscriber is informed are free shall not qualify as paid circulation and instead shall be reported as unpaid circulation.

(e) Unless stated otherwise, the amount paid by the purchaser/subscriber required to qualify circulation as paid, is net of all other considerations.

(f) Circulation obtained as a result of an offer of one additional copy of the publication, made by a publisher, for actions related to a current paid subscriber providing an e-mail address for use by the publication in future communications, shall qualify as paid provided clear and conspicuous notice is given to the subscriber as to the terms of the extension being given and action required. Average paid circulation served as a result of this extension shall be reported in the explanatory paragraph of Publisher's Statements and Audit Reports.

F 1.2 Prices

(a) Publisher-suggested prices (subscriptions and/or single copy) are the prices at which the publication may be purchased by anyone, at any time, for a definite duration. No special, reduced or higher price, no matter how often or how regularly repeated, even though established through announcement in the masthead or by any other means, shall be considered a bona fide publisher-suggested price.

(b) Publisher-suggested prices must be reported in the semi-annual Publisher's Statements. Only those prices appropriately established as publisher-suggested prices in the judgment of the managing director will be recognized by the Bureau as publisher-suggested prices. In situations where a publisher changes single copy price during the Publisher's Statement period, reporting in the semiannual Publisher's Statement shall be the average of all issues' single copy cover price published in the period.

(c) Publisher-suggested prices: Types of service for which a publisher-suggested price shall be recognized and reported in Bureau reports are:

- (1)** Single-Copy Sales - one only publisher-suggested price.

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(2) Subscriptions - one only publisher-suggested price for each regularly established duration.

(3) One only scale of such publisher-suggested prices for each country as stipulated by the publisher.

F 1.3 Subscription Offer Based on Acceptance Unless Declined

Subscription resulting from offers based upon the assumption that the offer has been accepted unless specifically declined shall qualify as paid only upon satisfactory evidence that money has been collected from the recipient to qualify the subscription.

F 1.4 Average Price

(Until further notice, production copies and production revenue from international sales for publications published in the United States shall be excluded from the calculation of average price data.)

(a) Magazines shall be required to report average per copy prices and average annualized prices in Publisher's Statements and Audit Reports.

(b) The calculation of average Annualized Subscription Value (average subscription price) will be as follows:

Total Gross Production Revenue minus revenue from credit cancelled orders, minus premium values from paid orders only, divided by gross production copies minus credit cancel production copies.

This yield of an average per copy price shall also be extended by the one-year frequency (copies served in a one-year period) to yield an average annualized subscription price.

(c) Production revenue and production copies from Sponsored Sales, non-deductible club/membership sales and subscriptions transferred from other publications shall be excluded from the calculation of average price data.

(d) The base period for any Publisher's Statement shall be the twelve months ending with the prior Publisher's Statement period (e.g. December ending statement calculation will be based on production revenue and dollars, premium values and credit cancel information for the twelve months ended with the prior June 30.)

(e) Publishers may include a recalculation of Average Annualized Subscription Value (average subscription price) to include premium values and credit cancel production copies. This optional reporting will be identified as "gross (optional) average subscription price" if included in Publisher's Statements and shall include both per-copy and annualized values.

(f) For publications newly admitted to membership the analysis shall be mandatory no later than the third Publisher's Statement issued following release of an initial audit.

(g) Publications distributed primarily outside of North America with established prices in foreign currencies shall not be required to report average price.

(h) Publications not reporting an average price reporting as a result of section (g) of this rule shall be required to make a reporting of subscriptions sold in the period and at the publisher's suggested price and other prices.

(i) If an Audit Report shows discrepancies in the average price of more than 10 percent between the auditor's findings and the Publisher's Statements, the subsequent two Publisher's Statements released after the audit shall repeat from the last preceding Audit Report the facts concerning said discrepancies and the difference found in a prominent notice on its front page.

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F 1.5 Premium Reporting

Subscriptions sold with premiums which generate production equal to or greater than 1 percent of total production for the Publisher's Statement period must be listed in the "Use of Premiums" paragraph. Subscriptions sold with premiums which generate less than 1 percent of the total production for the reporting period need not be listed in the "Use of Premiums" paragraph even though the production from same is to be reported. The premiums reported in the "Use of Premiums" paragraph must represent at least 98 percent of total production.

Article 2

F 2.1 Sponsored Sales

(a) All copies or subscriptions purchased in quantities of 11 or more, which in the opinion of the managing director promote the professional or business interests of the purchaser, and are delivered to private residences or business offices and intended for the personal consumption of the addressee, shall be considered "Sponsored" subscriptions or single copy sales and shall be reported in Publisher's Statements and Audit Reports per the provisions of paragraphs (e), (f) and (g) below, except as otherwise permitted or prohibited by the following provisions:

(b) Quantity sales shall be set up as Sponsored Sales only if the purchaser pays the publisher or publisher's agent amounts required by [F 1.1](#) net of all other considerations. In those instances where an agent develops a sponsored sales program involving more than one publication, the sponsor must demonstrate his / her selection of the specific publications they wish to purchase. This can be accomplished by means of the agent generating invoice(s) that identify the titles, quantities purchased and purchase amount for each title.

In addition, the purchasers involved in agent developed programs must provide, directly to ABC, an attestation of their understanding of the purchase agreement and their primary business reason for making the purchase.

(c) Each household scheduled to receive a sponsored copy must have notification as to who the sponsor will be and the term the delivery is scheduled to take. Such notification should not be promotional in nature.

(d) Sponsored Sales sold on a promise-to-pay basis must be paid within four months of the start of service.

(e) Qualified purchasers of sponsored sales shall be defined as businesses or individuals having a consumer presence. Third party subscription selling organizations or other vendors to the publication circulation industry shall not be recognized as qualified sponsored purchasers.

(f) Post-expiration copies shall be excluded from paid circulation and included in non-paid distribution.

(g) Copies served to public places for use in reception areas or other public settings to be shared by multiple consumers or to be picked up by unknown users of the venue shall not be eligible to be reported as sponsored sales, but may be eligible to be reported as "verified" circulation, "analyzed non-paid bulk" or "analyzed non-paid market coverage" if distribution is in accord with the provisions of Rules [F 15.1](#), [F 13.5](#) or [F 13.6](#).

(h) All copies or subscriptions purchased in quantities of 10 or less shall be designated in Bureau reports as "Single Copy Sales" or "Subscriptions: Individual" except as otherwise permitted or prohibited by the provisions hereafter stated.

(i) The average number of copies served in the period for sponsored subscriptions shall be reported separately, with an explanation in the Explanatory Paragraph that may include an optional description of the type of distribution being made (e.g., individually requested, etc.).

(j) The average number of copies served in the period from sponsored single copy sales shall be reported separately, with an explanation in the explanatory paragraph of Publisher's Statements and Audit Reports.

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(k) If a magazine is the official journal of an association and the majority of the subscriptions are association, sponsored sales subscriptions may be included with association subscriptions in Paragraph 6 if the average for the period does not exceed 10 percent of the total average subscription circulation.

(l) The subscriptions involved in a quantity sale made to an individual, group of individuals or corporation, which have a financial interest in the publication, shall not be included in Sponsored Sales but shall be included in non-analyzed non-paid circulation, unless it can be proved to the satisfaction of the managing director that the sale was made for the benefit of the purchaser and not for the benefit of the publication.

(m) Subscriptions purchased in quantities by corporations, institutions or individuals for their own employees, subsidiary companies or branches are not subject to the provisions of Paragraph (a) but shall instead be judged by the rule governing Group (Mail Subscriptions Special). (See [F 2.5](#))

(n) Copies of magazines that are distributed through redemption programs utilizing advertiser coupons are eligible to be included in paid circulation when the price paid by the purchaser (advertiser) is in accord with [F 1.1](#). In addition, the total number to be included in paid circulation is limited to 1 percent of total circulation in the geographic area in which the coupons are distributed. Copies in excess of 1 percent of total circulation for the period in which the transaction takes place shall be included in total non-analyzed non-paid circulation. Any program involving advertiser coupons for the redemption of single copy sales must be reviewed and approved in advance by the Bureau and all copies so distributed must be fully explained in the appropriate paragraph of the Bureau Publisher's Statements and Audit Reports.

F 2.2 Gift Subscriptions

(a) A Gift Subscription shall be considered one which is given as a normal expression of friendship and which does not promote the business or professional interests of the donor.

(b) To qualify, Gift Subscriptions must be paid for in accordance with [F 1.1](#).

(c) Subscriptions which are given to promote the professional or business interests of the donor shall be reported under the rule governing term subscriptions in Sponsored Sales or mail subscriptions special whichever applies.

(d) In no case where an order (or orders) from a single donor covers more than fifty subscriptions shall the subscriptions be regarded as Gift Subscriptions but shall instead be classified as Sponsored Sales, provided they conform to the rules governing Sponsored Sales.

F 2.3 Gift Subscriptions Not Recognized as Paid Circulation

(a) Gift Subscriptions paid for by subscription salespersons or others who are compensated by merchandise or other rewards in lieu of cash commission.

(b) Gift Subscriptions which have been paid for by one who has been offered a premium and the amount received is less than the full value of the premium plus one cent.

F 2.4 Association, Organization and Society Subscriptions

(a) A member of an association, organization or society who receives a publication because of membership in an association, an auto club, a contribution to public radio or television of which a portion of the donation is for the publication, etc., whether the subscription to the publication is paid for as part of the dues, contribution or assessment or paid by the member in addition to the dues as a requirement of membership, shall be designated as an association, organization or society subscriber, and such subscriptions shall be designated as association, organization or society subscriptions, whichever applies, provided that their records are made available to the Bureau for audit.

Subscriptions to a privately owned publication purchased by an association, organization or society, which does not submit its records to audit by the Bureau, shall be included in Sponsored Sales subscriptions, provided such subscriptions meet the general qualifications of Sponsored Sales subscriptions.

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(b) To qualify as association or society subscriptions, the association must meet postal requirements as well a federal or state tax rules as a non-profit or not-for-profit.

Association or society subscriptions will be reported separately in ABC Publisher's Statements and Audit Reports and a complete explanation provided in the explanatory paragraph of the reports identifying the association or society, the dues allocated for the magazine and other benefits of membership.

(c) There are two classifications of memberships as explained in the following paragraphs. Full explanation of the type of membership shall be carried in Bureau reports.

The first class shall be known as (association, organization or society (whichever applies)), subscriptions deductible from dues. In this class shall be included subscriptions of organizations that gives its members the option of accepting the publication or rejecting it and of reducing their dues or contribution by a definite named sum if they reject the publication, such sum to be not less than one cent. This option must be communicated to the member or contributor at the time of joining the association or organization, and be clearly stated on each bill for dues or invoice in such manner as to make remittance cover a voluntary subscription to the publication as well as membership payments.

The second class shall be known as (association, organization or society (whichever applies)), subscriptions nondeductible from dues. In this class shall be included subscriptions of members or contributors of an association or organization whose dues or payments remain the same whether they elect to accept the publication or to reject the publication.

When a magazine becomes affiliated with an established association or organization, copies served to individual members or contributors can be included in paid circulation commencing with each individual member's or contributor's renewal of the membership or contribution, provided the bill for dues, payment or contribution allocates the amount to be used for payment of the subscription.

Every person on becoming a member or contributor of an association or organization must be notified that dues or payment includes a subscription to the publication, and the amount of the dues or payment allocated for payment of the subscriptions. On every bill for dues, payment or contribution, the amount allocated for payment of the subscription must be stated.

(d) The foregoing provisions of the above paragraph (c) shall not apply to an applicant, provided that the bylaws of the association or organization provide that a subscription is part of the association or organization dues or payment of each member or contributor, and the publisher agrees at the time of making application that the stipulation as set forth will be complied with no later than the beginning of the second membership year following the period covered by the initial audit. If compliance is not accomplished within this established time limit, the publication shall be automatically dropped from membership in the Bureau as provided in [2.13, Paragraph \(d\)](#) of the bylaws.

(e) Association, organization or society subscriptions shall not be credited as paid circulation unless at least one cent is paid.

(f) The amount allocated for the subscription shall be the amount used in the average price calculation.

F 2.5 Group (Mail Subscriptions Special)

(a) Group (Mail Subscriptions Special) is a classification which was originally designed for business publications. It is applicable also to farm publications but is not generally applicable to magazines or newspapers. However, a publication which is classified as a "magazine" in Bureau membership which has business publication characteristics may petition the managing director for the use of the classification Group (Mail Subscriptions Special).

(b) Subscriptions in quantities of ten or less shall automatically qualify for inclusion in "Subscriptions - Individual" provided they conform to regulations in all other respects.

(c) An explanation of Group (Mail Subscriptions Special) shall be made in the paragraph devoted to general explanations in Publisher's Statements and Audit Reports and the range of sales stated as follows: "sold in quantities of _____ to _____."

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F 2.6 Partnership Sales

(also see [Policies and Practices, regarding Newspapers, Magazines, and Farm Publications sold with the sale of Other Services](#))

(a) “Partnership Sales” involve the bundling of a magazine (either a single copy or a subscription) with other goods or services. At the point of sale, the consumer must be advised that the magazine is included along with the good or service and informed of the amount allocated for the cost of the magazine. The amount allocated must be in accord with Rule F 1.1 Paid Circulation Defined.

Qualification requirements for subscription sales involving the offering of more than one magazine to be included in the purchase of the partnership shall also reference section (e) of this rule.

The presentation to the consumer must position the partnered good or service as the primary item purchased. If the magazine is presented as the primary item, Rule F 8.2 Premiums with Subscriptions/Single Copy Sales will be used to qualify the sale.

The amount allocated for the subscription or for the single-copy purchase must be presented to the consumer in a clear and reasonable manner in all written documentation.

Consult ABC’s Website for specific requirements regarding notification requirements to the consumer.

(b) To qualify partnership sales as paid circulation:

(1) The consumer must be notified that the magazine is included with the bundled good or service along with the amount allocated for the cost of the magazine.

(2) The consumer must be given clear and reasonable information on how to obtain a refund in lieu of receiving the magazine. The refund process must be a simple refund process. The refund must be for the same amount as the “allocated” value.

(3) Clear and reasonable language must be presented in all offers outlining either cancellation policies and/or auto-renewal practices that are applicable to the magazine subscription.

Consult ABC’s Web site for examples of acceptable refund processes and consumer notifications required.

(c) Requirements

Documentation must be available for ABC auditors to confirm the order and payment of the bundled good and service.

(1) For Pre-Qualification Review:

Here are the requirements for a complete description of the bundled good or service, including the “channel” (e.g., retail outlets, mail, etc.) used for the sale. Documentation of the consumer notification, the method used for the inclusion of the magazine subscription in the purchase, the option for the consumer to decline the magazine and the refund process.

Some program elements may not be resolved when the pre-qualification review process is initiated. Once completed, they must be communicated to ABC before the program is launched.

- The planned launch date and duration of each program.
- Summary of the participation agreement between the publisher (or agent) and their partner.

For ABC Audit Standards, Sale Guidelines and examples of qualifying sales transactions as paid circulation, consult ABC’s Web site.

(d) Reporting

All partnership sales will be reported separately in ABC Publisher’s Statements and Audit Reports for subscriptions and/or single copy sales. The value identified as “deductible” will be included in the average price calculation and indicated in the paragraph of ABC reports reporting the average subscription price.

All partnership sales are included in the “Channels of Sales” section of Bureau reports.

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Details regarding all partnership sales will be provided in the explanatory paragraph. This will include program information and the selling price, or the range of selling price for the magazine subscription.

(e) Multiple Magazine Subscriptions Involved in Partnership Sale

Partnership sales involving the bundling of a magazine subscription with other goods and services shall be required to adhere to qualification criteria as set forth in the above sections of this rule and the following:

1. A limit of no more than three magazine subscriptions shall be allowed within any partnership sale.
2. The partnership sale channel of online transactions and catalog-based transactions may be used for multiple magazines being offered. Sale channels other than online transactions and catalog-based transactions (example: at retail locations) shall be limited to one magazine being included.
3. The partnership purchase must be structured wherein incremental purchase by either additional amount of money spent or additional quantity of items purchased result in the eligible receipt of additional magazines being included in the partnership sale.
4. The refund for all magazines included in the partnership offer shall be available to the consumer through a single refund request. The request for refund must be presented to the consumer in a clear and reasonable manner.

Consult ABC's Website for examples of acceptable incremental purchase requirement and refund processes.

F 2.7 Club/Membership Subscriptions

For program approval and ABC Audit Requirements, consult ABC's Web site: www.accessabc.com.

(a) "Club/Membership" is defined as a group of individuals who belong to an organization for a common purpose. The "club" either meets regularly, provides a location for members to use, or has ongoing communications with the members on a "common purpose" subject. Club/Membership subscriptions are structured so that the magazine subscription and the related value of the magazine are presented as either deductible or non-deductible from the dues paid by the club member.

- (1)** The club member must be notified at the point of joining the club that a portion of their dues payment includes a subscription to the publication.
- (2)** The dues invoice must state the amount allocated to the subscription.
- (3)** The amount allocated for the subscription must be in accord with [Rule F 1.1](#) Paid Circulation Defined and presented in a clear and reasonable manner in all written membership information.

Consult ABC's Web site: www.accessabc.com for specific requirements regarding notification requirements to the consumer.

- (4)** For nondeductible only, members must have the option to "opt" out of the club/membership program, but may continue as subscribers at the same or greater price as allocated as part of the membership dues fee.
- (5)** For nondeductible only, the value of tangible products or services (premiums) plus the amount allocated for the subscription cannot exceed the amount charged as dues.
- (6)** Organizations meeting postal and federal/state tax rules as a non-profit or not-for-profit entity, will be evaluated under [Rule F 2.4](#) "Association, Organization and Society Subscriptions."

(b) Categories of Club/Membership Programs

(1) Deductible Club/Membership Subscriptions

The allocated amount of the subscription may be deducted from dues.

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The amount of the subscription must be presented to the club member with an option to decline the subscription either by:

- (a) notification on the membership dues invoice offering a reduction of dues for the allocated subscription amount, or
- (b) a rebate/refund approach directly from the publication in an external communication subsequent to the membership dues being paid.

Clear and simple instructions on how to process a refund should require minimal effort by the member.

(2) Nondeductible Club/Membership Subscriptions

The allocated amount of the subscription cannot be deducted from dues.

The dues invoice must state the amount allocated to the subscription.

Members must have the option to opt-out of the club/membership program, but may continue as subscribers at the same or greater price as allocated as part of the membership dues fee.

The value of tangible products or services (premiums) plus the amount allocated for the subscription cannot exceed the amount charged as dues.

(c) Requirements

(1) To qualify as paid circulation, the following elements are required to report club/membership subscriptions as either deductible or non-deductible:

- (a) For nondeductible only, the publication must be editorially homogeneous with the defining characteristics of the club/membership.
- (b) Verification that annual dues were actually paid by the club member.
- (c) The amount allocated to the subscription must be at least one cent.
- (d) The club member must be notified of the inclusion of the magazine subscription as a membership benefit and the value assigned to it is included in dues.
- (e) For Deductible Only – Verification that the club member was given clear and reasonable information on how to obtain a refund instead of receiving the magazine subscription.

(2) A program review by ABC requires:

(a) For a Classification Review:

A complete description of the club/membership program, including information regarding the benefits of the club and the manner in which the club is promoted and membership/ enrollment materials used to sell the club package.

(b) For a Pre-Qualification Review:

Documentation of the consumer notification, the method used for the inclusion of the magazine subscription in the purchase, and, for deductible club/ membership subscriptions, the option for the consumer to decline the magazine and the refund process.

(d) Reporting

All Club/Membership Subscriptions will be reported separately in ABC Publisher's Statements and Audit Reports and noted as either deductible or nondeductible.

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A full description of the club, including the benefits and, where applicable, the value of club benefits, will be provided in the explanatory paragraph of Bureau reports.

Sales identified as deductible will be included in the average price calculation and will be noted in the average price paragraph of Bureau reports.

Sales identified as nondeductible will be excluded in the average price calculation and will be noted in the average price paragraph of Bureau reports.

All Club Membership subscriptions are included in the "Channels of Sales" section of Bureau reports.

F 2.8 Subscriptions Purchased for Military Personnel

Subscriptions paid for by either a third-party individual or company for distribution to military personnel shall be considered "Subscriptions Purchased for Military Personnel" and shall be reported in Publisher's Statements and Audit Reports as permitted or prohibited by the following provisions:

- (a) To qualify, subscriptions must be paid for in accordance with F 1.1.
- (b) Post-expiration copies shall be excluded from paid circulation and included in non-paid distribution.
- (c) The average number of copies served in the period shall be reported in the Publisher's Statement and Audit Report with an explanation in the Explanatory Paragraph.
- (d) Subscriptions which are given to promote the professional or business interests of the donor shall be judged by the rules governing sponsored sales.

Article 3

F 3.1 Initial Audit

See also [B 2.5](#).

- (a) The initial audit of a consumer magazine may be made for periods shown below and to end with any calendar month:
Monthly or greater frequency — for at least three months provided there has been consecutive issuance for not less than three months.
Bimonthly thru semiannual frequency — for six months or at least two consecutive issues.
Semiannual or less — for all issues published in any six-month period.
- (b) Any publication having its initial audit for a period ended other than June 30 or December 31 shall have its next audit conducted for a period ended June 30 or December 31 to align with standard audit periods.

Article 4

F 4.1 Publisher's Statements

- (a) The semiannual Publisher's Statement shall cover the periods from January 1 to June 30 and July 1 to December 31.
- (b) Publisher's Interim Statements may be filed for quarterly periods January 1 through March 31 and/or July 1 through September 30 only.

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(c) All Publisher's Statements submitted to the Bureau for publication shall be accompanied by forms and schedules as deemed necessary by the managing director. Failure to submit completed forms and schedules by the last day of the subsequent Publisher's Statement period will result in the suspension of all report services, to include suspension from the ABC FAS-FAX document, for the member until such time as the necessary forms and schedules are provided to the Bureau.

(d) Publications issued annually and sold only through single-copy sales shall have the option of a simplified reporting of their circulation. ([See F.14.2](#))

(e) Publishers using the four week — 13-month calendar billing system may report the circulation averages for the 13-week and/or 26-week period nearest the end of the calendar quarter.

Article 5

F 5.1 Geographic Analysis

(a) Paid & Verified circulation (except that distributed through newsdealers if less than 25 percent of total distribution) and/or analyzed non-paid circulation shall be analyzed by states based on an issue within a 12-month period.

A count and analysis shall be made in connection with an issue in each audit period. The mail list and summary of the count is to be preserved for examination by the Bureau's auditor. The figures to be used in connection with the following Publisher's Statements shall be based on the percentages for each state as determined from the issue analyzed, and these percentages shall be projected against the total of the issue to be reported.

Publishers have the option to make a count and analysis of an issue for each Publisher's Statement.

(b) The circulation of magazines distributed through retail outlets shall also be analyzed by states, provided such circulation amounts to 25 percent or more of the total distribution.

(c) Every United States publication with a circulation of 70,000 or more in Canada shall be required to analyze its Canadian circulation by provinces.

(d) Unclassified circulation in the breakdown of distribution by states or provinces shall be limited to 5 percent in Publisher's Statements, but Audit Reports may show the actual conditions as found by the auditor, regardless of the quantity of the unclassified circulation.

(e) When the circulation of the issue selected for analysis is greater or less than the average circulation for the period, the percentage of difference between the circulation of that issue and the average circulation for the period shall be stated in the paragraph relating to that breakdown.

(f) Subscription copies directed to members of the Armed Forces or to affiliated Civilian Personnel where the ultimate destination is known to be outside of the United States and territories may at the option of the publisher be included in the geographical analysis of the countries, or be reported in the geographical analysis in column "Subscriptions" and opposite the classification "Military or Civilian Personnel Overseas." Subscription copies addressed to those in the Armed Forces or to affiliated Civilian Personnel which are directed to known destinations within the United States and territories shall be included in the geographical analysis in the states or territories to which the copies are addressed. Similarly, copies shipped by a publisher to the Armed Services or to other distributing organizations purchasing such copies for resale to members of the Armed Forces or affiliated Civilian Personnel who are located outside of the United States and territories where point of sale is known may at the option of the publisher be included in the geographical analysis in the countries in which the sales are made or be included in the geographical breakdown in the column "Single Copy Sales" and opposite the classification "Military or Civilian Personnel Overseas."

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Single Copy Sales of the same character within the United States and territories shall be included in the states, territories or provinces in which the sales are made if the facts are determinable or in "Unclassified" if not.

F 5.2 Distribution by ABCD County Size

(a) Magazine members reporting Paid & Verified circulation shall be required to make an analysis of subscriptions and single copy sales; magazine members analyzing non-paid circulation (Paid & Verified and Analyzed Non-Paid or Analyzed Non-Paid) shall be required to analyze non-paid "excluding non-paid bulk" and "non-paid bulk" by ABCD County Size for U.S. magazines in accordance with a format adopted by the Board of Directors for each Publisher's Statement and Audit Report issued by the Bureau except as outlined below. All analyses shall be based on the most recent data prepared by the Bureau.

The ABCD Counties and percent of population may be reported for a magazine distributed regionally only for the states or provinces in which market coverage is claimed. A magazine within the same field distributed nationally may make a similar analysis in addition to the regular breakdown.

The analysis shall include circulation figures based on an issue published during the first or second 6-month Publisher's Statement period immediately following issuance by the Bureau of new data.

ABCD County Size analyses included in Bureau reports after an actual analysis may be based on percentages determined by the last actual analysis made, stating the issue analyzed in establishing the percentages.

Analyses shall be based on an actual count of both mail and single copy circulation except that the single copy sales figures may be determined by applying regional or national returns percentages to gross distribution figures. The sales percentage of newsstand distribution of the analyzed issue must be representative of other issues in the Publisher's Statement period.

Publications may make an analysis for subsequent Publisher's Statement periods for mail circulation and project the percentages established for an actual analysis of single copy sales.

For publications newly admitted to membership the analysis shall be mandatory no later than the second Publisher's Statement issued following release of an Initial Audit.

(b) Exceptions:

(1) Publications with an average Paid & Verified and/or analyzed non-paid circulation for a regular 6-month Publisher's Statement (Analyzed Non-Paid and Paid & Verified Circulation Form) period of less than 500,000 for magazines published in the United States.

(2) Publications that have an average advertising content of not more than 10 percent of the total page content (exclusive of mail order and house advertising) during a regular 6-month Publisher's Statement period. Bureau management shall determine what constitutes mail order advertising under this rule.

If two or more magazines are sold as an advertising unit, all calculations shall be based on the total number of pages, both text and advertising, contained in the publications comprising such unit.

(3) If the status of a publication, that has not been required to provide an analysis because of any of the exemptions above, changes to an extent where the exemption is no longer applicable, the publication shall be required to make an analysis no later than the second Publisher's Statement period following that in which the change occurs.

(4) Special exemptions granted by the Board of Directors.

(c) Publications not required to provide an analysis of circulation by ABCD County Size may do so, if they so desire.

(d) If a publication furnishes a similar analysis to advertisers, either by letter, through advertising matter, or any other means whatsoever, it shall become mandatory for said publication to make an analysis in accordance with the standards as herein set forth for Bureau reports.

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The issue analyzed for the purpose of the Publisher's Statement shall be the same as that on which the publisher based his original claims, and shall be made to conform thereto.

All records used in compiling the special analyses must be retained for the purpose of verification by the Bureau.

(e) When the circulation of the issue selected for analysis is greater or less than the average circulation for the period, the percentage of difference between the circulation of that issue and the average circulation for the period shall be stated in the paragraph relating to that analysis.

(f) Every U.S. publication analyzing circulation by ABCD County Size shall analyze only its United States circulation in the paragraph devoted to that subject. An analysis of its Canadian circulation shall be optional with the publisher, unless the Canadian circulation amounts to 70,000 or more, in which case it shall be mandatory.

(g) Copies of publications directed to persons overseas in care of post offices, where destination is unknown, shall not be included.

If copies are addressed merely in the name of a camp, fort or similar military or naval unit and the state or province, publishers shall consult the official United States postal guide (and latest monthly supplements to the postal guide) and determine therefrom the name of the city or town which serves such camp or fort as a station or branch post office.

The copies thus addressed should then be classified in accordance with the key number as given in the ABCD County Size for the city or town from which mail is served.

(h) The circulation reported as "Unclassified" in Publisher's Statements and Audit Reports shall be limited to not more than 3 percent.

F 5.3 Distribution by Counties

Publishers may, at their option, include as a supplement to magazine Audit Reports and Publisher's Statements an analysis for one issue of the total paid & verified and/or analyzed non-paid circulation (including paid Sponsored Sales and analyzed non-paid bulk) by counties (or the equivalent).

(a) Data shall be compiled by publishers and verified by Bureau auditors and shall be based on counts made annually for mail circulation and once every three years for single-copy circulation. Single copy sales may be determined by applying regional or national return percentages to gross distribution. The sales percentages of the newsstand distribution of the analyzed issue must be representative of other issues in the Publisher's Statement period.

Publications may make an annual analysis of single copy circulation or include in the annual analysis projections based on percentages established from the last actual analysis for a period of three years.

(b) All analyses shall be based on the most recent population analysis data prepared by the Bureau.

(c) Counties (or the equivalent) shall be listed alphabetically by states or provinces and by counties within each state.

(d) The publisher may show only those counties in which Paid & Verified circulation totals 25 copies or more and include a "Balance in State" figure for the remainder.

Publications which have regional rather than national distribution may petition the managing director for approval to compile a county analysis of circulation only for those states for which market coverage is claimed.

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F 5.4 Distribution by ZIP Code

Magazines may, at their option, include as a supplement to Audit Reports or Publisher's Statements an analysis of one issue of total Paid & Verified and/or analyzed non-paid circulation by U.S. five-digit ZIP code boundaries.

(a) Data shall be compiled by publishers and verified by Bureau auditors and shall be based on counts made annually for mail circulation and at least once every three years for single copy circulation. Single copy sales may be determined by applying regional or national return percentages to gross distribution. The sales percentages of the newsstand distribution of the issue analyzed must be representative of other issues in the Publisher's Statement period.

(b) Publications may make an annual analysis of single copy circulation or include in the issue analyzed projections based on percentages established from the last actual analysis for a period of three years.

(c) The publisher may show only those U.S. ZIP codes in which circulation totals 25 copies or more and include a "Balance of Circulation" figure for the remainder.

(d) Publications which have regional rather than national distribution may petition the managing director for approval to compile a U.S. ZIP code analysis of circulation only for selected states.

F 5.5 Distribution by Demographics

A demographic edition of a publication shall be considered those copies of a publication which are directed to a group of subscribers with similar demographic characteristics, for whom the publisher has obtained individual demographic information. Copies of a publication which do not meet this definition but are distributed by selected geographical areas shall not be considered a demographic edition.

Publishers may include as a supplement to magazine Audit Reports and Publisher's Statements an analysis for one issue of the total Paid & Verified subscription circulation identifying the subscriber by business and industry and/or by title or job function.

(a) The data shall be compiled by the publisher and verified by Bureau auditors and shall be based on an actual count and analysis of the mail circulation for the issue analyzed.

(b) The classification assigned by the publishers must be based on information obtained from business cards, letterheads, recognized directories, questionnaires or other acceptable evidence.

Where questionnaires are used to obtain specific information concerning a subscriber's job function, the questionnaire shall be written so as to determine the most important or primary interest.

All such data must be preserved for the auditor's examination. The Bureau reserves the right to subject the assigned classifications to verification letter tests if for any reason the evidence produced is not considered to be sufficiently conclusive.

No information may be used for classification purpose which was obtained more than three years prior to the date of issue on which analysis is made.

F 5.6 Reporting of Analyzed Non-Paid Circulation

(a) The initial reporting of analyzed non-paid data shall not be released until verified by audit.

(b) All data and records pertaining to information produced for the analyzed non-paid circulation must be preserved for auditor's examination. If records are considered inadequate to substantiate publisher's claim, the data cannot be released.

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Article 6

F 6.1 Renewals

(a) If a magazine makes any renewal claim either by oral or written communication direct to advertisers or through advertising matter or has made public a comparative statement concerning its renewal percentage, the publication shall in the first Publisher's Statement to the Bureau subsequent to the advertised claim make a formal statement of its renewal claim in the paragraph devoted to explanations. Before releasing the Publisher's Statement, the Bureau shall inspect the publication's records and satisfy itself that the publication has the necessary records to substantiate the claim. If inspection reveals that records are not available to substantiate the claim according to the standard practice of the Bureau, the statement of renewal percentage shall be eliminated from the Publisher's Statement before release and the following declaration shall be substituted:

"Records required by the ABC are not available to substantiate any claim of percentage of renewals and any such claim which may have been made by or in behalf of this publication is to be disregarded."

The next Audit Report shall repeat the same declaration.

If, before records have been established for a sufficient period of time to meet the requirements of the Bureau's standard practice, the publication should again claim a certain number of renewals or percentage of renewals, either by oral or written communication direct to advertisers or through advertising matter, the managing director shall cite the publisher to appear before the Board of Directors in accordance with the procedure prescribed in [7.4](#) of the bylaws.

(b) A subscription shall be considered a renewal if received within six months after its expiration and paid for within seven months following receipt.

(c) To obtain the percentage of renewals the total number of expirations during a 12-month period shall be divided into the total number of renewals of these specific expirations. (By "expirations" is meant the date the subscription expired and not the date it was discontinued or stopped.)

(d) The renewal percentage of association subscriptions, term subscriptions in Sponsored Sales and individual subscriptions shall be shown separately. If the total number of term subscriptions in Sponsored Sales is less than 2 percent of the average number of mail subscriptions for the period, a separate renewal percentage for Sponsored Sales shall not be shown.

(e) Subscriptions sent to international, F.P.O. and A.P.O. addresses may be omitted in compiling renewal percentages in which case the phrase "excluding international, F.P.O. and A.P.O." should be used in the renewal paragraph.

Article 7

F 7.1 Deferred Subscriptions

Under the deferred subscription plan, individual subscribers receive a publication one month or more after the on-sale date. These issues are served from returns. If subscribers pay a qualifying price, these subscriptions are classified as paid, but reported as a separate classification. Deferred subscriptions are not applicable to sponsored sales.

F 7.2 Back Copies

(a) An issue of a publication shall be considered a back copy immediately upon the appearance for sale of the next issue for newsstand copies and the mailing of the next issue for subscription copies.

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(b) Back copies served in connection with a subscription offer shall be recognized as paid up to three months preceding the date of the order, provided the subscription offer has specifically included the offer of back copies, or the subscriber has requested a back dating of the subscription, and provided consecutive copies served and are paid for in accordance with rules governing paid circulation.

The number of subscriptions resulting from specific offers involving the distribution of back copies shall be reported in the paragraph of the Publisher's Statements and Audit Reports devoted to general explanations.

(c) Only copies that have been distributed in connection with orders dated during and 30 days after the regular Publisher's Statement period may be included in paid.

(d) Copies served to verified public-place sources are not eligible for service of back copies to be included in paid and verified circulation.

(e) Copies served to verified and sponsored individual-use recipients where the recipient did not request the publication through direct request are not eligible for service of back copies to be included in paid and verified circulation.

(f) A new subscriber who has not specifically ordered back copies as part of a subscription is eligible to be served one issue preceding that which is currently being mailed in the case of bi-monthly and monthly published publications and two issues preceding that which is currently being mailed for publications of greater frequency. Such copies may be included in paid circulation. (In order that publishers conform to a consistent policy of start issues, the above applies irrespective of different cover dates and/or mailing schedules of publications.)

(g) Single issue sales of back copies shall be recognized as paid for a period of three months following the on-sale date of an issue provided the purchaser has specifically ordered the back issues. With prior approval from the managing director, back copies sold from three months to six months following the on-sale date of an issue, and therefore not eligible for inclusion in paid circulation, may be reported as "Other Distribution, Back Copies" with complete explanation in the Explanatory Paragraph. When back issues are packaged with current on-sale issues, only the current issue shall be recognized as paid and only if the amount paid is the full single copy price of the current issue or 50 percent of the combined full prices of all the issues in the package, whichever is highest.

F 7.3 Collection Stimulants

(a) Any inducement offered for prompt payment subsequent to the receipt of a subscription order is a collection stimulant. Any inducement with a value in excess of 15 cents offered for prompt payment prior to receipt of a subscription order is not a collection stimulant but is a reduced price or premium, whichever applies, and must be so reported. A collection stimulant may be extra copies of the publication or a cash discount or anything of an extraneous nature, and shall be described in the explanatory paragraph of the Publisher's Statements and Audit Reports as a collection stimulant.

(b) The value of the collection stimulant must be taken into consideration in establishing the amount necessary to be paid by the subscriber in order to qualify the subscription as paid as required by the rules relative to Prices, Premiums, Combinations, or any other rules which may apply.

(c) The number of subscribers availing themselves of collection stimulants during any regular Publisher's Statement period shall be reported in the explanatory paragraph of the Publisher's Statement and in the Audit Report covering the Publisher's Statements even though the subscription order may have originated in some prior period.

Article 8

F 8.1 Premium Defined

(a) Premiums are anything offered to a subscriber at time of solicitation, in addition to regular issues of the publication itself, and shall be reported in Bureau reports as a premium, regardless of whether said extraneous thing be given with or without additional payment above the

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subscription price and whether or not such extraneous thing is given only to new subscribers or to all subscribers. In addition, any presentation to current subscribers which, in the opinion of the managing director, implies future receipt of such extraneous things in conjunction with continued (or future) subscriptions will cause renewal subscriptions to be judged as premium induced. The number of subscriptions, whether new or renewal, involving such premiums taken during any period for which Publisher's Statement is filed shall be reported in the paragraph designated for that purpose and the nature of the premium and the provisions of the offer and the distribution thereof shall be described in Publisher's Statements and Audit Reports.

Premiums are anything except:

(1) Complete issues of newspapers or periodicals sent to all subscribers for the period included in the offer.

(2) 'Door Openers' defined as anything sent free by mail with subscription offer or provided by solicitor at the time of solicitation that has been reprinted from or is printed material directly related to the publication making the subscription offer and the value of which does not exceed 50 cents as determined by procedure outlined in F 8.2(a).

(3) Offers of sample merchandise to subscribers in connection with offers of subscription(s) in which the ordering and receipt of the sample product is not contingent upon ordering subscription(s).

(4) Merchandise offered to current paid subscribers as an inducement to convert payment methodology on future subscriptions. Such offers are to be made separate from subscription renewal efforts and are limited to inducements to subscribers to agree to ongoing (til forbid) continuous service which may include automatic billing process and/or debits to authorize credit card accounts.

(5) Free or discounted access to the publication's website.

(6) Free or discounted access to archive or back content of the publication included as part of the subscription to the publication.

(b) If a back copy, either whole or part, is included in a subscription offer, the back copy shall be considered a premium, unless the subscription is taken on a retroactive basis in accord with the Bureau's back copy rule and the date of the back copy is such that it would have been included in the subscription even though not mentioned specifically in the offer.

(c) Periodicals and newspapers offered in combination sales shall not be reported as premiums but shall be reported in a special paragraph devoted to combination sales prices.

(d) Any publication, the contents of which consist chiefly of data for reference rather than for general reading, shall not be considered a "periodical" for the purpose of the exception noted in Paragraph (a) of this section but shall, when sold with another publication, be considered as a premium.

F 8.2 Premiums with Subscriptions/Single Copy Sales

(a) When a premium is used in connection with a subscription or single copy sales offer or implied to current subscribers in conjunction with continued or future subscriptions, the full value of the premium, whether stated or not, must be collected. The value of the premium is considered to be the actual cost to the publisher, or the recognized retail value, or the represented value, whichever is highest.

In those situations where the cost to the publisher is used to calculate the premium value, set-up costs and shipping and handling fees to the publisher from the manufacturer shall not be considered.

In addition to the value of the premium the subscriber must pay at least the amounts required by [F 1.1](#).

(b) Where the premium is a piece of merchandise or a service the value of which to the subscriber is, in the judgment of the managing director, not determinable by the method described above, the value shall be determined by comparison with the price at which other similar merchandise or service is available to the subscriber through commercial channels.

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(c) When it has been determined by the Bureau that premiums have been given with subscriptions without the authority of the publisher, the Bureau shall take such steps as may be found practicable to determine how many subscriptions have been sold with said premiums and to disclose all the facts as to the validity of such subscriptions that are required to be determined when premiums are offered or authorized by publishers direct.

(d) In case the premiums have been furnished by a subscription agency or other publisher the entire production of subscriptions for the publication by such subscription agency or publisher shall be included in the Audit Report as premium subscriptions and if, by verification letter or other tests, it is shown that some of said subscriptions have been taken on such terms as would disqualify them from the paid classification under the premium rules, deductions shall be made from the total number of subscriptions furnished by the subscription agency or other publisher in the same proportion as the number of disqualified subscriptions in the test bears to the total number of replies received in the test.

(e) If the evidence in the test referred to in Paragraph (d) of this section reveals that the premiums have not been furnished or authorized by the publisher or the subscription agency, but by individual solicitors (whether employees of the publisher, other publishers, subscription agency, or independent salespeople), all the subscriptions produced by the solicitors involved shall be included as premium subscriptions and the same tests of validity of those subscriptions shall be made and the same ensuing procedure shall be followed concerning them as prescribed in Paragraph (d) of this section.

F 8.3 Premiums with Combination Sales

When a premium is used in connection with a combination of magazines the amount paid by the subscriber must not be less than the value of the premium as defined in Rule F 8.2 plus the amount required by Rule F 8.4. When a premium is used in connection with a combination of two or more publications, one of which is a magazine and the other another publication (business publication, farm publication, newspaper), the amount paid by the subscriber must not be less than one cent for the magazine plus at least the qualifying amount as defined by the other publication's division, plus the value of the premium, whether stated or not.

F 8.4 Subscription/Single Copy Sales in Combination

(ABC board of directors will again review section (h) of the below rule at its November 2008 meeting.)

(a) A "forced" combination is defined as two or more publications offered or sold together for an amount less than the total of the publisher's suggested prices of all the publications and wherein all publications intend to qualify the distribution as "paid circulation," except: When it is clearly made known to the purchaser that each of the publications may be purchased individually at the same price as if purchased as part of the group.

(b) When subscriptions for two or more magazines are ordered or sold in combination by any means the amount paid by the subscriber must not be less than one cent per magazine.

When subscriptions for two or more publications, one of which is a magazine and the other a business publication, farm publication or newspaper, the amount paid by the subscriber must not be less than one cent for the magazine plus at least the qualifying amount as defined by the other publication's division.

(c) The average copies served in the period as a result of a "forced combination" sale shall be shown in Publisher's Statements and Audit Reports in the paragraph devoted to general explanations. In addition, details of the combination offer, to include titles of other publications involved, Publisher Suggested Prices of all publications included, term of offer and total selling price shall be included in Publisher's Statements and Audit Reports.

(d) The amount of money to be allocated to each title in the combination sale offer for purposes of calculating average per-copy prices shall be based on the offer presentation itself, if it includes reference to the value of each subscription in the combination sale (the sum of which must total to the selling price for the combination sale), or the amount to be charged incrementally or reduced from the existing contract or renewal in an "add on" offer (see (f) and (g) below), or if no such presentation is made, shall be based on the pro rata of each publication's publisher's suggested price to the sales price.

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- (e) Regardless of its frequency of issue, a publication, the content of which consists chiefly of data for reference rather than for general reading, shall if sold in combination with other publications, be considered a premium in the reports of the publication or publications in the sale of which it is combined.
- (f) Existing and renewing magazine subscribers offered a combination sale may qualify as paid under either of the two following conditions:
- (1) The offer to "add on" the combination publication requires an affirmative act on the part of the subscriber and incremental payment beyond the rate of the existing contract, or an option to reduce the rate of the existing contract if the offer is declined. The amount of incremental payment or reduction of rate from the existing contract must be clearly disclosed, and must be at least a qualifying amount as defined by the publication paid circulation defined rules.
 - (2) The offer to "add on" the combination publication requires notification to the subscriber and promotion materials shall not imply nor suggest that the add on publication is "free" or "at no additional cost." The amount being paid for all publications involved in the combination must be at least a qualifying amount as defined by the publication paid circulation defined rules.
- (g) Existing magazine subscriptions involved in ongoing ("til forbid") continuous service offered a combination sale may qualify as paid under the following conditions:
- (1) The offer to "add-on" the combination magazine must require an affirmative act on the part of the subscriber; offers requiring the subscriber to decline the combined publications if it is not desired will not qualify the sale as paid circulation.
 - (2) Notification to the subscriber must be made at least 30 days prior to the debits to authorize credit card accounts to include identification of magazine added, term of subscription, amount charged, and notification of terms continuous service contract and manner in which subscription may be cancelled if not desired.
 - (3) The amount being paid for all magazines involved in the combination must be at least a qualifying amount as defined by the publication paid circulation defined rules.
 - (4) Promotion materials shall not imply nor suggest that the add-on magazine is "free" or "at no additional cost."
 - (5) The "add-on" of another publication is to commence no sooner than the start of the next continuous service contract period.
- (h) When two consumer magazines are sold in a "forced combination" in single copy, such single copies will qualify as paid circulation provided:
- (1) ABC must be notified of any forced combination in single copy in advance of the on-sale date through completion of a pre-evaluation request found at www.accessabc.com.
 - (2) Issues sold in a forced combination must be the current issue on sale separately within the newsstand marketplace.
 - (3) The magazines included in the forced combination must have similar editorial content.
 - (4) The amount paid by the purchaser for the forced combination must be a minimum of 100 percent of the basic single-copy price of the highest priced magazine and 25 percent of the basic single-copy price for the other magazine.
 - (5) No more than 50 percent of the total draw of the magazine with the smaller single-copy draw may be offered in a forced combination for that issue.
 - (6) The average copies served in the period as a result of a single-copy forced combination shall be reported in Publisher's Statements and Audit Reports. In addition, details of the combination, to include the identify of the combination magazines, the issue(s) sold, quantity sold and price of the combination shall be reported in the paragraph devoted to general explanations of Publisher's Statements and Audit Reports.

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F 8.5 Subscriptions Paid for by Contestant

Subscriptions received in a contest and paid for by the contestant and not by the recipient shall not be recognized as conforming to any of the rules defining a paid subscriber but shall be included in the unpaid distribution and explained in the paragraph of Publisher's Statements and Audit Reports devoted to general explanations.

F 8.6 Subscriptions as Prizes

Subscriptions given as prizes through contests shall not be included in paid circulation. This includes subscriptions offered as premiums at county and state fairs.

F 8.7 Subscriptions Involving Charitable Donations

Circulation obtained through cooperation between a publisher and an organized charity, or other organization where the publisher makes a donation in return for and in proportion to the circulation so obtained, shall be described and included in the paragraphs of Publisher's Statements and Audit Reports devoted to such sales.

F 8.8 School Subscriptions

The classification "School Subscriptions" in Bureau reports may be shown at the option of the publisher and if shown shall include only copies (either subscriptions or single issue sales) ordered for delivery to schools. Copies may be purchased individually by the recipients or paid for by schools or out of classroom funds.

In cases where qualified copies are paid for by sponsors, it may be acceptable for payment to be made directly to the publisher from the sponsor if other supporting documentation confirming usage (e.g., affidavits from schools, verification of delivery and receipt, etc.) is available for auditor review.

This circulation shall be shown separately as "Subscriptions-School" or "Single Copy Sales-School" and shall qualify as paid circulation provided copies served conform to Bureau rules defining paid circulation in all other respects.

A complete explanation including the manner in which the copies are paid for shall be shown in the paragraph devoted to general explanations in Publisher's Statements and Audit Reports.

Distribution of copies outside of structured classroom settings may also qualify as paid circulation, and reported as NIE - Home Delivered in Bureau reports provided the following conditions are met:

(a) The copies are served in conjunction with a formal program designed to encourage literacy and continuing education of the participating student by assisting the student's family to improve their life and job skills.

(b) The program in question establishes minimum participation standards for the student's family, and the student's family achieves those minimum standards.

(c) Auditable records demonstrating the student's enrollment in school, the program in question, completion of minimum participation standards, and sufficient funding to support copies distributed are maintained.

(d) Only one copy per participating student's family household may be claimed as paid.

(e) Schools and classrooms offering home delivered copies must also participate in NIE programs requiring classroom usage of the newspaper.

(f) Home delivered copies shall qualify as paid circulation provided copies served conform to all Bureau rules defining paid circulation in all other respects.

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(g) This classification of circulation shall not exceed five percent of average paid circulation.

F 8.9 Subscriptions Purchased with Award Points

(a) Subscriptions acquired through the redemption of accrued award credits or loyalty points (e.g., frequent flyer miles, credit card member points) may qualify as paid circulation if the publisher presents satisfactory evidence that the cash value of the redeemed product or service is equivalent to one cent or more.

These "loyalty programs" require that the participant record a specific volume of transactions to earn sufficient award credit for award points.

(b) Requirements

Sufficient documentation must exist to demonstrate that the program meets the following qualifications:

(1) Program

- (a) The enrollment process must include a clear link to the "host" organization – the organization attempting to build brand loyalty and increase sales.
- (b) The participant must take an affirmative action when enrolling in the program.
- (c) The program must include discretionary goods and services, in addition to the magazine.
- (d) If points are awarded for enrollment, participants may not initially receive more than 35 percent of the points needed to obtain the least expensive product or service offered in the program.
- (e) If an expiration date for points is established, the date must allow for sufficient accumulation of points necessary to redeem the highest valued item prior to expiration.
- (f) Each program must have an assigned point value based upon the number of points required to redeem the lowest valued commercially available product (product value divided by assigned points equals per-point value).
- (g) Points must be earned as a result of incremental activity or the value of each transaction. Merely being in the program for a length of time ("tenure") does not count as activity.
- (h) Points cannot be used to purchase "dollars-off" coupons.

(2) Participant (consumer)

- (a) The participant must perform a specific financial action to earn award points.
- (b) The participant must perform a specific action to redeem goods or services.
- (c) The participant must know the specific activity required to earn points including the volume of points that can be earned with each activity.
- (d) The participant must be able to accrue points for future redemption opportunities.
- (e) Participant must have access to their account status on a regular basis.
- (f) There must be proof that proper payment was received from the participant for the redeemed items.

(3) Point Values

Per-point valuation must be established as follows:

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(a) All items offered for point redemption must have a stated value.

(b) An option must exist for point redemption for a mixture of publication and non-publication items.

At least 20 percent of all items offered must be non-publication items. For non-publication items, at least 50 percent must be commercially available (in the public domain) for consumer purchase.

(c) The value of each commercially available item must be equal to or greater than the average value of all publications included in the offer.

(d) The number of points required for redemption should be an extension of the per-point value calculation (product value divided by assigned points equals per-point value) multiplied by the stated value. This calculation must be consistent for all (publication and non-publication) award items.

(e) The average price calculation formula will be equal to the per-point value multiplied by the number of points required to purchase the subscription.

(c) Reporting

The average number of copies served in the period from subscriptions purchased through the redemption of trading stamps or award points (to include Frequent Flyer Miles) and a full explanation of the program details, value assigned to the points redeemed and the term and price of subscriptions served will be made in the Explanatory Paragraph of Publisher's Statements and Audit Reports.

For the average price calculation formula, the sale shall be equal to the per-point value multiplied by the number of points required to purchase the subscription.

F 8.10 Subscriptions Received in Connection with an Advertising Contract

Subscriptions received in connection with an advertising contract shall be included in Group (Mail Subscriptions Special) under the following conditions:

If at least one cent for the subscription term is charged over and above the regular advertising rate for the space covered by the contract and the advertising contract states specifically that if a subscription to the publication is not desired, the amount of the subscription price can be deducted from the amount of the contract and if such subscriptions are mailed individually to branch offices or employees.

When such subscriptions are sent to the purchaser in bulk, they shall be included in "Sponsored Sales" unless satisfactory documentary evidence is on file in publisher's office showing that such copies sent in bulk are for distribution to employees, subsidiary companies or branch offices of such purchasers, in which case the classification, Group (Mail Subscriptions Special), shall be allowed.

These subscriptions shall be fully explained in the paragraph of the Publisher's Statements and Audit Reports devoted to general explanations.

Subscriptions included in an advertising contract where no additional charge is made for such subscriptions over the regular price of the advertising space contracted for shall not be included in paid circulation, but shall be included in total average non-analyzed non-paid circulation.

F 8.11 Two Subscriptions in One Sale

(a) When only two subscriptions to the same publication are offered or sold in one sale, the amount paid by the purchaser must not be less than two cents for the subscription terms offered.

(b) In order to qualify as paid circulation a contractual agreement must exist for the term of both subscriptions and be in accord with the provisions of Paragraph (a) above.

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F 8.12 Subscription Offer Identifying a Surcharge

When a solicitation to potential or renewal subscribers identifies price components (surcharges such as postage and handling), the sale will qualify for inclusion in paid circulation if the total to be collected is in accord with F 1.1 and provided the amount is such that at least one cent remains as an allocation for the subscription. For purposes of calculating average price, total price paid for the subscription, including surcharges, shall be included in the base formula.

F 8.13 Channels of Subscription Sales

Subscription production shall be classified by channels in Bureau reports designed for magazines in accordance with the following definitions and instructions.

(a) Ordered by mail and/or direct request:

Subscriptions produced by a publisher, individually or in behalf of other publishers; department stores; or other media may be classified as "Ordered by mail and/or direct request" if the subscription order is received through the mail as the result of a voluntary effort by the subscriber or telephone orders initiated by the subscriber or renewal telemarketing efforts initiated by the publisher.

Direct mail, renewal mail, insert cards, television and direct mail agents are included in "Ordered by mail and/or direct request."

Subscriptions sent in by mail as the result of solicitation or obtained as a result of a telephone solicitation by a field salesperson shall be classified as "Ordered through salespeople."

(b) Ordered through salespeople:

(1) Catalog agencies and individual agents:

A catalog agency is a concern which publishes in substantial volume a wholesale price list and/or a retail price list, commonly known as a "catalog." Catalog agencies generally accept subscriptions for many and often for all publications. The retail price catalogs are mailed direct to prospective subscribers by catalog agencies. The wholesale catalogs are distributed to subagents such as individual agents, department stores, bookstores, newsdealers, postmasters or others dealing directly with prospective subscribers.

Subagents employ various forms of solicitation such as direct mail, telephone, newspaper and periodical advertising and door-to-door canvass. Retail catalogs are usually furnished subagents by catalog agencies for mailing. The subagents or agencies send the subscriptions which they originate to the wholesale catalog agency which in turn clears them to respective publishers. The term "individual agents" is intended to apply to subscription salespeople who are not attached to the staff of a field selling organization such as referred to in (b)(2) below. It also applies to agencies which do not publish a wholesale trade price list and/or a retail price list. Such agents are either part or full time workers who are compensated by either cash commission or merchandise reward. They include individuals and concerns variously described as "pin-money salespeople," "personal effort solicitors," individual salespeople, newsdealers, bookstores, postmasters, etc.

(2) Publisher's own and independent agencies' salespeople:

(a) "Publisher's own salespeople" include: Full-time field selling employees; appointed independent field selling contractors who report directly to the publisher, and a field selling subscription agency jointly owned by two or more publishers.

(b) Subscriptions through "independent agencies' salespeople" include those produced by outside field selling organizations which are totally unaffiliated with the publisher except as subscription producers.

(3) Members of schools, churches, fraternal and similar organizations:

Subscriptions in which sponsorship is involved shall be included in the subdivision "members of schools, churches, fraternal and similar organizations" unless specifically provided for elsewhere.

This provision shall apply even though the production of the sponsoring organization is cleared through a catalog agency or any other channel whatsoever.

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(c) Association members:

Subscriptions received as the result of membership in an association shall be included in the subdivision "association members."

(d) When other subscription selling sources are used, a separate line item will be shown as Paragraph (d) All other channels, which will be fully explained in the appropriate paragraph.

(e) The Bureau shall prepare a list of subscription selling organizations as defined by this rule and distribute same to publisher members with appropriate instructions as a guide in properly classifying their production.

F 8.14 Credit Subscriptions

(a) A subscription which is sold on a promise-to-pay basis shall be regarded as a "credit subscription" and such subscriptions will qualify as paid circulation provided:

(1) The term of the obligation to pay is not for more than three months.

(2) The subscriber pays the sum billed.

(3) That the amount charged is sufficient to meet the requirements of the Bureau's rules in all other respects.

(b) If in any case the publisher is obliged to cancel the subscription because of non-payment, the number of copies served thereon shall be established and deducted from paid circulation and included in unpaid distribution.

(c) To qualify as paid circulation, credit subscriptions must be paid as follows:

(1) If sold within North America and the West Indies, payment must be made within seven months after start of service.

(2) If sold outside North America and the West Indies, payment must be made within nine months after start of service.

Copies served on subscriptions which are not paid in accordance with (c) (1) or (c) (2) above and have not been previously cancelled shall automatically be ineligible for inclusion in paid circulation and shall be included in unpaid distribution.

F 8.15 Installment Subscriptions

On a subscription payable in installments, or payable on delivery, only those copies shall be shown in paid circulation that are actually paid for until at least 50 percent of the original order price has been paid, when the subscription automatically qualifies as paid for the full term of the order.

F 8.16 Subscriptions Paid for by Advertising

Any subscription obtained by one publisher from another and paid for in service by the insertion of an advertisement, may be included as paid circulation, provided proof of the insertion of the advertisement or other documentary evidence is available to establish the validity of such subscription, but in such cases the auditor shall explain in the paragraph of the Audit Report devoted to general explanations that this procedure has been followed by the publisher.

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Article 9

F 9.1 Reinstatements

When a subscription is discontinued upon expiration of period paid for, or at any time after such expiration, said subscription cannot be reinstated as a paid subscription without definite request for renewal or new order. When subscriptions have been reinstated after expiration without the receipt of a new or renewal order, copies served on such reinstated subscriptions shall be included in unpaid distribution.

F 9.2 Extensions Because of Price Reductions

(a) In the event of a reduction in the publisher's suggested subscription price of a publication the unexpired portion of a subscription which was paid for at the higher price may be extended in the ratio that the value of such unexpired portion at the old price bears to the new subscription price for such unexpired period.

(b) If at a later date the publisher's suggested subscription price is increased, credit as paid will be allowed on the service still due on subscriptions which were extended by reason of a previous price reduction only in the ratio that the price on which said extensions were made bears to the increased price. All calculations shall be made from the issue with which the increased price becomes effective.

(c) When the extension of subscriptions is contemplated because of a reduction in the publisher's suggested subscription price a subscription mail galley shall be run covering the issues immediately preceding that with which the reduced price becomes effective and an affidavit filed with the Bureau that this has been done. The list must reflect the original expiration dates. The list should also indicate the dates to which each subscription is extended but if this is not done a specific record must be maintained from which the dates to which the expirations have been advanced can be readily determined.

(d) This list and all records pertaining to extensions must be preserved until all subscriptions have reached the expiration dates to which they have been advanced.

F 9.3 Extensions Because of Reduction in Frequency

(a) If a publication reduces its frequency of issuance the expiration dates of all unexpired subscriptions appearing on the list at the time such change becomes effective may be extended to a date which would enable the delivery of the same number of copies originally ordered and promised.

(b) If at a later date the issue frequency is increased, credit as paid will be allowed on the service still due on subscriptions which were extended by reason of a previous reduction in issue frequency only to the extent of the number of copies originally ordered and promised.

(c) When the advancement of expiration dates is contemplated because of a reduction in issue frequency a subscription mail galley shall be run covering the issue immediately preceding that with which the change is to become effective and an affidavit filed with the Bureau that this has been done. The list must reflect the original expiration dates. This list should also indicate the dates to which each subscription is extended but if that is not done a specific record must be maintained from which the dates to which the expiration dates have been advanced can be readily determined.

(d) This list and all records pertaining to extensions must be preserved until all subscriptions have reached the expiration dates to which they have been advanced.

F 9.4 Transfers on Consolidation

When two or more publications merge, copies of the surviving publication served to the subscribers of the merged publications may be included in the Bureau reports as paid circulation under the following conditions and with the following qualifications:

(a) The merged publications must be homogeneous.

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(b) A merger of publications with a predominantly local appeal will be recognized under this rule only when the merged publications have been published in the same community.

(c) The number of issues to be credited as paid circulation on an unexpired subscription shall, at the option of the publisher, be determined by one of the following methods. The decision shall be subject to approval by the managing director.

(1) By dividing the sum of money still due the subscriber at the publisher's suggested annual subscription price of the discontinued publication by the price per copy of the surviving publication, said per copy price to be a pro rata of the publisher's suggested annual subscription price of the surviving publication.

(2) By counting the number of copies of the discontinued publication still due the subscriber and crediting the same number of copies of the substituted publication as paid, providing the publisher's suggested annual subscription price of the discontinued publication is at least 50 percent of the publisher's suggested annual subscription price of the substituted publication or provided that the pro rata single copy price (basic annual subscription price divided by number of copies published annually) of the discontinued publication is at least 50 percent of the pro rata single copy price of the continued publication.

(d) Not more than six months may elapse between the cessation of service to the subscriber of the publication subscribed for and the beginning of service by the publication substituted therefor.

(e) When a merger of publications is effected the first Publisher's Statement thereafter shall contain a consolidated statement of the circulation in Paragraph 1 but the other analyses in the report shall be made separately on each of the merged publications. Analyses of member publications involved shall be based upon the latest Bureau reports. Those not previously members of the Bureau shall be analyzed as thoroughly as may be possible under the circumstances and inability to state any specific fact called for by Bureau reports shall be noted with explanation. Separate analyses may be continued thereafter, if, in the judgment of the managing director, such procedure is necessary to give essential information.

F 9.5 Purchase of Subscription List

When a publication purchases a subscription list of another publication that has ceased or is about to cease publication, the subscribers of the discontinued publication served with copies of the going publication may be included in Bureau reports in paid circulation under the following conditions:

(a) The publications must be homogeneous.

(b) In the case of publications of predominantly local appeal, both publications must have been published in the same community.

(c) The number of issues to be credited as paid circulation on an unexpired subscription shall, at the option of the publisher, be ascertained by one of the following methods. The decision shall be subject to approval by the managing director.

(1) By dividing the sum of money still due the subscriber at the publisher's suggested annual subscription price of the discontinued publication by the price per copy of the surviving publication, said per copy price to be a pro rata of the publisher's suggested annual subscription price of the surviving publication.

(2) By counting the number of copies of the discontinued publication still due the subscriber and crediting the same number of copies of the substituted publication as paid, providing the publisher's suggested annual subscription price of the discontinued publication is at least 50 percent of the publisher's suggested annual subscription price of the substituted publication, or provided that the pro rata single copy price (publisher's suggested annual subscription price divided by number of copies published annually) of the discontinued publication is at least 50 percent of the pro rata single copy price of the continued publication.

(d) Not more than six months may elapse between the cessation of service to the subscriber of the publication subscribed for and the beginning of service by the publication substituted therefor.

(e) Copies served as post expires to subscribers of the purchased publication shall not be included in paid circulation.

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(f) If the option is given to the subscriber of receiving in cash what is due on the old subscription but the subscriber chooses to be served instead with copies of the purchasing publication and authorization to serve the publication instead of the cash is satisfactorily established in the judgment of the managing director, the subscription shall be counted the same as if the subscriber had subscribed for the purchasing publication in the first place, subject to provisions of Paragraph (c) of this rule.

(g) The first Publisher's Statement after the inclusion of the purchased subscription list shall contain a consolidated statement, of the circulation in Paragraph 1 but the other analyses in the report shall be made separately on each of the publications involved. Analyses of member publications involved shall be based upon the latest Bureau reports. Those not previously members of the Bureau shall be analyzed as thoroughly as may be possible under the circumstances and inability to state any specific fact called for by Bureau reports shall be noted with explanation. Separate analyses may be continued thereafter, if, in the judgment of the managing director, such procedure is necessary to give essential information.

F 9.6 Transfers from One Going Publication to Another

When one going publication transfers subscriptions to another going publication, the subscribers so transferred may be included in Bureau reports in paid circulation under the following conditions:

(a) The publications must be homogeneous.

(b) In the case of publications of predominantly local appeal, both publications must have been published in the same community.

(c) The subscriber proposed to be transferred must have had the option of being transferred or remaining on the list of the publication subscribed to; or the subscriber must have had the option of receiving in cash what is due on the old subscription or of accepting the substitution of the other publication; and authorization by the subscriber in the case of any of these options must be of record.

(d) The number of issues to be credited as paid circulation on an unexpired subscription shall, at the option of the publisher, be ascertained by one of the following methods. The decision shall be subject to approval by the managing director.

(1) By dividing the sum of money still due the subscribers at the publisher's suggested annual price of the transferring publication by the price per copy of the publication to which the subscription is transferred, said per copy price in the case of each publication to be a pro rata of the publisher's suggested annual subscription price.

(2) By counting the number of copies of the transferring publication still due the subscriber and crediting the same number of copies of the publication to which the subscription is transferred, provided the publisher's suggested annual subscription price of the transferring publications is at least 50 percent of the publisher's suggested annual subscription price of the publication to which the subscription is transferred or provided that the pro rata single copy price (publisher's suggested annual subscription price divided by number of copies published annually) of the transferring publication is at least 50 percent of the pro rata of the publication to which the subscription is transferred.

(e) Copies served as post expires to the transferred subscribers shall not be included in paid circulation.

(f) The first Publisher's Statement after the transfer shall contain a consolidated statement of the circulation in Paragraph 1 but the other analyses in the report shall be made separately on each of the publications involved. Analyses of member publications involved shall be based upon the latest Bureau reports. Those not previously members of the Bureau shall be analyzed as thoroughly as may be possible under the circumstances and inability to state any specific fact called for by Bureau reports shall be noted with explanation. Separate analyses may be continued thereafter, if, in the judgment of the managing director, such procedure is necessary to give essential information.

F 9.7 Transfers from Suspended Publication to Others

When the subscribers to a publication which has discontinued issuance are offered a choice from a list of two or more other publications, the subscriptions transferred through exercise of such option may be included as paid circulation by the other publications under the following conditions:

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- (a) Choice of other publications must be offered within six months after last publication date of publication which has discontinued issuance.
- (b) The subscriptions of the discontinued publication must conform fully to all other Bureau regulations.
- (c) At least one of the publications offered as a substitute must be homogeneous in editorial content to that of the suspended publication.
- (d) The number of issues to be credited as paid circulation on an unexpired subscription shall, at the option of the publisher, be ascertained by one of the following methods. The decision shall be subject to approval by the managing director.
- (1) By dividing the sum of money still due the subscriber at the publisher's suggested annual subscription price of the discontinued publication by the price per copy of the surviving publication, said per copy price to be a pro rata of the publisher's suggested annual subscription price of the surviving publication.
- (2) By counting the number of copies of the discontinued publication still due the subscriber and crediting the same number of copies of the substituted publication as paid, providing the publisher's suggested annual subscription price of the discontinued publication is at least 50 percent of the publisher's suggested annual subscription price of the substituted publication, or provided that the pro rata single copy price (publisher's suggested annual subscription price divided by the number of copies published annually) of the discontinued publication is at least 50 percent of the pro rata single copy price of the continued publication.
- (e) Post-expiration copies served to subscribers of the suspended publication shall not be included in paid circulation.
- (f) If the option is given to the subscriber of receiving in cash what is due on the old subscription but the subscriber chooses to be served instead with copies of the purchasing publication and authorization to serve the publication instead of the cash is satisfactorily established in the judgment of the managing director, the subscription shall be counted the same as if the subscriber had subscribed for the purchasing publication in the first place, subject only to the provisions of Paragraph (d) of this rule.
- (g) The first Publisher's Statement which includes the transferred subscriptions as paid circulation shall contain a statement naming the publication from which the subscriptions were transferred, the number of transferred subscriptions received and the basis on which fulfillment to the subscriber has been made. The publisher may, if desired, report the number of copies served on such subscriptions during the period covered by the statement. This explanation shall continue in subsequent Publisher's Statements for such periods in which transferred subscriptions are received. The Bureau reserves the right to require a more detailed explanation than above specified if in the judgment of the managing director such procedure is necessary to give essential information.

Article 10

F 10.1 Separate Editions

- (a) The circulation of a separate edition of a member magazine may be included in the paid circulation of the member in Publisher's Statements and Audit Reports, subject to the following conditions:
- (1) The edition must maintain the same publication name and logotype characteristics as the member magazine.
- (2) The editorial content must be homogeneous to the member publication's editorial content.

If in the judgment of the managing director, differences exist sufficient to create the appearance of a separate publication, separate membership in the Bureau will be required.

- (b) A publisher may designate certain portions of the distribution of its publication as "editions." In the absence of specific designations as "edition" or "editions," a publication shall be required to list the circulation of each portion of its distribution, in which advertising is regularly sold separately in the paragraph of Bureau reports devoted to edition reporting.

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(c) A magazine published in more than one edition shall be required to report the average circulation for each edition in the Publisher's Statement and Audit Report.

(1) A count and analysis of the circulation for each edition must be made for one issue during each audit period. The figures to be reported for each edition in Bureau reports for all other issues during the period may be based on percentages as determined from the issue analyzed, providing the analyzed issue is representative.

(d) If a magazine transfers subscriptions between editions following the establishment of a rate base or guarantee, a complete explanation shall be made in the paragraph of Bureau reports devoted to general explanations including the number of subscribers transferred and the rate base for each edition involved.

Article 11

F 11.1 Advertising Rate Base or Circulation Guarantee

Paragraph 1 of Magazine Publisher's Statements and Audit Reports shall include a statement setting forth facts pertaining to advertising rate base or circulation guarantee if such existed during the period covered by the report.

The default presentation of advertising rate base or circulation guarantee in Paragraph 1 will be to Total Paid & Verified Circulation. Publishers wishing to report separate paid versus verified rate base data may do so in the explanatory paragraphs.

In those cases where non-paid circulation is analyzed, Publisher's Statements and Audit Reports shall report separate rate base or circulation guarantee data for each component of circulation (Paid & Verified Circulation versus Analyzed Non-Paid Circulation) provided the publisher's rate card clearly makes the distinction. In the absence of such a distinction, the default presentation in Paragraph 1 will be a comparison of rate base and/or circulation guarantee to total circulation (Paid & Verified plus Analyzed Non-Paid).

Article 12

F 12.1 Special Issues

Special issues are those issues published in addition to the normal frequency of a publication in which editorial content differs from the subject material of issues regularly published; advertising is sold specifically for the special issue and the on-sale date overlaps the date of one or more regular issues.

Special issues shall be reported in Paragraph 3 only with a footnote that the circulation is not included in the averages shown in Paragraph 1. A non-promotional explanation of special issues may be shown in the Explanatory Paragraph, subject to the provisions of [Rule B 3.4](#).

Article 13

F 13.1 Definition of Individual Recipient

The "Definition of Individual Recipient" for publications reporting analyzed non-paid list source circulation shall be a statement describing specific classes of subscribers (e.g. businesses, titles, occupations, geographic or demographic, etc.) to whom the publication is directed. It shall exclude statements of a promotional nature and be subject to editing by the managing director. The publisher shall maintain auditable documentation, not more than three years of age, to substantiate that all analyzed non-paid list source circulation meets the Definition of Individual Recipient.

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F 13.2 Method of Circulation

The "Method of Circulation" for magazines analyzing non-paid circulation shall be a statement describing the method by which the publication is distributed. It shall exclude statements of a promotional nature and be subject to editing by the managing director.

F 13.3 Analyzed Non-Paid Circulation

Those publishers reporting analyzed non-paid circulation may provide an analysis of circulation for one issue within each statement period (the issue to be the same as that analyzed for paid circulation). The issue to be analyzed shall be the same issue used to report a geographic analysis. Format for the analysis shall be determined by the managing director working with the publisher and shall conform to the "Definition of Individual Recipient" and "Method of Distribution" statements.

F 13.4 Analyzed Non-Paid List Source

Circulation served to individual recipients wherein names have been obtained from a list, directory or similar resource may be reported as Analyzed Non-Paid List Source, provided the following requirements are met:

(a) Age of source of recipient name does not exceed 36 months.

(b) Publications issued monthly or less often must serve recipients every issue for at least six consecutive months; publications issued more often than monthly must serve recipients at least six consecutive issues, but not less than three consecutive months of service.

(c) Source of recipient name must be adequately identified and dated and must be made available for auditor examination.

(d) A full explanatory shall be made in the paragraph devoted to general explanations regarding the source of recipient names.

F 13.5 Analyzed Non-Paid Bulk Defined

Analyzed non-paid bulk is circulation delivered to designated locations for redistribution to recipients unknown to the publisher. Records must be kept on an issue-by-issue basis to show gross and net distribution when applicable. The copy served must be the current subscription issue being distributed.

Publisher's Statements and Audit Reports shall show copies distributed to designated areas but make no inference as to their final disposition.

F 13.6 Analyzed Non-Paid Market Coverage Circulation Defined

Non-Paid distribution served to recipients known by address only and/or for periods less than required by [F 13.5](#), [F 15.1](#) and [F 15.2](#) (to include those circumstances where confirmation of minimum service requirements cannot be made) or multiple copies served to waiting room locations are to be separately reported in Publisher's Statements and Audit Reports. In addition, copies distributed are to be reported as either "Market Coverage" or "Delivered with Host Products," whichever is appropriate. When such categories are reported, full details of the circumstances surrounding the distribution shall be shown in the paragraph devoted to general explanations.

F 13.7 Analyzed Non-Paid Delivered With Host Products Defined

Analyzed non-paid delivered with host products is circulation delivered to recipients as an insert into another publication.

Records must be kept and made available to the auditor on an issue-by-issue basis to show net distribution of the host product delivery.

Publisher's Statements and Audit Reports shall report copies distributed by host publication in the paragraph devoted to supplemental analysis of circulation.

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Article 14

F 14.1 Supplemental Unit Analysis

- (a) Publisher's Statements and Audit Reports of magazines may, at the option of the publisher, include a unit count analysis of circulation to the field served and/or within the definition of recipient qualification.
- (b) A written request must be filed with the Bureau at least 30 days prior to the close of the audit period in which the initial analyses are to be reported. The analyses should be filed with the regular Publisher's Statement and be made for the same issue as the geographic analysis breakdown.
- (c) The initial analyses may not be reported in a Publisher's Statement until after having been verified by audit. Verification may be made at time of regular audit and included in the Audit Report. The analyses may be reported in the two regular Publisher's Statements following the period covered by the Audit Report. An explanation, with reference to the issue analyzed is to be included.
- (d) The analyses shall contain a breakdown for as many categories of the analysis breakdown as desired by the publication requesting the unit count, but must include categories in the order in which they appear in the analysis of circulation breakdown. Those categories for which analyses are not made shall be clearly identified in the business analysis breakdown.
- (e) All data and records pertaining to these analyses must be preserved for auditor's examination. If records are considered inadequate to substantiate the publisher's claim the analyses will not be released.

No information may be used for classification purposes which was obtained more than three year prior to the date of the issue analyzed.

- (f) For unit count analyses, standard definitions of a "unit" must be used by all publications serving the same field. The definitions become standard for the field when approved by the managing director and shall appear in Audit Reports and Publisher's Statements where unit analyses are reported. All copies in the categories analyzed by units must be assigned to a unit.

A geographic analysis by states, provinces and countries, in accord with the Bureau's standard format, may be made a part of the unit analysis, at the publisher's option. The breakdown shall include separate totals for those copies analyzed by units and those not analyzed.

F 14.2 Annual Single-Copy Reporting Option

Publications issued annually and sold only through single-copy sales have the option of a simplified reporting of their circulation. Those publications electing to make simplified reporting shall not be required to submit semi-annual Publisher's Statements to the Bureau, instead having only the release of audited circulation data following the finalization of each issue.

- (a) Publications electing this option, shall be required to adhere to the following provisions:

- (1) Publications are required to submit interim data through ABC's Rapid Report online product.
- (2) Publication's Audit Report will indicate no Publisher's Statement was released by ABC as publication is a participant in the annual single copy reporting simplified program.
- (3) Publications will carry no data in semi-annual FAS-FAX; instead make notation as to participation in the annual single copy reporting simplified program.

- (b) Publications electing to participate in this optional program, shall be required to advise ABC in advance of the beginning of the period in which they wish to report under this option.

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Article 15

F 15.1 Verified Circulation

(a) Verified circulation shall consist of copies designated by publishers for readership in public places and to individual users who may have an affinity for the publication. Copies classified as 'verified' will not be subjected to paid circulation qualification standards, however all recipients (individuals and public place locations) must be afforded an option to 'opt-out' of receipt on an annual basis and as further described below.

(b) Verified circulation will consist of subscription circulation only. Single-copy distribution will not be eligible to be reported as 'verified' circulation, but may be eligible to be reported as 'analyzed non-paid bulk' or 'analyzed non-paid market coverage' if distribution is in accord with the provisions of Rule F 13.5 or F 13.6.

(c) Verified circulation will be reported in total in Paragraph 1 of ABC Publisher's Statements and Audit Reports and be further analyzed within the appropriate paragraphs of each statement and report. Once a copy served to an individual address or to a public place is reported as verified circulation, all copies served to that address or public-place locations are to be reported as verified circulation through the full term of the subscription service.

(d) There are two sub-categories of 'verified' circulation: Public Place and Individual Use. Total verified circulation reported in Paragraph 1 of ABC Publisher's Statements and Audit Reports must be further analyzed into these categories as appropriate in paragraphs devoted to such an analysis and as described below. In addition, publications shall have the option of reporting fees received from a sponsor for copies reported under verified circulation provided adequate records are in place to verify amount received net of all considerations.

(e) Verified Public Place represents copies intended for use in waiting room locations, hotel rooms, for use by patrons of the business establishment at that location, and copies intended for distribution on aircraft or to restricted airline clubs. All such copies are not intended for individual pick-up and removal. To qualify to be reported as Public Place, the following conditions must be met:

(1) Each business establishment identified as a public place must be given the ability to opt-out as a receiving location on an annual basis.

(2) No more than three copies of each issue of any magazine may be served to a public place location. However, no limit will be placed on the total number of unique magazines that may be served to each public place location.

(3) There must be at least two consecutive issues served for each unique magazine at each public place location.

(4) The copy served must be the current subscription issue being distributed.

(5) Copies to be distributed to hotels for in-room placement as Public Place locations must also meet the following criteria:

(i) Publications of monthly or less frequency may provide a maximum of four copies per hotel room to each hotel location;

(ii) Publications of greater than monthly frequency may provide a maximum of one copy per hotel room to each hotel location;

(iii) The publisher or publisher's agent must maintain a current contract with each hotel or responsible hotel corporate management. The contract is to be signed by an individual in senior management at the hotel. The contract must stipulate the hotel's agreement to participate, confirm the number of copies of each unique magazine to be provided, and identify the specific locations within the hotel where the copies are to be placed. The contract must be renewed at least annually.

(6) Copies distributed to airlines for aircraft or restricted-access club locations to be reported as Verified / Public Place shall be required to adhere to the following conditions:

(i) The publisher / publisher's agent must enter into a formal agreement with the airline for the term of distribution. The agreement must specify the airline's choice of magazine(s); affirmation that the airline has not received other inducements or considerations to participate in the program; and the average number of daily flights operated by the airline (to be

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based on activity for at least one calendar month). The term of the agreement shall be for not less than two consecutive issues and if the intended distribution is for a period longer than one year, the agreement must be updated at least annually.

(ii) Upon request, the airline must be willing to provide an affidavit attesting that all magazine copies supplied to the airline were distributed by the airline and made available to its customers either on-board aircraft or in restricted-access clubs.

(iii) The maximum number of copies to be provided to an airline by any magazine, regardless of frequency, is two copies per flight based on the total number of monthly flights for an airline with a maximum of 8,000 copies per airline, per issue.

(iv) The airline shall have full discretion as to where the copies are made available to its customers. For example, the airline may elect to place all copies on only selected flights, or only in restricted-access club locations, or some combination thereof.

(v) Copies that do not meet these qualifications or are placed in other airport public locations and/or made available for pick-up shall not qualify as Verified circulation but rather shall be governed by Rule F 13.5 Analyzed Non-Paid Bulk Defined.

(f) Verified Public Place circulation must also be analyzed so as to report the number of copies distributed to the top five location types (e.g., doctors/healthcare provider locations, personal care salons, etc.). A standard listing of location types will be maintained by ABC.

The following are examples of calculations to determine the number of allowable verified airline copies:

Example A:

Airline XYZ conducts 100 flights per day for the month of June.

- **100 x 30** (the number of flights per day multiplied by the number of days in the month of June)
- **3,000 x 2** (the number of flights per month multiplied by two, the number of copies that may be distributed per issue, per flight)
- **= 6,000** (this is the maximum number of copies per issue, per magazine that can be distributed to Airline XYZ)

Since 6,000 is less than the 8,000-copy maximum, the total number of verified copies that may be distributed to Airline XYZ for the month of June is 6,000 per issue, per magazine.

Example B:

Airline JKL conducts 300 flights per day for the month of June.

- **300 x 30** (the number of flights per day multiplied by the number of days in the month of June)
- **9,000 x 2** (the number of flights per month multiplied by two, the number of copies that may be distributed per issue, per flight)
- **= 18,000** (the maximum number of copies that may be distributed to airline is 8,000 per issue, per magazine)

Since 18,000 is more than the 8,000-copy maximum, the total number of verified copies that may be distributed to Airline JKL for the month of June is 8,000 per issue, per magazine.

(g) Verified Individual Use circulation will represent copies delivered to individuals who have been provided the option to 'opt-out' and not receive the magazine. The 'opt-out' option must be presented to the recipient within three months of the initial start of service, and at least annually thereafter. Publishers electing to offer an 'opt-in' may do so and report the circulation as Verified Individual Use if the provisions of F 15.2 are followed.

(1) Only one subscription per household may be reported as Verified Individual Use.

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(2) Verified Individual Use circulation must also be analyzed as to the top five sources of names included in the category (e.g. show attendees, charitable donors, individual requested, etc.). A standard listing of source categories will be maintained by ABC.

(3) Copies originally served by a publisher with the intention to qualify as 'paid' circulation, shall not be eligible to be reported in ABC Publisher's Statements as 'Verified Individual Use' but rather may be eligible to be reported as 'analyzed non-paid market coverage' copies.

(4) Copies originally reported as 'paid' circulation and subsequently disqualified through the audit process are not eligible to be reported as Verified Individual Use but rather may be eligible to be reported as 'analyzed non-paid market coverage' copies unless it can be shown to the satisfaction of the Managing Director that each individual recipient took an affirmative action to specifically order the magazine at the inception of service.

(5) Recipients must be served at least two consecutive issues.

(6) Copies served must be the current issue being distributed to subscribers unless subscriber has directly requested the publication in accordance with Rule [F 15.2](#).

F 15.2 Individually Requested Circulation

Individually requested circulation may be included as Verified circulation provided it conforms to the following requirements:

(a) If subscription service is requested of a publisher, the letter or order requesting the service must be signed by the individual specifically requesting delivery of the publication and retained by the publication for auditor's examination.

(b) If individually requested subscription service is solicited by the publisher, the order form, questionnaire or reader service card must conform to the following specifications:

(1) It must have specifically asked whether or not the individual wished to receive the publication by using a phrase approximating the following: "I wish to receive (name of publication) magazine. Yes ___ No ___." Alternate phrasing approximating the following may be used: "Please sign here if you wish to receive (name of publication) magazine."

Forms using the alternate phrase must be signed.

(2) If the order form used to solicit new subscribers is publication specific (does not include offers for other products or services) and is to be completed by the recipient, the order form shall not be required to contain a phrase asking whether or not the individual, or corporate official in the case of group orders, wished to receive the publication.

(3) The order form must have either required the individual to fill in his name and address or requested his signature.

When publishers use telemarketing, the telephone interview forms must have been signed and dated by the interviewer. The interviews shall, for verification purposes, include a personalized question which only the recipient is likely to be able to answer, such as date of birth or mother's maiden name. Different questions must be used when requests are renewed and all personalized questions shall be subject to approval by the Bureau. Publishers shall be responsible for maintaining adequate records to verify the placement of the telephone calls.

(c) Individually requested subscriptions must be renewed at least once each 36 months.

(d) Individually requested subscriptions must be served at least two consecutive issues.

F 15.3 Late Mailing Explanation

When 15% or more of the copies mailed to recipients for an issue are mailed on or after the stated mailing date of the next issue, the completion date of mailing for that issue shall be reported in the paragraph of the Publisher's Statements and Audit Reports devoted to general explanations.

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In the absence of a stated mailing date for a publication in either its rate card or in recognized directories, the first day of the cover date of the next issue shall be used to determine if copies are mailed late. The explanation shall state the percentage and number of copies mailed late.

Article 16

F 16.1 Consolidated Media Report

Publisher members may make available a consolidated report of ABC and ABCi audited qualified circulation, unique visitors/registered users and other auditable forms of media, under the following conditions:

- (a) The various forms of media are homogeneous in terms of editorial content when compared to the host ABC member publications.
- (b) The distribution for all forms of analyzed media must be derived from the current released report issued by ABC.
- (c) The Consolidated Media Report must contain the following:
 - (1) A summary of the report's content, which would identify the original ABC report in which the data first appeared.
 - (2) An aggregation of the total circulation/distribution/exposure of all forms of media analyzed.
 - (3) The report shall clearly identify that the figures are "gross" and that no effort has been made to eliminate any duplication circulation/distribution/exposure.
- (d) The report may also contain one or more of the following:
 - (1) Geographic analysis of all, or any portion of the media analyzed.
 - (2) Other characteristics of the recipients of the circulation / distribution / exposure of the media analyzed, which are supported by auditable records, and subject to the approval of the managing director.