



Audit Bureau of Circulations

900 N. Meacham Road, Schaumburg, IL 60173-4968

**PUBLISHER'S STATEMENT
OF COUPON DISTRIBUTION
PRACTICES AND PROCEDURES
For 12 Month Period Ended _____**

Publication _____

City _____ State _____ ZIP _____

Published _____

Primary Coupon Days _____

This statement presents information on the practices and procedures followed in the distribution and disposition of ROP coupon sections, free standing coupon inserts and supplements containing coupons. It is submitted in accordance with an agreement between this newspaper and the Audit Bureau of Circulations under which the information is subject to verification by ABC.

FREE STANDING COUPON INSERTS

RECEIPT

As free standing insert sections are received by the publisher, the actual number should be verified and recorded. Acceptable procedures which accomplish this include counting pallets or weighing the pallets. In either case, the numbers should be recorded in a log book, and any shortages, overages or damaged skids, once determined, should be reported and resolved with the originating source and if necessary, the advertiser. A record of these occurrences and their resolutions should be maintained.

Upon receipt of coupon inserts, it is the publisher's practice to (check all that apply):

- Visually inspect shipment
- Weigh a portion to determine amount on skid
- Verify amount by inserting machine
- Compare number (skid totals) received to (circle applicable assessment):

- Bill of Lading
- Shipper Invoice
- Packing Slip
- Manifest
- Other, Explain _____

If a discrepancy between the amount shipped and the amount received exists, who is notified?
(check all that apply)

- Pre-print Manager
- Publisher
- Advertiser
- Printer
- Advertising Dept.
- Advertising Manager
- Circulation Department
- Shipper
- Other

If more than one checked, outline notification procedure:

If coupons are damaged upon receipt, what is done?

- Damaged coupons are photographed
- Other

Who is notified of the damage? _____

SECURITY / STORAGE

Free standing inserts received prior to issue date should be kept in a designated secure area prior to insertion with accessibility limited to authorized personnel only. Acceptable security measures employed by newspapers include but are not limited to: locked cages, elevated shrink-wrapped pallets, T.V. monitors scanning the storage area, supervised mailrooms with limited access and a policy stating that "tampering with coupon material will not be tolerated."

What methods are used to protect free standing coupons from theft or damage? (check all that apply)

- Bound to skids
- Strapped to skids
- Wrapped in plastic
- Shrink-wrapped
- Sealed, How? _____
- Other, Define _____

Where are free standing coupon inserts stored?

- Caged storage
- Publisher's mail room
- Store room
- Area adjacent to collating/insertion
- Area adjacent to mail room
- On site warehouse
- On site basement
- Off site warehouse (please specify) _____
- Off site Insertion facility (please specify) _____
- Publisher's distribution center
- Stored at an independent trucking warehouse until distribution (please specify) _____
- Trailer
- Satellite plant (please specify) _____
- Other, Define _____

Who has access to the storage area?

- Security guards
- Security personnel
- Authorized personnel
- Other, Identify _____

Is there a stated employee policy concerning tampering or mishandling of coupons? YES [] NO []

If YES, explain

How is the area, in which free standing coupons are stored, secured?

- Locked Cages
- Locked Sheds
- Locked Trucks
- 24-hour security guard surveillance
- Stored in locked mail room
- Stored in locked warehouse
- Patrolled by publisher's personnel
- Patrolled by security guards
- Security system, Define _____
- Closed-circuit TV monitors
- Video surveillance
- Security personnel at entrances
- Security personnel at exits of buildings
- Magnetic key cards needed for access
- Electronic pass needed for access
- Cages or sheds have alarms attached

INSERTION

Insertion of coupon material at the publisher's plant, carrier and/or distributor locations should be carefully supervised and monitored to maximize security.

How are free standing coupons inserted?

% Machine inserted % Hand inserted

Are coupons inserted into pre-printed sections? YES [] NO []

If YES, where? _____

When and where are the pre-run sections inserted into a main sheet?

TREATMENT OF LEFTOVERS / SPOILS

After insertion, all leftover and/or spoiled coupon material should be returned to a designated secure area prior to their destruction. Publishers should have policies and procedures in place which would govern the handling of leftover coupon material if the situation occurs. Leftover and spoiled inserts must be destroyed, preferably in house. This process can include, but is not limited to, shredding, incinerating, pulping, etc. It is not in accord with the guidelines to give leftovers to churches or charitable organizations or other fund raising events.

Are leftovers/spoils (check all that apply):

- Baled
- Shredded
- Unbundled
- Sprayed
- Placed in locked dumpster
- Thrown in trash with newsprint waste
- Other (describe) _____

Does this occur at the publisher's plant? YES [] NO []

If NO, where does this take place?

Name _____

Address _____

City _____ State _____

Is this a _____ Waste Paper Company _____ Recycler _____ Salvage Company

_____ Other, Identify _____

Is an affidavit on file stating disposal methods? YES [] NO []

Are the leftover/spoils left, at any time, intact and/or unsecured? YES [] NO []

If Yes, explain

RUN OF PRESS COUPONS

RECORD MAINTENANCE

Auditable records must be available to verify the number of coupon sections printed, food sections if printed separately and spoils. Usually press room reports will suffice.

When are the run of press coupons printed? (check all that apply, if more than one checkmark is used, explain)

_____ Less than 1 day before insertion

_____ 1-2 days in advance of insertion

_____ Within one week of usage

_____ Printed as part of the regular press run, not in advance

_____ Other, Explain

If holding time depends on the kind of run of press coupon, explain:

What records are maintained to record actual run of press coupon sections?

- Publisher's press run reports
- Mail room foreman's distribution report
- Other, Explain

STORAGE

Pre-run coupon sections should be kept in a secure area prior to issue date. As with free standing inserts, similar security measures should be in place. Also, the publisher should ensure that pre-run coupon sections delivered to carriers or distributors in advance of the issue date are kept in a secure storage age.

Are they printed as part of the completed newspaper? If NO, explain YES [] NO []

Are storage facilities needed for run of press coupon sections? YES [] NO []

LEFTOVERS

Procedures should be established for the destruction of leftover and spoiled coupon sections as to render them unusable. Procedures include but are not limited to: coupons are shredded, bundled and sent to a wastepaper company and/or a certified shredder; coupon material is pulped and shipped to the recycling plant. If final disposition occurs at other than newspaper plant, a detailed affidavit attesting to the process may suffice.

How are leftovers/spoiled run of press coupon sections handled? (check all that apply):

- Baled
- Shredded
- Unbundled intact
- Sprayed
- Other
- Placed in a locked dumpster
- Thrown in trash with newsprint waste

DISPOSITION OF ART WORK, NEGATIVE & PRINTING PLATES

The publisher should have procedures in place to ensure that printing plates, artwork and negatives are disposed of as to make coupon materials unusable for reproduction. Normally, printing plates, artwork and negatives are stored at the publisher's plant after the issue date. Coupon materials, etc., should be stored in a secure area prior to their destruction. Since printing plates and negatives are sold to recyclers, an affidavit should be maintained attesting to the disposition process.

Artwork

Where is the artwork kept after use, but before disposal?

Department (please specify) _____

_____ Locked cabinets

_____ Unlocked cabinets

_____ Other, explain _____

Negatives

Where are the negatives kept after use, but before disposal?

Department (please specify) _____

_____ Locked cabinets

_____ Unlocked cabinets

_____ Storage bins (barrels)

_____ Other, explain _____

Printing Plates

Where are printing plates kept while awaiting pick-up?

Department (please specify) _____

_____ Storage bins (barrels)

_____ Other, explain _____

Provide names and location of recyclers:

Negatives

Printing Plates

Are affidavits on file stating disposal methods?

YES [] NO []

PUBLISHER'S UNSOLD AND RETURN PROCEDURES

When newspapers are returned to the publisher's plant, publisher personnel should spot check returns to ensure that they contain the appropriate coupon materials and records should be maintained and made available for auditor's review. Returned newspapers containing coupons should be kept in a secure area prior to their destruction.

In some cases, unsold newspapers are shredded, preferably in house, to render any coupon material unusable. Affidavits from wastepaper companies or recycling plants outlining the disposition procedures rendering coupons unusable for redemption will satisfy this requirement.

Single copy sales accounts are fully returnable in (check applicable zone/edition):

	SUNDAY EDITION	MORNING EDITION	EVENING EDITION
City Zone	_____	_____	_____
Retail Trading Zone	_____	_____	_____
All Other	_____	_____	_____
Newspaper Designated Market	_____	_____	_____
Outside Newspaper Designated Market	_____	_____	_____

Newsdealers are required to return (check applicable zone/edition):

	WHOLE COPIES	MASTHEAD ONLY	OTHER EXPLAIN
City Zone	_____	_____	_____
Retail Trading Zone	_____	_____	_____
All Other	_____	_____	_____
Newspaper Designated Market	_____	_____	_____
Outside Newspaper Designated Market	_____	_____	_____

Returned copies are then (check all that apply):

- _____ Spot checked for FSI or ROP coupon sections
- _____ Stored in a dumpster. It is secured/unsecured (circle one)
How? _____
- _____ Shredded
- _____ Baled
- _____ Stored in a trailer. It is secured/unsecured (circle one)
How? _____
- _____ Bound to skids
- _____ Stored in a warehouse. It is secured/unsecured (circle one)
How? _____
- _____ Fenced area
- _____ Compacted
- _____ Bundled
- _____ Stored on a loading dock. It is secured/unsecured (circle one)
How? _____
- _____ Other, Explain _____

Are any returns given to churches, charitable organizations or contributed to fund raising events? If YES, explain

YES [] NO []

Returns are taken to/await pick-up by: (circle appropriate phrase)

Name _____

Address _____

City _____ State _____

Is this a _____ Waste Paper Company _____ Recycler _____ Salvage Company
_____ Other, Identify _____

Are affidavits on file stating disposal/security methods?

YES [] NO []

Are returns secured/unsecured (circle one or both) at any time, before disposal? Explain.

YES [] NO []

UNSOLD COPIES NOT RETURNED TO PUBLISHER

When unsold copies of newspapers are not returned to the publisher's office, procedures should be established to ensure they are being disposed of properly. Signed affidavits by distributors, carriers, etc., stating coupons are rendered unusable may be used to satisfy this requirement. Claims made through affidavits should be spot checked on a routine basis by publisher personnel, and a record of these spot checks should be maintained for review during the audit.

Acceptable affidavits are described as those which explain the manner in which unsold copies are rendered unusable as well as where and when the process is performed. Giving unsold copies to churches or charitable organizations is unacceptable. The most effective method to render unusable is destruction.

Affidavits should be updated at least annually or when a route turns over to satisfy these requirements.

Single copy sales accounts are non-returnable and/or whole copies not returned in (check applicable zone/edition):

	SUNDAY EDITION	MORNING EDITION	EVENING EDITION
City Zone	_____	_____	_____
Retail Trading Zone	_____	_____	_____
All Other	_____	_____	_____
Newspaper Designated Market	_____	_____	_____
Outside Newspaper Designated Market	_____	_____	_____

If chart did not adequately define return policy, explain.

Are independent distributors (agents) required to file affidavits attesting that advertising coupons are destroyed in a manner to render them unusable? YES [] NO []

If YES, are the affidavits signed and dated within one year of the coupon report? YES [] NO []

Does personnel spot check claims, made through affidavits, routinely as outlined in the guidelines? YES [] NO []

NEWSPAPER DISTRIBUTION PRACTICES

Publications should have a policy which outlines the publisher's practices governing draw increases and other unusual occurrences. Publisher's personnel should review/monitor account volume levels on an ongoing basis.

If significant draw increases or other unusual occurrences occur, the publication should follow-up to ensure that copies which contain advertiser coupons are being delivered to customers.

The previous Coupon Distribution Verification Report outlines the distribution practices.

This accurately outlines distribution practices. YES [] NO []

If NO, please make the following revisions:

The previous Coupon Distribution Verification Report outlines the maintaining of draw changes by independent agents, newsdealers or carriers.

Is this policy currently enforced as stated?

YES []

NO []

If NO, please make the following revisions:

Many publishers forbid newsdealers from distributing on coupon days only. Please review the stated policy in the previous Coupon Distribution Verification Report.

Choose One:

_____ Yes, this is still current practice

_____ No, this is not accurate. Make the following revisions:

SECURITY

Please describe overall plant security in detail.

_____ Badges

_____ Visitor employee I.D.

_____ Security guards

_____ TV monitors

Other (please describe)

Name of person(s) responsible for coupon security at newspaper.

We hereby certify that all statements set forth in this document are true and complete.

Name _____

Title _____

Newspaper _____

State/Province _____

City _____

Signature _____

State _____