

## Coupon Verification Distribution Service

**Dates of Auditor's Verification:  
November 2 - December 10, 2012**

Report as of January 31, 2013 for:

**Anytown News (M, Sat M & S)**

**Anytown, Illinois**

Primary Coupon Day(s): Sunday

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### 1. Security/Storage of Preprinted Coupon Sections

#### (a) Publisher's Practices:

It is the publisher's practice to visually inspect the condition of freestanding coupon inserts and verify the number of skids against the bill of lading and shipper invoice at the time of receipt. Exact counts are verified by insertion machine. Any differences between the amount received and the amount claimed to have been shipped are reported to the advertising department, who in turn notifies the shipper and circulation department. Badly damaged coupons are photographed to document their unusability. Records of these differences are maintained by the publisher's personnel. Run-of-press coupon sections are printed as part of the complete newspaper and records are maintained by the publisher.

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#### (b) Auditor's Findings:

Publisher's practices were as stated above and were in accord with established guidelines.

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### 2. Unsold Copies Returned to Publisher

#### (a) Publisher's Practices:

It is the publisher's policy that all unsold copies of the newspaper are fully returnable to single copy sales accounts in the Newspaper Designated Market and Outside Newspaper Designated Market.

Whole copy returns and unsold copies are brought back to the publisher's plant, where personnel make spot checks to determine that free-standing and/or run-of-press coupon sections are included. Returned copies are stored in secured dumpsters until picked up by XYZ Company, a recycler. These dumpsters/trailers are locked and monitored by security guards 24 hours a day.

#### (b) Auditor's Findings:

Publisher's practices were as stated above and were in accord with established guidelines.

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### 3. Unsold Copies Not Returned to Publisher

#### (a) Publisher's Practices:

The publisher requires all newsdealers and those contractors who are not required to return whole copies to file a written statement attesting to the manner in which unsold copies are disposed of to render advertiser coupons unusable.

#### (b) Auditor's Findings:

Publisher's practices were as stated above and were in accord with established guidelines.

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## 4. Newspaper Distribution Procedure

### (a) Publisher's Practice:

Distribution of the newspaper is made through independent contractors to single-copy sales accounts and delivery agents for home delivery in the Newspaper Designated Market and Outside Newspaper Designated Market.

The number of copies to be served to subscribers through home delivery agents is controlled by office maintained customer records. The number of copies to be served to independent contractors and newsdealers is not limited; however, it is the publisher's practice to monitor all draw changes.

Sunday only newspapers are permitted.

### (b) Auditor's Findings:

Publisher's practices were as stated above and were in accord with established guidelines.

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### About CDVS

**Guidelines:** Established guidelines have been developed for the basic data to be provided by newspaper participants in AAM's Coupon Distribution Verification Service (CDVS). These industry-developed guidelines cover the relevant verifiable records and security measures and are outlined in the next column.

**Reports:** An industry task force developed the format for this report that provides details of the AAM verification. The information in this report relates to the practices and procedures employed by each newspaper in the handling and disposal of copies containing advertisers coupons.

**Procedures:** The coupon distribution verification is made in conjunction with the regular annual circulation audit. AAM auditors subject the publisher's claims to verification tests by making whatever investigations are deemed necessary under the circumstances.

These procedures include an examination of the publisher's internal records as well as the auditor's personal inspection of procedures in handling, storage and disposal of copies containing advertisers coupons.

The individual at the newspaper to contact for more information is:

John Doe  
Circulation Operations Manager  
Anytown News  
123 Main Street  
Anytown, IL 60000  
T: (847) 555-1212 • F: (847) 555-1313

### Industry-Established Guidelines:

#### Required Records

- Auditable records, procedures or statements from persons responsible for handling the coupons must affirm that the number of coupon inserts received or printed at the newspaper's office agrees with the number shipped.
- Freestanding coupon inserts or run-of-press sections printed prior to insertion should be stored in a secure area until they are removed by authorized persons.
- Auditable records or procedures must be maintained to verify that freestanding coupon inserts or run-of-press coupon sections were placed in the newspaper for distribution.
- Leftover coupon inserts should be disposed of in a manner as render them unusable for redemption.
- Printing plates or other materials used to print run-of-press coupon sections should be disposed of in a manner as to render them unusable.

#### Return Procedures

- Auditable records of procedures or statements must be affirmed from the persons responsible for recovery and destruction of the newspapers containing advertiser coupons.
- Statements from waste companies or any other firms that may purchase leftover, returned or unsold copies of the newspaper containing advertiser coupons, must affirm that the advertiser coupons were disposed of in a manner to render them unusable.
- Auditable records of procedures must affirm all newspapers returned to the newspaper's office contain the proper amount of advertiser coupons.

#### Distribution Procedures

- Auditable records of procedures used to monitor the number of copies in excess of a regular or normal draw purchased by a distributor, dealer or carrier on days when the newspaper contains advertiser coupons must be available.
- Alternatively, assertions must be provided from the publisher's personnel regarding tests made to determine that increases in draw of copies of newspapers containing advertiser coupons are for delivery to individual customers or bulk purchases. A review of these procedures may be made in lieu of assertions.

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The records maintained by this publication pertaining to data reported for the period covered have been examined in accord with established guidelines. Tests of records and other verification procedures considered necessary were conducted. Based on AAM's examination, the information in this report presents fairly the data verified by AAM auditors.