



A Guide to Preparing for a Business Publication Audit with BPA Worldwide

Overview

To start your BPA Worldwide audit, you need to define the audience (circulation) of your publication as a field or market that the publication serves and set standards for who is qualified to receive the publication. Defining the publication's audience is the basis for separating the circulation list into two parts: qualified and non-qualified. Qualified subscribers will meet three basic requirements: they must fit into specific parameters for occupation, title, function, etc.; non-paid must have been qualified within the past 36 months, paid is qualified until the subscription expires (but demographics must be updated within 36 months); and they must receive the publication on a continuous basis. Recipients or subscribers who do not meet these criteria, including advertiser and promotional copies, are considered non-qualified circulation.

At the time of your initial audit, you will work with your BPA auditor to design and complete your initial audit report. The initial audit report may cover any 3 or 6-month period with the analyzed issue covering one issue from the final 2 months (not issues) in the audit period. After you become a member of BPA, you will file 2 circulation statements a year. Statements are filed for the 6-month period ending June and the 6-month period ending December each year. The analyzed issue for these circulation statements is May and November respectively.

For any promotions during the application period, you may only state, "BPA membership applied for [month, year]." When your audit is approved by our Internal Audit department, the Board of Directors will approve your membership and you may begin using the BPA logo in your magazine and promotions.

Auditing Your Circulation

The audit is divided into two main sections: paperwork and audit test. Both sections of the audit place emphasis on the qualified circulation. This guide will help you understand how to prepare for each portion of the audit.

Paperwork

This portion of the audit consists of in-depth analysis of postal distribution receipts, printer's invoices, statistical reports, a review of magazines, and a check of the actual subscriber list for continuous service, geographic distribution and duplicated copies.

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✓ **Audit Report or Circulation Statement**

For the initial audit report, the auditor will request the statistics or reports you have that represent the total qualified and non-qualified circulation on your file. These detailed reports will show qualified circulation claims for demographics such as business/industry, title/function, qualification by year and source, mailing analysis and geographic counts. Publications reporting paid data will provide additional reports separating the paid and non-paid circulation and total new and renewal subscription orders for the period reported on the audit report or circulation statement.

Your circulation software or fulfillment provider will usually have these reports. You will need reports for all issues in the audit/statement period and specific to the analyzed issue. The analyzed issues are May and November for June and December Circulation Statements respectively.

Annual audits are conducted during the six-month period after the second circulation statement has been filed with BPA Worldwide. For example, after the initial audit you may file a June Circulation Statement and December Circulation Statement then you will be scheduled for your first annual audit covering the June and December Circulation Statements.

✓ **Postal Receipts/Distribution Receipts**

For the initial audit report or annual circulation audit, you will be asked to provide the proof of mailing/distribution for all the issues in the period covered by the audit report. The mailing receipts may be USPS reports such as 3541's, 3602's, International receipts, UPS or Fed-Ex receipts for copies shipped in bulk.

At the time of your annual audit, you will need to provide postal and shipping receipts for all issues in the 12-month period covered by the audit – including any non-qualified circulation.

✓ **Printer's Invoices**

The auditor will review the printer's invoices for every issue within the audit period to determine the number of copies printed per issue. For an initial audit, your Member Relations Manager will assist you in determining the audit period. For audits after the initial audit, you will provide the printer's invoices for all issues covered in the 12 months by the audit period.

You will also be asked to provide a copy of each issue of the magazine in your audit period.

✓ **Duplication**

Each analyzed issue is checked for duplication. A duplication analysis is completed to verify that only one copy per recipient is being delivered per subscriber unless the publisher has stated otherwise on the audit report or circulation statement(s). For example, a copy sent to an office as well as the individual's home is considered duplication. Circulation managers must be diligent to check files with software and manually to ensure that all duplication has been removed.

If you have any concerns about duplication on your file, please feel free to contact your Member Relations Manager to discuss how to define duplication and determine if you need to claim duplication on your audit report or circulation statement.

✓ **Geographic Counts**

At the time of the audit, the auditor will request the statistical reports to verify your geographic claims. Later, a separate analysis is performed to verify the number of subscribers that are claimed to be within one geographic region are, in fact, sent to that region.

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✓ **Rotation**

One of the three main requirements for a subscriber to be considered “qualified” by BPA is for that subscriber to receive his or her copy of the magazine on a continuous basis. Specifically, the subscriber must receive every issue of the magazine, without having an interruption in receipt for a minimum of 3 months of service. Copies served less than 3 months of service are considered rotated copies. At the time of audit, you will be asked to provide the additions and removals files in electronic format for each issue. Reporting additions and removals on the initial audit report may be optional.

✓ **Digital Editions/Versions**

If your publication includes qualified electronic (digital) copies, these copies may be qualified on a BPA statement with a direct request, company request or membership benefit or by sending the print request subscriber an email stating future issues will be sent electronically and allowing an opt-out. Only requestors and copies served as a membership benefit may receive qualified electronic copies. In addition, you must provide the log file for each issue served digitally and a copy of the print and digital magazine. BPA will also review the statistical reports from your vendors to compare your claims to the log file counts and projected statement claims. A pre-audit is required before you may claim electronic copies on your circulation statement. Pre-audits can be completed with initial audits.

✓ **Draft Audit Report**

As you review all your reports (statistics, printer’s invoices, mailing receipts, geographic counts, etc...), your qualified circulation file and BPA report claims should be taking shape. BPA will provide you worksheets to start a draft copy of your audit report. You will be asked to fill-in your circulation claims for total qualified and total bound by issue, and data about the analyzed issue (if available). This information will help the auditor understand your plans for the initial audit. The more information you are able to provide the better understanding the auditor will have of your design for the audit report.

Audit Test

The audit test is the largest and most time-consuming part of the audit. BPA will ask the publisher to prepare and submit all the audit test selections’ documentation. These items include subscription cards, telecommunication scripts and recordings, electronic communications, and all list source materials that support the names selected from the qualified circulation list. The auditor will review the documentation to ensure the data entry accuracy for all sources of qualified subscribers. Poor data entry may result in overall inaccurate claims on the circulation statement and errors on the audit test. Publishers and circulation managers should strive for accurate data entry and minimal coding errors. The more accurate the coding on the publisher’s file the more accurate the data in the circulation statement.

Approximately six to eight weeks prior to the scheduled start date of the audit; BPA will request the electronic files for the analyzed issue files (May and November for annual audits or the chosen issue for initial audits). Additions and removals should also be sent electronically. Files are transmitted to BPA’s secure FTP site at <ftp://c2c.bpaww.com>.

The analyzed issue file should contain all the coding BPA will audit such as: name, address, business/industry, title/function, qualification date, source, mailing analysis (business titles), paid information – price, start date, expire issue/date, promotional incentives. BPA’s electronic audit staff will review the file received and determine if all the information needed for the audit was included. On occasion, BPA may ask the publisher to re-submit a file.

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BPA's electronic auditing department will select four audit test selections and return them to the circulation manager. These four test samples will consist of the following: Test 1 has 309 names, Tests 2-4 contain 40 names each. These test sizes are always this large for initial audits. Annual audits with good history may have smaller test size selections.

The circulation manager is responsible for providing all appropriate source documentation for each test recipient or subscriber selected. The publisher should be able to provide documentation for 100% of the records on the circulation file.

When the audit test begins, the auditor will perform several analyses, comparing the test names selected to the documentation provided for those names. BPA allows a minimal number of data-entry errors per test sample. Publishers should strive for the greatest accuracy level possible. Should the number of allowable errors be exceeded during the audit test, the auditor will ask the circulation manager to provide source documentation for the recipients or subscribers on test samples two, three and, if necessary, four. If the overall errors remain within allowable levels, the auditor will stop testing. If the errors remain above allowable levels, the auditor will perform an error analysis to determine if any corrections will be required to either circulation statement in the audit period.

PAID CIRCULATION

Paid records selected on the audit test must have the proof-of-payment provided to the auditor. Proof-of-payment may include (but not limited to): copy of check, bank deposit records, lock box reports, credit information with charge authorization verified. Proof-of-payment is required for all paid records selected on the audit test.

If your publication has more than 50% paid circulation, the auditor will complete additional checks. The auditor will request batches from one issue (initial audit) and two issues (annual audit) to validate the paid information reported on your statement. You may also be requested to provide complete payment documentation to support this batch (i.e. bank deposits, lock box receipts or other proof of payment).

SUMMARY OF PREPARATION

To successfully complete a BPA circulation audit, it is imperative that the circulation manager and publisher maintain accurate records, as detailed above. Approximately six weeks prior to the start date of the audit, the circulation manager should send the electronic file consisting of only qualified recipients and qualified paid subscribers (if any) to BPA's Electronic Auditing department. The file should include all demographic coding that the publisher wishes to report in the circulation statements.

Approximately four weeks prior to the start date of an audit, a member of BPA's auditing staff will send a check list to the attention of the circulation manager. This letter requests all of the necessary materials for the circulation audit. The following records are required at the time of the audit:

- ✓ Original postal receipts and/or other distribution records, plus proof of payment supporting the delivery of every issue within the audit period.
- ✓ Original printer's invoices showing the total number of copies bound for every issue within the audit period.
- ✓ A hardbound copy of every issue within the audit period. An electronic edition if reporting electronic copies.

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- ✓ Computer worksheets supporting the data reported in all sections of both circulation statements within the audit period.
- ✓ Prepare brief audit report or Complete BPA 1-2 Form.
- ✓ Current media kit, samples of all current qualification forms, and an advertising rate card.
- ✓ Coding manual supporting all applicable information reported in the circulation statements.
- ✓ Qualification documentation for the selected test names from test blocks 1 and 2.

SPECIALTY AUDITS

Postal Audits

Postal audits review documentation for compliance with the USPS postal regulations for a second-class mailing permit. BPA may complete an Initial Postal Audit or annual postal audit. The postal audit test is conducted in the same manner as the magazine audit test described above. BPA will complete the paperwork and submit everything to the USPS for their approval. Fees are based on the audit fee as follows: Members are charged 15% for a postal audit with their annual audit or 50% for an audited issue other than the analyzed issue. Non-members are charged a full audit fee.

Email Newsletter Audit

The Email Newsletter audit provides verification of the distribution of email newsletters. The report states the publisher's statement of distribution and the market served, and includes the average email circulation for the period (net), qualified by individual issues, average non-qualified circulation, and a glossary of terms. Publishers with an email newsletter audit may report this audit data on the front page of the corresponding publication's circulation statement. Fee varies based on hourly charge.

Interactive Audit

Beginning January 2009, Print and Event audit members have an Interactive (website) audit included with their annual audit for no additional cost. BPA's Interactive audit powered by Nielsen Online provides you with audited data from your website. You will be able to provide your advertisers with Unique Browsers, Page Impressions, User Sessions and Frequency, User Session Duration and Page Duration. Our reports are available when you need them and can be updated on demand reporting activity for 1 day, 1 week or 1 month. Data from the Interactive audit is reported on the BPA circulation statement.

Brand ReachSM Audit

The Brand ReachSM audit allows publishers to report data from multiple platforms – publications, e-newsletters, trade shows, webinars, contest registrants, registered users of websites and more may be developed into one database and reported in one audit report. The Brand ReachSM audit allows publishers show audited data including demographics across multiple products and touch-points within one brand. Contact your Member Relations Manager for more information.

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Supplemental data

Supplemental data audits verify coding for questions with multiple response answers or for those that ask if the subscriber is authorized to buy, specify or recommend products or services. If the publisher is reporting a supplemental audit question, the auditor will verify the file has been coded to reflect all responses to the supplemental question. Coding errors occur when the responses are over or under reported. The data in the audit file must be coded to match all the responses on qualification forms. Fee is 75% of the annual audit fee and includes an additional 50% of the audit time.

Unit data

Unit data is reported when a publisher codes the file to report the total number of copies being delivered to a company primarily engaged in one type of economic activity at a unique single physical location. Publishers must carefully code their files to determine the accurate number of copies by company and location. Copies delivered to P.O. Box addresses and home addresses must be checked to company addresses for unitization. Fee is 37½ % of the annual audit fee and includes an additional 25% of the annual audit time.

BPA Specialty audits (except for the Interactive audit) require an additional audit fee from the publisher.

About BPA Worldwide

A not-for-profit organization since 1931, BPA Worldwide is governed by a tripartite board comprising media owners, advertising agencies and advertisers. Headquartered in Shelton, Connecticut, USA, BPA has the largest membership of any media-auditing organization in the world, spanning more than 25 countries. Worldwide, BPA audits 2,700+ media properties—including more than 1,700 B-to-B publications, more than 300 consumer magazines, 150 newspapers, 450+ web sites, 50 events, email newsletters, databases, wireless and other advertiser-supported media—as well as 2,700 advertiser and agency members. Visit www.bpaww.com for the latest audit reports, membership information and publishing and advertising industry news.

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