

## Smart mail management





Introducing Citipost Mail's VAT free solution



## Are you looking for a VAT free solution?

If you are, then Citipost Mail can offer you a more cost effective option in the long run. Why not talk to us about accessing an Agency Agreement to see if you qualify for these savings?

If you are an organisation that can't reclaim VAT, including charities, financial and educational establishments, then using Royal Mail Retail Business rates can be prohibitive as the costs are fully vatable.

For example Royal Mail 2nd class Ad Mail OCR comprises 21.44p + 20% = 25.72p. However, Citipost Mail have a direct relationship with Royal Mail Wholesale which enables us to dramatically reduce the overall postal costs for those who can't reclaim VAT – which could really benefit you!

Our prices are made up of the Royal Mail Wholesale final delivery cost which has no VAT plus the Citipost Mail logistic element. Although this element does attract VAT, the majority of the postal cost is the Wholesale element.

This happens because as we pass this Wholesale element onto our customers as a disbursement which DOESN'T attract VAT, the logistics element DOES attract VAT but... it is a very small percentage of the overall cost which is a bonus to you and your business.

#### A good example is...

...Royal Mail Retail Ad mail OCR 2nd class on less than 20,000 items direct from Royal Mail would cost:

21.44p + 20% VAT

= 25.72p final price

Whereas the Agency Agreement from Citipost Mail would cost:

17.09p\* + (2.0p + 20% VAT)\*

= 19.49p final price

\*Wholesale rate, treated as a disbursement \*Our logistic element + VAT on the 2.0p logistic cost

Which would give you an overall saving of 6.2p per item, which over a large mailing is a significant saving!

# Want to know a little bit more?

#### What is an Agency Agreement?

Who can benefit from an Agency Agreement?



#### How can you access an Agency Agreement?



This is a contractual arrangement between Royal Mail and Citipost Mail as the licence holder and the third party charity, financial or educational establishment. This enables us to treat the Royal Mail wholesale element of any mailing as a disbursement and pass this cost directly onto our customers without any VAT attributable.

An Agency Agreement is available to organisations that cannot reclaim VAT for example: charities, education establishments and financial institutions.\*

\* Minimum annual postage spend on Agency Accounts of £5,500 applies.

An Agency Agreement Form would be completed and sent to Citipost Mail and then Royal Mail for approval. Please note: this process can take up to 6 weeks.

If you would like to know any more about Citipost Mail's Agency Agreement please do not hesitate to get in touch with your dedicated account manager, or business development manager.

### Did you know?

Many Citipost Mail customers have benefited from accessing the Agency Agreement and have been delighted with the consistent cost savings it offers, so there really is no reason not to get involved!



### Get in touch to find out how we can help.



