



# 800 MHz Reconfiguration Actual Costs Reconciliation Process

October 29, 2008

Slide 1



## Microsoft Live Meeting – How To

- ✓ Question & Answers
- ✓ Feedback
- ✓ Full Screen – Small Screen (F5)
- ✓ Phones
- ✓ Reentering the Meeting
- ✓ PDFs and Website  
([http://www.800ta.org/content/news/webinar\\_recordings.asp](http://www.800ta.org/content/news/webinar_recordings.asp))



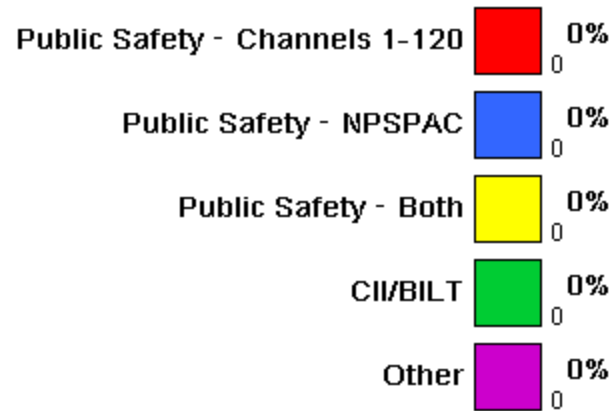
## Learning Objectives

### Upon completion of this Webinar, participants will:

- Gain an understanding of the Actual Cost Reconciliation (ACR) and TA Review Rights process
- Understand the documentation requirements, including the Incumbent Labor Reimbursement Policy
- Understand the TA's Change Notice Policy
- Receive general guidelines and recommendations for financial best practices
- Receive answers to their questions and concerns

### To which of the following groups do you belong?

Polls are open.



[ Poll 1 ]

### What Wave(s) are you in?


Polls are open.

Wave 1  0%  
0

Wave 2  0%  
0

Wave 3  0%  
0

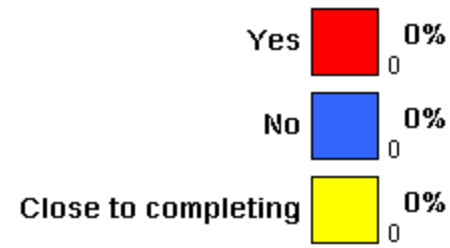
Wave 4  0%  
0

Combination of Waves  0%  
0

[ Poll 2 ]

### Have you executed your PFA?

Polls are open.



[ Poll 3 ]

### Have you executed your FRA?

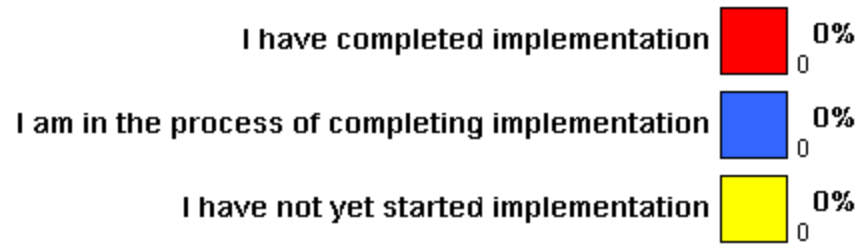
Polls are open.



[ Poll 4 ]

### Have you completed the implementation phase of your reconfiguration?

Polls are open.



[ Poll 5 ]



## Agenda

- √ **800 MHz Reconfiguration & Actual Cost Reconciliation Process – An Overview**
  
- √ **Actual Cost Reconciliation Process**
  - Overview
  - Key Aspects of Standard Documentation
  - Documentation Guidelines
  - Per Unit Examples
  - Per Hour Examples
  - Related Party Support
  - Change Notice Process
  
- √ **TA Review Rights Process Overview**
  - Overview
  - Quick facts
  
- √ **TA Resources**



## Overview

### Why do I need to understand the 800 MHz Actual Cost Reconciliation Process?

- The 800MHz reconfiguration program is at an important milestone. Currently, Waves 1-3 are in the Implementation Phase of reconfiguration and a significant number of licensees have completed reconfiguration
- Actual Cost Reconciliation (ACR) is a key step in the completion of the reconfiguration processes. Keeping accurate and complete documentation will facilitate an efficient, streamlined ACR review
- All licensees need to properly identify, track, and maintain their cost support documentation (18 months for FRAs, 24 months for PFAs)



## Agenda

### √ 800 MHz Reconfiguration & ACR Process – An Overview

#### √ Actual Cost Reconciliation Process

- Overview
- Key Aspects of Standard Documentation
- Documentation Guidelines
- Per Unit Examples
- Per Hour Examples
- Related Party Support
- Change Notice Process

#### √ TA Review Rights Process Overview

- Overview
- Quick facts

#### √ TA Resources





## Reconfiguration Process An Overview

Responsible Party	Action Performed
Licensee & Sprint Nextel	Negotiate Planning Funding Agreement (PFA) and/or Frequency Reconfiguration Agreement (FRA)
Licensee	Signs PFA and/or FRA
Licensee	Performs Reconfiguration Planning and/or Implementation Activities
Licensee	Completes Physical Retune and contacts Sprint Nextel when Implementation is complete
Sprint Nextel	Sends Letter to Licensee Requesting Receipts for Completed Reconfiguration Tasks
Licensee	Sends any pending actual cost supporting documentation to Sprint Nextel (receipts, timesheets etc)
Sprint Nextel	Prepares ACR Statement and other closing documents and sends ACR Statement to Licensee
Licensee	Confirms the amount due from Sprint Nextel, signs ACR Statement and sends back to Sprint Nextel
Sprint Nextel	Prepares closing documents and sends to licensee
Licensee	Signs and sends back to Sprint Nextel
Sprint Nextel	Executes final closing document and sends to TA for approval

## Reconfiguration Process An Overview



## Actual Cost Reconciliation (ACR) Process Overview

### How does ACR fit in the overall process?

Responsible Party	Action Performed
Licensee & Sprint Nextel	Negotiate PFA and/or FRA
Licensee	Signs PFA and/or FRA
Licensee	Performs Reconfiguration Planning and/or Implementation Activities
Licensee	Completes Physical Retune and contacts Sprint Nextel when Implementation is complete
Sprint Nextel	Sends Letter to Licensee Requesting Receipts for Completed Reconfiguration Tasks
→ Licensee	<b>Sends any pending actual cost supporting documentation to Sprint Nextel (receipts, timesheets etc)</b>
→ Sprint Nextel	<b>Prepares ACR Statement and other closing documents and sends ACR Statement to Licensee</b>
→ Licensee	<b>Confirms the amount due from Sprint Nextel, signs ACR Statement and sends back to Sprint Nextel</b>
Sprint Nextel	Prepares closing documents and sends to licensee
Licensee	Signs and sends back to Sprint Nextel
Sprint Nextel	Executes final closing document and sends to TA for approval

### Actual Cost Reconciliation (ACR) Process Overview

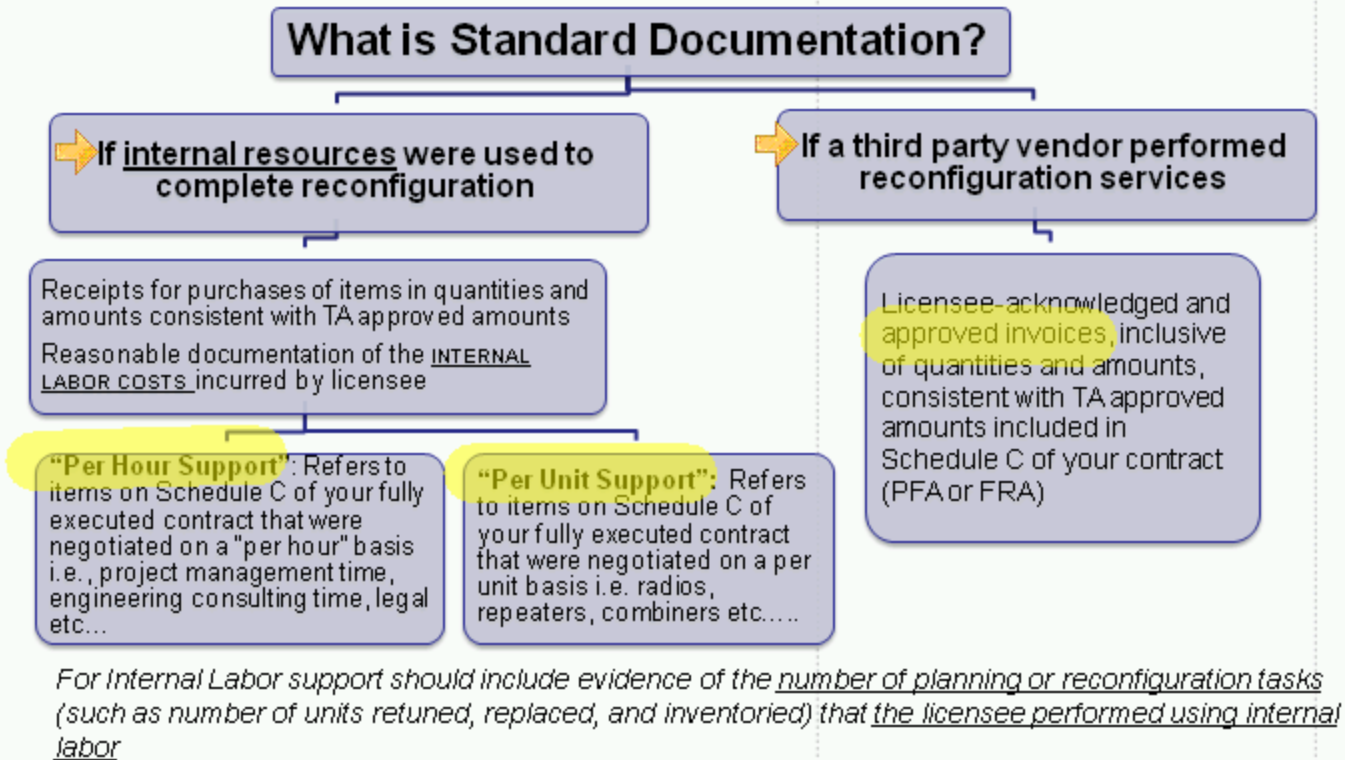


## ACR Process Key Aspects of Standard Documentation

- Understand the process and standard documentation requirements
- Follow TA published guidelines ([www.800ta.org](http://www.800ta.org))
- Maintain complete support (Refer to slide 25)
- Submit support to Sprint Nextel in a timely manner

***By not providing the sufficient support to Sprint Nextel in timely manner the ACR process could be significantly delayed***

## ACR Process Documentation Guidelines



Source: Actual Cost Reconciliation Fact Sheet

## ACR Process Documentation Guidelines



## ACR Process Related Party Support

**Related Party Overview** – If the Vendor and Incumbent appear to be Related Parties, the document requirements for licensees (as explained in slides 11 – 13) will apply to such vendors

**The TA requires disclosure of Related Parties. Related Parties are defined as those that share common ownership and/or control.**

Examples of related party transactions include transactions between :

- ✓ a) A parent company and its subsidiaries;
- b) Subsidiaries of a common parent;
- c) An enterprise and trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the enterprise's **management**;
- ✓ d) An enterprise and its **principal owners**, management, or members of their **immediate families**;
- ✓ e) **Affiliates**, and
- f) **Doing business as (dba)** entities.



## ACR Process Related Party Support (continued)

- Transactions between related parties may commonly occur in the normal course of business
- However, the TA requires that all cost support data be provided in detail format during the Actual Cost Reconciliation process so that proper evaluation of the costs can occur.
- Please contact the TA with any questions at [Comments@800TA.org](mailto:Comments@800TA.org).



## ACR Process Per Unit - Examples

- Such evidence may be but is not limited to existing fixed asset or inventory ledgers evidencing the existence of the retuned unit (examples such as lists, invoices, or sales orders with serial numbers or other unique identifying factor are acceptable)
- **Examples of “Good” per unit support**
  - ➔ **Example #1:** A computerized list of serial numbers for all retuned radios
    - **Example #2:** The original Sales Order, with serial numbers, of all retuned radios
    - **Example #3:** A handwritten list of serial numbers for all retuned radios by customer
  - ➔ **Example #4:** An asset list of vehicles with retuned mobile radios

*Source: Actual Cost Reconciliation Fact Sheet*



## ACR Process Per Unit - Examples

### Example #1:

\*A computerized list of serial numbers for all retune radios

DEAL #	DL89044...		
DEAL NAME	XYZ County		
Serial	Retune	5 Mobile Radios @\$20.00	\$100
11111			
11112			
11113			
11114			
11115			
	Retune	6 Portable Radios @\$20.00	\$120
11116			
11117			
11118			
11119			
11120			
11121			
Total		10	\$220

### Example #2:

\* A sales order, with serial numbers, demonstrating purchase of all returned radios

SALES ORDER					
XYZ Corp 123 Street 1 City, State, Zip			Order Number: 1 Order Date: 1/1/2008		
			Sales Person: Rep1 Customer No: 1234 Customer Phone:		
Sold To: ABC Corp 456 Street 2 City, State, Zip			Ship To: ABC Corp 456 Street 2 City, State, Zip		
Customer P.O.:	Ship via:	F.O.B.	Terms		
			Net 10 days		
Item Number	Item Description	Quantity	Unit	Price	Amount
ABCS	Radio 123abc (SN: 12345)	1		\$ 100.00	\$ 100.00
ABCS	Radio 123abc (SN: 12346)	1		\$ 100.00	\$ 100.00
ABCS	Radio 123abc (SN: 12347)	1		\$ 100.00	\$ 100.00
ABCS	Radio 123zxy (SN: 12348)	1		\$ 100.00	\$ 100.00
ABCS	Radio 123zxy (SN: 12349)	1		\$ 100.00	\$ 100.00
Total		5			\$ 500.00



## ACR Process Per Unit - Examples

### Example #3:

\*A handwritten list of serial numbers for all units returned by licensee

Deal #: DL8904...  
Deal Name: XYZ County

Customer Name	Model	S/N
ABC Corp	Viking	11111
ABC Corp	Viking	11112
ABC Corp	Viking	11113
LMN Corp	Mastrac	11114
LMN Corp	Mastrac	11115

5 Mobile Radios Returned @ \$20 = \$100.00

Repeater 1 23456  
Repeater 2 78910  
2 Repeaters Returned @ \$100 = \$200.00

Equipment Return Total = \$300.00

### Example #4:

\*An asset list of vehicles with returned mobile radios

DEAL # DL89044...  
DEAL NAME XYZ County

Count	Asset ID	Year	Fleet	Make	Vehicle ID#	Cap	Plates	Fleet	Age	Notes
1	111111	2001	100	GMC	1234	18	XXX-1234	100	3	
2	111112	2002	101	GMC	5678	18	AAA-1234	101	3	
3	111113	2003	102	FORD	9101	18	BBB-1234	102	3	
4	111114	2004	103	GMC	1121	18	ZZZ-1234	103	3	
5	111115	2005	104	FORD	3141	18	YYY-1234	104	3	
6	111116	2006	105	GMC	5161	18	RRR-1234	105	3	
7	111117	2007	106	FORD	7181	18	NNN-1234	106	3	
8	111118	2008	107	GMC	9202	18	MMM-1234	107	3	
9	111119	2009	108	GMC	1222	18	PPP-1234	108	3	
10	111120	2010	109	GMC	3242	18	LLL-1234	109	3	

Grand Total 10 mobile radios



## ACR Process Per Hour - Examples

- Such evidence may be, but is not limited to: *Individual employee time sheets, general ledger records of time accumulation or work orders by employee, hours spent on each task*
- **Time reporting should clearly indicate:**
  - ✓ The name of the person performing the work, or in the alternative an unique identifier and title for the person
  - ✓ The date the work was performed
  - ✓ The hours worked
  - ✓ A description of the activity performed
  - ✓ An hourly rate that is less than or equal to the rate on Cost Estimate of the FRA/PFA for the corresponding Cost Estimate category
  - ✓ Sub-totals should be provided in a manner that the total time for each activity can be cross referenced to the summary of activities approved within your PFA or FRA
- **Examples of “Good” per hour support:**
  - **Example #1:** Sprint Nextel's revised "Time Sheet Documentation"
  - **Example #2:** A handwritten timesheet with all necessary information as detailed on the ACR Fact Sheet

*Source: Actual Cost Reconciliation Fact Sheet*



## ACR Process Per Hour - Examples

### Example #1:

EXAMPLE A: Time Sheet Documentation  
DEAL ID:  
DEAL NAME:

Name	Date	Schedule C Category of Work	Description of Work Performed (ties back to schedule C)	Actual Hours Worked	Rate (hourly)	Total Cost	
John Doe	6/1/2008	Equipment Return	1 Moor Repeater Returned	6	\$ 95.00	\$ 570.00	
John Doe	6/2/2008	Equipment Return	2 Combiners Returned	15	\$ 95.00	\$ 1,425.00	
Subtotal		Equipment Return		21		\$ 1,995.00	
Paul Morgan	6/1/2008	Project Management	Kick-off Meeting	2	\$ 55.00	\$ 110.00	
Paul Morgan	6/2/2008	Project Management	Inventory	6	\$ 55.00	\$ 330.00	
Subtotal		Project Management		8		\$ 440.00	
Paula Manry	7/5/2008	Project Management	Call with Vendor	4	\$ 100.00	\$ 400.00	
Paula Manry	7/15/2008	Project Management	Documentation for Reconciliation	3	\$ 100.00	\$ 300.00	
Subtotal		Project Management		7		\$ 700.00	
John Doe	6/2/2008	Contingency Fee	Moor repeater required a second return due to problems associated with original loaner - 1st loaner did not work so needed second loaner	6	\$ 95.00	\$ 570.00	
Subtotal		Contingency Fee		6		\$ 570.00	
John Doe	6/2/2008	Travel Costs	Mileage - travel from main office to repeater site	100	\$ 0.45	\$ 45.00	
John Smith	6/2/2008	Travel Costs	Airfare from city 1 to city 2 for return (Receipts attached)	1	\$ 452.33	\$ 452.33	
Subtotal		Travel Costs				\$ 497.33	
						<b>Total Cost</b>	<b>\$ 4,292.33</b>

**Certification**

I, the undersigned, hereby certify that the internal labor information provided under the Agreement is true and complete to the best of my knowledge. I further certify that the number of internal labor hours incurred in performing planning and reconfiguration tasks for each labor category on the TA-approved Cost Estimate ("Hours") were for 800 MHz Reconfiguration and have been documented in accordance with the TA's policy on Internal Labor at <http://www.800ta.org/contract/HOT/Policy/Hours/Policy.pdf> as of the date of this statement. I acknowledge that the reconciliation documentation and related supporting records for the Agreement are subject to the TA's Review Rights (as that term is defined in the Agreement).

Executed Name: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

- ▶ Please note: Separate entries for each date when labor expense was incurred must be provided on a per-employee basis. Date ranges will not be accepted.
- ▶ Please note: A subtotal should be provided for each Schedule C category. Subtotals can be provided within the page or a separate page can be used for each category/grouping.
- ▶ Please note: Hourly rates may not exceed the Schedule C negotiated rate for similar reconfiguration/planning activities unless accompanied by an approved change notice that explains why a higher rate was necessary to complete reconfiguration/planning.



## ACR Process Per Hour - Examples

### Example #2:

Internal Labor Timesheet  
(Handwritten Example)

Deal Name: County of Examples, Va.  
Deal Number: 06 891099999

Date	Employee Name / ID	Activity	Rate	Hours Worked
6/1/06	Joe Smith	Project Mgmt	\$40/hr	6
6/1/06	Jane Smith	Project Mgmt	\$40/hr	3
6/3/06	Michael Smith	Project Mgmt	\$40/hr	8
				<u>17 hrs</u>
6/1/06	Doug Jones	Engineering	\$50/hr	8
6/5/06	Mary Jones	Engineering	\$50/hr	5
6/5/06	Steve Jones	Engineering	\$50/hr	6
6/10/06	Joe Bing	Engineering	\$50/hr	8
				<u>27 hrs</u>

Totals Section

Project Mgmt	= 17hrs x \$40/hr	= \$680.00
Engineering	= 27hrs x \$50/hr	= \$1,350.00
<u>Totals</u>	<u>44 hrs</u>	<u>\$2,030.00</u>



# Interactive Q&A

**TA Contact:**

Phone: 1-888-800-8220  
Website: [www.800ta.org](http://www.800ta.org)  
Email: [comments@800ta.org](mailto:comments@800ta.org)

**Sprint Nextel Contact:**

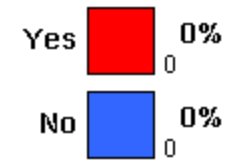
Fax: 678-405-8252  
Email: [800MHz@Sprint.com](mailto:800MHz@Sprint.com)

**FCC:**

Website: <http://www.fcc.gov/pshs/public-safety-spectrum/800-MHz/reconfiguration.html>

### Have you submitted a Change Notice?

Polls are open.



[ Poll 6 ]



## ACR Process Change Notice

**Overview** – A Change Notice serves as the mechanism for notifying Sprint Nextel and the TA of changes to the scope of your planning or reconfiguration activities subsequent to the execution of your TA-approved PFA or FRA.

### Guidelines

- You may submit a Change Notice when you believe that a change to the work contemplated by your PFA or FRA is needed.
- A Change Notice applies to costs and other circumstances not known to the licensee at the time the PFA or FRA is signed.
- You **may not use the Change Notice process to recover costs that were reasonably foreseeable during planning or FRA negotiations** but were not raised in negotiations, or that were considered and rejected.
- If you otherwise comply with planning and FRA time limits you may seek to recover costs incurred that could not reasonably be anticipated within such time limits.

*Source: Change Notice Policy Fact Sheet*



## ACR Process Change Notice Process

### Change Notice Submission Process

1. When you believe that a change to the scope of work in a TA-approved PFA or FRA is required, you should promptly submit a written Change Notice
2. Your Change Notice should (i) describe the scope of the change in the work contemplated by the TA-approved PFA or FRA, (ii) explain the need for the change, and (iii) estimate any increase or decrease in the Cost Estimate and in the time required to complete your planning or reconfiguration.
3. Although neither your PFA nor FRA mandates the form in which your Change Notice should be submitted, the TA recommends the use of the TA's Change Notice Form and corresponding PFA and/or FRA appendix, available at [http://www.800TA.org/content/documents/change\\_notice.asp](http://www.800TA.org/content/documents/change_notice.asp).
4. You should submit your Change Notice via fax to 866-221-6990, or 703-935-5377. Your Change Notice will be received concurrently by both Sprint Nextel and the TA.
5. The TA will monitor the progress of the Change Notice.

*Source: Change Notice Process Fact Sheet*



# Interactive Q&A

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**FCC:**

Website: <http://www.fcc.gov/pshs/public-safety-spectrum/800-MHz/reconfiguration.html>



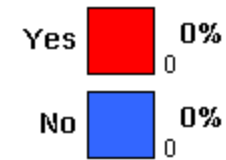
## Agenda

- √ **800 MHz Reconfiguration & ACR Process – An Overview**
- √ **Actual Cost Reconciliation Process**
  - Overview
  - Key Aspects of Standard Documentation
  - Documentation Guidelines
  - Per Unit Examples
  - Per Hour Examples
  - Related Party Support
  - Change Notice Process
- √ **TA Review Rights Process Overview**
  - Overview
  - Quickfacts
- √ **TA Resources**



**Have you received a letter from the TA requesting additional support documentation?**

Polls are open.



[ Poll 7 ]



## TA Review Rights Overview

- In accordance with the FCC Report and Order the TA has appointed Independent Auditors to prepare annual statements of the 800 MHz Reconfiguration Program Expenditures
- Independent auditors will review reconfiguration expenses for selected licensees.
  - The independent auditors are required to make sample selections of incumbent expenses
  - Being selected does not mean the licensee did anything wrong.
- The 800MHz reconfiguration review rights process requires incumbents to provide documentation to support the reconfiguration funds the licensee received under the PFA or FRA agreement
- The licensee should maintain all reconfiguration records to facilitate an efficient review



## TA Review Rights Overview

### As noted in the Terms and Conditions of your FRA or PFA:

- Incumbent agrees to **maintain records and other supporting evidence related to the costs that Incumbent has expended in connection with the Reconfiguration** contemplated by this Agreement and that Nextel has paid or will pay to Incumbent pursuant to this Agreement.
- Incumbent agrees to maintain such records and **make them reasonably available to the Transition Administrator for review or reproduction until 18 months for FRAs and/or 24 months for PFAs after the date of Incumbent's executed Completion Certification** required by this Agreement or for a longer period if Incumbent, for its own purposes, retains such records for a longer period of time.
- As used in this provision, **"records" includes books, documents, accounting procedures and practices and other data regardless of type and regardless of whether such items are in written form, in the form of computer data or in any other form.**



## TA Review Rights Quick Facts

### What do you need to know?

- ✗ Sprint Nextel does not have any direct involvement with the review rights process
- ✗ The TA and the auditor will not share with Sprint Nextel the additional support provided without the incumbent's prior approval
- ✗ A TA representative and the external auditors review the cost support documentation

### What do you need to do?

- ➔ Understand the process and refer to the website for latest information ([www.800ta.org](http://www.800ta.org))
- ➔ Maintain accurate, complete and up-to-date records
- ➔ Retain documentation and records per your Agreement
- ➔ Update Point of Contact information with the TA and in the FCC's Universal Licensing System (ULS) at (<http://wireless.fcc.gov/uls>)
- ➔ Be Proactive. The licensee has the right to request TA assistance in communicating with Sprint Nextel

## TA Review Rights Quick Facts



## TA Resources

- **Leverage available reconfiguration resources:**
  - Webinars
  - TA Website
  - Distributed printed materials
    - Actual Cost Reconciliation Fact Sheet  
[http://www.800ta.org/content/PDF/reconfiguration\\_materials/Actual\\_Cost\\_Reconciliation\\_Fact\\_Sheet.pdf](http://www.800ta.org/content/PDF/reconfiguration_materials/Actual_Cost_Reconciliation_Fact_Sheet.pdf)
    - Incumbent Labor Reimbursement Policy  
<http://www.800ta.org/content/PDF/policy/IncumbentLaborPolicy.pdf>
    - Change Notice Process Fact Sheet  
[http://www.800ta.org/content/PDF/reconfiguration\\_materials/Change\\_Notice\\_Process\\_Fact\\_Sheet.pdf](http://www.800ta.org/content/PDF/reconfiguration_materials/Change_Notice_Process_Fact_Sheet.pdf)
  - TA Contact Center
  - TA Reconfiguration Handbook
- **Be proactive, if you are unsure about the level of support needed ask the TA: email questions/comments to [comments@800TA.org](mailto:comments@800TA.org)**



# Interactive Q&A

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Website: [www.800ta.org](http://www.800ta.org)  
Email: [comments@800ta.org](mailto:comments@800ta.org)

**Sprint Nextel Contact:**

Fax: 678-405-8252  
Email: [800MHz@Sprint.com](mailto:800MHz@Sprint.com)

**FCC:**

Website: <http://www.fcc.gov/pshs/public-safety-spectrum/800-MHz/reconfiguration.html>

**Was this Webinar helpful in providing you with a better understanding of the actual cost support required?**

Polls are open.



[ Poll 10 ]

**Do you feel more confident moving forward with the ACR process after participating in this Webinar?**

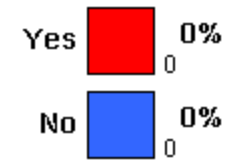
Polls are open.



[ Poll 9 ]

**Would you recommend the ACR Webinar to other licensees?**

Polls are open.



[ Poll 11 ]