



Federal Communications Commission
Washington, D.C. 20554

June 27, 2011

Release Date: June 27, 2011
DA 11-1120

Peter Dunbar
National Exchange Carrier Association
80 South Jefferson Road
Whippany, NJ 07981

Re: Telecommunications Relay Service Fund Financial Statements and Reports

Dear Mr. Dunbar:

As you know, on March 7, 2011, the Federal Communications Commission (Commission) awarded a contract to administer the Telecommunications Relay Service (TRS) Fund to Rolka Loube Saltzer Associates (RLSA). As RLSA assumes the duties of TRS Administrator, we will still need your participation and cooperation in the annual audit process as mandated by 31 U.S.C. § 3515, OMB Circular A-136, entitled, *Financial Reporting Requirements*, and Department of Treasury requirements.¹ This letter sets forth in detail the steps to be taken by the National Exchange Carrier Association (NECA) in producing financial statements concerning the TRS Fund during this transition period.²

As in past years, the Commission will compile the consolidated financial statements and other information listed in the attached matrix (Attachment A) for fiscal year 2011. The TRS Fund has been and will remain a reporting component for FY 2011. NECA as administrator of the TRS Fund (and RLSA as NECA's successor in this role) will again be required to report the TRS Fund's financial information to the Commission and to cooperate with the annual audit of the Commission's financial statements. This letter instructs NECA to cooperate fully with the Commission's independent auditors (KPMG LLP) and the Commission's Office of Inspector General as they conduct the Commission's annual audit. This includes, but is not limited to, providing the Commission complete access to and the right of inspection and examination of all accounts, memoranda and financial, personnel, administrative and operational records; timely responses to auditors' requests for information and notices of findings, including submission of appropriate management letters and attorneys' letters required as a part of annual audits; formulation and documentation of proper performance measurements as required by federal statutes; and documentation of compliance with federal financial management and reporting statutes. In addition, we expect NECA to cooperate with the Commission, the independent auditors, and RLSA after NECA relinquishes its role as administrator of the TRS fund, as necessary to complete the FY 2011 financial reporting and auditing cycle.

¹ See *id.*; *Preparation, Submission and Execution of the Budget*, Circular No. A-11 (July 2010) (available at www.whitehouse.gov/omb/circulars/all/current_year/a11_toc.html); *Managing Federal Credit Programs*, Circular No. A-129 (Nov. 2000) (available at www.whitehouse.gov/omb/circulars_a129rev/); 31 U.S.C. §§ 3513, 3515, 3711, & 3719.

² NECA is responsible for any applicable financial reporting requirements and deadlines related to its term as TRS Administrator.

To ensure that both the Commission and NECA have a clear understanding of FY 2011 reporting expectations during the transition, the Commission has attached a matrix detailing the reports, schedules, and reconciliations that are required for various reporting purposes, the frequency at which they are required, and the due dates for each item. In addition to the reporting matrix, the Commission is providing NECA the scheduled due dates by which we must have the quarterly and interim financial statement packages in order to complete the consolidated interim and annual financial statements during FY 2011. For the reporting period ending June 30, 2011 financial statements are due to the Commission on July 11, 2011 (the seventh weekday after the reporting period ends).

Thank you for your attention to implementing these steps, which are critical in compliant and accurate financial reporting for the TRS program. We look forward to working with NECA to complete the reporting process for FY 2011. If you have any questions or wish to discuss this letter in greater detail, please contact Andrew Mulitz (Andrew.Mulitz@fcc.gov).

Sincerely,



Mindy J. Ginsburg
Managing Director

Cc: Mindy Ginsburg, FCC
Mark Stephens, FCC
Thomas Buckley, FCC
Andrew Mulitz, FCC
Diane Mason, FCC

Attachment A
NECA Reports and Documents Provided to the Federal Communications Commission
FY 2011

Report #	Title of Report or Document	General Description of Report or Document	NECA Document Satisfying request	Frequency of Submission	FCC - Contact
FINANCIAL STATEMENT PACKAGE					
1	Financial Statements	Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. Statement of Custodial Activity - Not Applicable	TRF Crosswalk	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
2	Trial Balance	NECA Trial balance showing TRS Accounts	TRF "Quarterly" - Summary Trial Balance - Adj Trial Balance	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
3	Cash Reconciliation	Schedule reconciling the TRS balance per bank to the balance per ledger.	TRF "Quarterly" - Cash and Investments - Bank Rec	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
4	Listing of Outstanding Checks	Schedule listing all outstanding checks that agrees to the Bank Rec.	TRF "Quarterly" - Outstanding Checks	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
5	Investments Reconciliation	Schedule reconciling the TRS balance per bank to the balance per ledger.	TRF "Quarterly" - Cash and Investments	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
6	Investments Subsidiary Schedule	Schedule showing the Investment Type, CUSIP Number, Purchase Date, Purchase Cost, Maturity Date, Face Value, Premium/Discount at Acquisition, Ending Carrying/ Amortized Value, Current Market Value, Accumulated Amortization, and Unamortized Premium/Discount Remaining.	TRF "Quarterly" - Securities	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
7	Schedule of Interest Receivable	Schedule showing accrued interest by investment type (e.g. T-Bill, Bond, MMF), if applicable.	Provide schedule only if applicable.	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
8	Accounts Receivable Reconciliation	Schedule Agreeing the AR subsidiary to the AR general ledger balance (SGL 1310). Include supporting schedule for any adjustments made to the AR Subsidiary or General Ledger.	TRF "Quarterly" - AR Lead	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
9	Accounts Receivable Subsidiary	Schedule aging the accounts receivable subsidiary	TRF "Quarterly" - AR Aging	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
10	Allowance for Doubtful Accounts Calculation	Schedule showing current calculation and resulting balance agreed to the general ledger	TRF "Quarterly" - AR Aging	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz

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FY 2011

11	Property, Plant, and Equipment Subsidiary and Rollforward	Schedule showing all amounts exceeding the FCC's capitalization threshold that have been purchased by NECA using administrative funding.	Provide schedule only if applicable.	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
12	Accounts Payable Subsidiary	Schedule listing all outstanding accounts payable that agrees to the general ledger	TRS "Quarterly" - Payables	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
13	Deferred Revenue	Schedule listing all items in Deferred Revenue that agrees to the general ledger	TRS "Quarterly" - Deferred Revenue	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
14	Due to/Due from Schedule	Schedule showing the amount that is either due to TRS from NECA for amounts advanced and not expended or due from TRS to NECA for amounts expended in excess of the current advance.	"Year To Date" NECA Administrative Expenses	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
15	Schedule of AR Credit Balances	Schedule showing all AR credit balances that agrees to the balance recorded in the general ledger (SGL 2990).	TRS "Current Month" - Payables - Aging	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
16	Schedule of Other Accrued Liabilities that agrees to the general ledger (SGL 2190)	Schedule showing other accrued liabilities, if any.	Provide schedule only if applicable.	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
17	Financial Statement Checklist	A completed version of the financial statement checklist developed by the FCC to review TRS financial reporting submissions.	Financial Statement Checklist - Signed and Dates. Also please list any differences.	7/11/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
18	Financial Statement Variance Analysis	Comparison of period over period financial statement with explanations for all line items greater than \$10 million and 10% change	TRS "Quarterly" - Variance Analysis	7/13/2011	Vanessa Lamb, Timothy Siekierka and Andrew Muiltz
TREASURY REPORTING					
1	FMS 224 Statement of Transactions	Statement identifying receipts and outlays made by TRS in the current and if applicable any previous months under Treasury Symbol 27X5183. Report is submitted to FCC by noon of the 3rd work day of each month for review and FCC submission to Treasury.	FMS 224 Statement of Transactions	7/6/2011	Jeanne McDonald and Andrew Muiltz
2	Treasury Report on Receivables (TROR)	Standard form identifying status of receivables which includes a rollforward of the accounts receivable balances along with an aging of outstanding balances. In addition, there is a section for debt management and technique performance data.	"Quarterly" TROR	7/12/2011	Cheryl Collins and Andrew Muiltz

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NECA Reports and Documents Provided to the Federal Communications Commission
FY 2011

3	Schedule of Investments for Intragovernmental Reporting	Schedule showing all Federal investments (T-Bills) that can be provided to the Bureau of Public so that they know the amount of outstanding debt to eliminate with the FCC. Report is submitted to the FCC by the last work day of each month.	The T-Bill schedule listed for Report #6 under the Financial Statement Package section contains the necessary information however it must be submitted as of month end on the last work day of the month.	Monthly (last work day of each month). June 30, 2011	Jeanne McDonald and Andrew Mulitz
BUDGETARY REPORTING					
1	Revised OMB 10 year Forecast - Mid Session Review	Various schedules and charts with receipts, outlays, interest and administrative expenses.	Mid-Year Forecast	Annual April 19, 2011	Thad Machcinski and Andrew Mulitz
2	Administrative Costs Schedule	A Schedule of Administrative costs by Budget Object Class.	FCC to provide format	Monthly July 11, 2011	Vince Amalfitano and Andrew Mulitz
DEBT COLLECTIONS					
1	Delinquent Debt Greater Than \$25	A schedule detailing delinquent debt over \$25. Schedule should include FRN, EIN, Principle, Penalty, Total, Customer, Name, Contact, Address1, Address3, City, State, Postal and should be provided by the 10th work day following the end of a quarter	FCC-Over 25 (date)	Monthly July 11, 2011	Cheryl Collins and Andrew Mulitz
2	Delinquent Debt Greater Than \$25- Supporting Documentation and Correspondence	Supporting documentation including bills and correspondence related to schedule for Delinquent Debt Greater Than \$25 above.	Bills and correspondence	Monthly July 11, 2011	Cheryl Collins and Andrew Mulitz