

Local Government Telecommunications Services: Reducing Costs and Limiting Risks

By Kent Wright



CliftonLarsonAllen

CLAAconnect.com



Who We Are

CLA Specialized Advisory Services

CLA's 3,600 people are dedicated to helping businesses, governments, nonprofits, and the individuals who own and lead them.

Specialized advisory services (SAS) include forensics, valuation, litigation support, information security, risk management, transaction support, bankruptcy, and receivership.

Our professionals help clients in many industries. They are a highly credentialed group, including designations such as CPA, CISA, CISSP, CRISC, CIA, CFP, and CFF, just to name a few.

Our telecom advisory services can help the businesses, nonprofits, and state and local governments we serve save as much as 20 to 50 percent on their telecom expenses.

Agenda

- Current Environment
- Costs
- Risks
- Technology
- The Future

Current Environment

The longer the billing is and more line items it contains; the more likely it is that expenses and errors go unnoticed.

Cost: Taxes / Surcharges & Fees

Which do you qualify for exemptions?

Detail of Taxes

Communications Service Tax	26.15
Federal Excise Tax	5.88
Statutory Gross Receipts	4.79
Statutory Gross Receipts (Business)	0.30

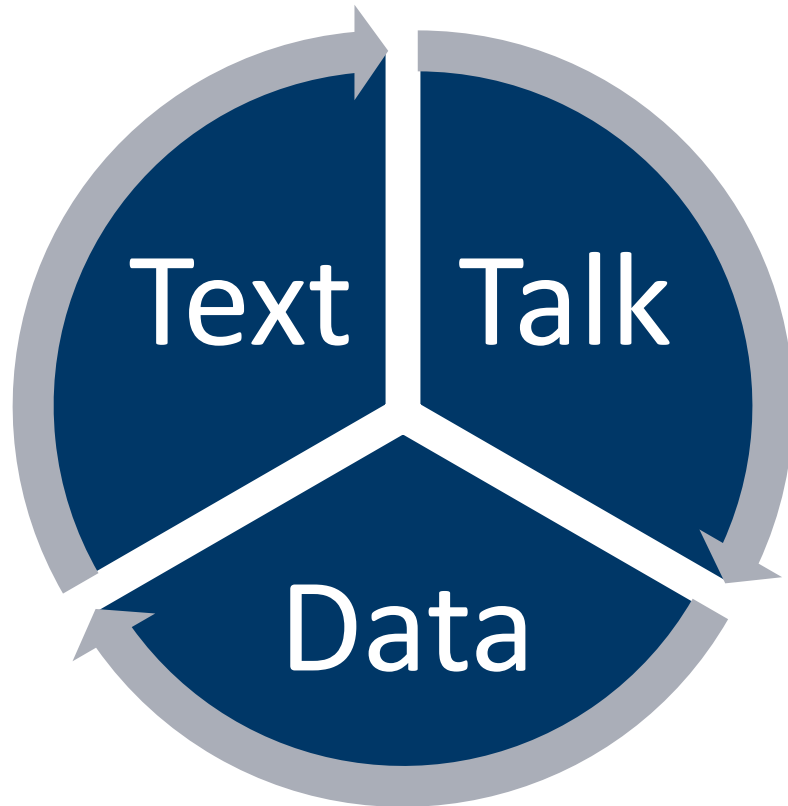
Total Taxes **\$37.12**

Detail of Fees and Surcharges

Access Recovery Charge	9.00
Federal Subscriber Line Charge Fee	27.60
Federal Universal Service Fund Fee	8.94
Interstate Service Fee	4.97
Local Number Portability Fee	1.05
Network Cost Recovery Fee	12.93
Regulatory Assessment Surcharge	0.97
State 911 Recovery Surcharge	1.50
State Telecommunications Relay Service Fund Surcha	0.33

Total Fees and Surcharges **\$67.29**

Cost: Wireless

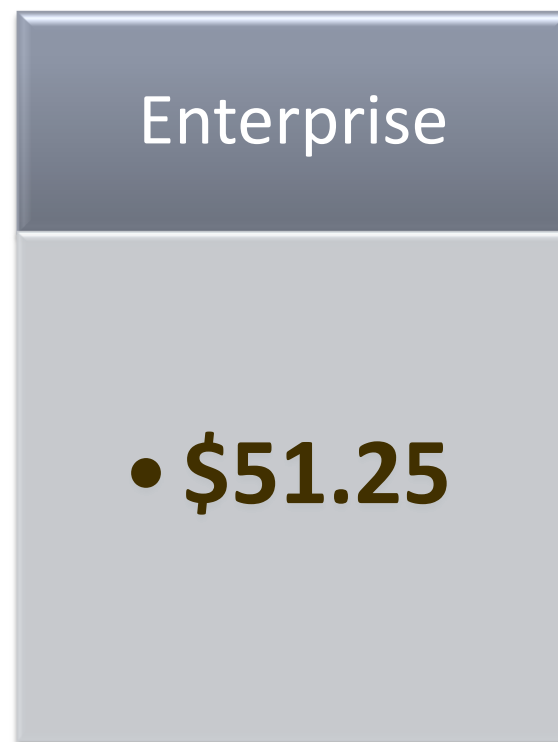
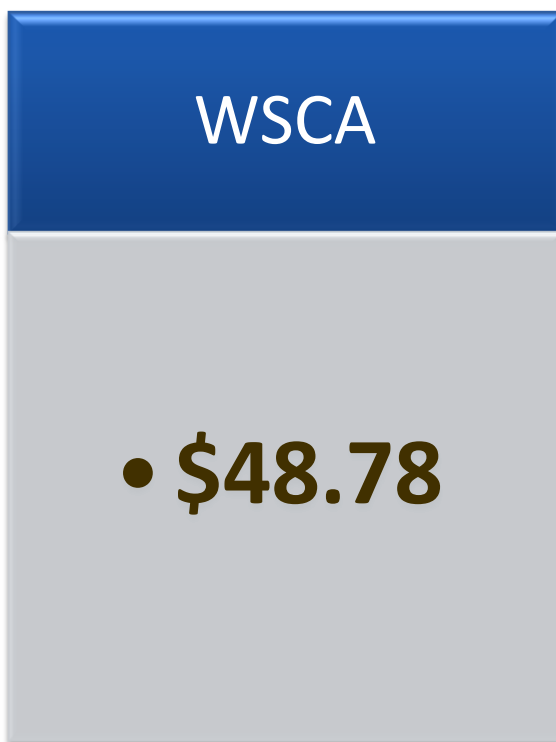


vs.



Cost: Wireless

Average Cost Per User with
Verizon Wireless:



Cost: Landline

- Cost of a T1 Circuit
- POTS Lines w/ Features & LD Buckets
- Long Distance

Risks: Casual Rates

Monthly Service - Jul 11 thru Aug 10	
1. Business Flat-Rate MultiLine	99.00

Charges for 281 416-1704	
1. Bus Local Calling Unlimited B	35.00

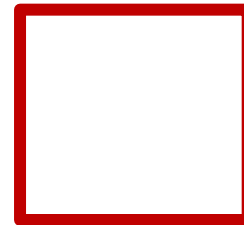
Long Distance - Continued							
Item							
<u>No.</u>	<u>Date</u>	<u>Time</u>	<u>Place Called</u>	<u>Number</u>	<u>Code</u>	<u>Min</u>	
1.	06-01	1109P	BALTIMORE MD	410 367-0295	N	1	1.62

22 Dec 4	3:51 pm	Coral Spg	FL	954 344-8320	1.0	06
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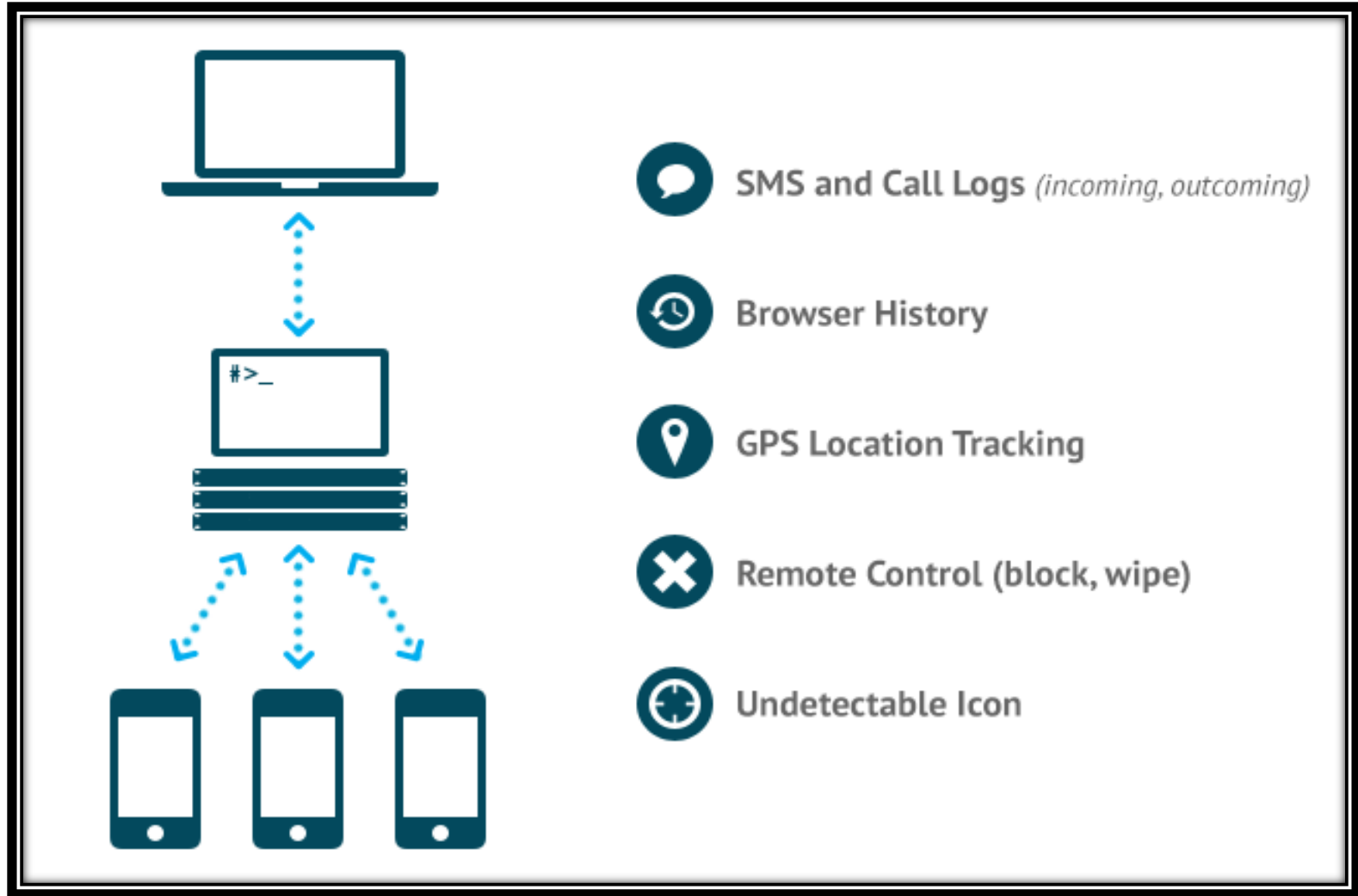
Risks: Contracts

- Early Termination Fees
- Automatic Renewal
- Penalties

Plan Start Date	Unit Threshold (Annual)	Attainment to Date	Monthly Average	Potential Penalty
5/16/2014	\$180,000.00	\$5,098.97	\$2,549.48	\$149,412



Risks: Mobile Device Management





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