

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

Trade-Out Agreements
WYCC-TV20
(Ratification for FY09)

REPORTS **THE CHANCELLOR**

that WYCC-TV20 in the normal course of doing business utilizes the industry practice of exchanging broadcasting services for marketing and other services needed by WYCC; and

that the exchange services include but are not limited to an exchange of air time and spot productions from WYCC for booth space, printed materials with logo, banner displays at events, event tickets and on site station spots for marketing purposes; and

that there is a need to ratify the trade exchanges from FY 09 for the vendors listed below:

Organization	Exchange Value Amount
Goodman Theater	\$ 10,040
Mayor's Office of Special Events	\$100,000
International Latino Film Festival	\$ 50,000
N'Digo	\$ 11,000
Total Amount	\$171,040

that WYCC-TV20 seeks to continue to utilize the same industry exchange practices beginning January 1, 2010 – December 31, 2010 with the vendors listed on the attached sheet and will request board approval for any exchange having a value greater than \$10,000.

that the Office of M/WBE Contract Compliance has reviewed the above ratification and, there are no opportunities to further subcontract to additional certified MBE/WBE vendors, and is recommending a waiver of compliance with the Board Approved plan.

RECOMMENDS **THE CHANCELLOR**

that the Board of Trustees ratifies the trade exchanges for the vendors listed above valued at \$171,040 and authorizes the use of the trade exchanges with the organizations listed on the attached sheet in an amount not to exceed \$225,000 from January 1, 2010 – December 31, 2010 for WYCC-TV 20.

FINANCIAL \$171,040 – Ratification \$225,000 - January 1, 2010 – December 31, 2010.

Respectfully submitted,

Deidra J. Lewis
Interim Chancellor

WYCC FY09 trade

Organization	Start date	End date	Amount
Goodman Theater <i>Traded: Air time on WYCC in exchange for logo on all printed materials including brochure, signage, program, plus event tickets</i>	July-08	August-08	\$10,040
Mayors Office of Special Events <i>Traded: Air time on WYCC and spot production in exchange for booth space, logo on printed materials, opportunity to play spot on large screen at fest and display banner at main stage, plus event tickets</i>	August-08	September-08	\$50,000
International Latino Film Festival <i>Traded: Air time on WYCC in exchange for logo on festival trailer, in outside ads, on billboard displays, on promotional posters, in festival schedules and programs, on festival banner and invitations, and more, plus event tickets</i>	April-09	April-09	\$50,000
N'DIGO <i>Traded: Air time on WYCC and spot production on WYCC in exchange for space in N'DIGO</i>	May-09	June-09	\$11,000

WYCC FY10 trade

Mayors Office of Special Events <i>Traded: Air time on WYCC and spot production in exchange for booth space, logo on printed materials, opportunity to play spot on large screen at fest and display banner at main stage, plus event tickets</i>	August-09	September-09	\$50,000
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Trade-Out Agreements For FY 2010

Organizations to target for trade:

N'DIGO	Jan-10	Dec-10
Crain's Chicago Business	Jan-10	Dec-10
WBEZ	Jan-10	Dec-10
CTA	Jan-10	Dec-10
Metra	Jan-10	Dec-10
WXRT	Jan-10	Dec-10
WVAZ	Jan-10	Dec-10
Chicago Defender	Jan-10	Dec-10
Chicago Reader	Jan-10	Dec-10
WBBM-AM	Jan-10	Dec-10
Chicago Tribune	Jan-10	Dec-10
DuPage Business Ledger	Jan-10	Dec-10
Chicago Jazz Fest	Jan-10	Dec-10
Latino Theatre Fest	Jan-10	Dec-10
Woofstock	Jan-10	Dec-10
Latino Film Fest	Jan-10	Dec-10
African American Fest Arts	Jan-10	Dec-10
International Antiques Fair	Jan-10	Dec-10
Chicago Latin Music Festival	Jan-10	Dec-10
Senior Lifestyle Expo	Jan-10	Dec-10
Chicago Southland Bus Expo	Jan-10	Dec-10
Chicago Humanities Festival	Jan-10	Dec-10
Chicago Sinfonietta	Jan-10	Dec-10
Old Town School of Music	Jan-10	Dec-10
Printers Row Book Fair	Jan-10	Dec-10
Andersonville Midsommarfest	Jan-10	Dec-10
Chicagoland Chamber Expo	Jan-10	Dec-10
Taste of Western Springs	Jan-10	Dec-10
Naperville Ribfest	Jan-10	Dec-10

*Total estimated trade with above organizations:
\$225,000*



WYCC –TV 20 Barter Trade Policy and Standards As of 1-07-10

Background: Barter trade in broadcasting industry

Barter occurs in modern complex cities. Now-a-days, barter has become a highly competitive business in the broadcast industry. In fact, the National Association of College and University Business Officers (“NACUBO”) recognizes the bartering of unsold advertising time as a common industry practice.

Barter trade has no boundaries since the Internet has changed the way in which transactions are processed and has created a conduit for bringing people together in an innovative way. Today, the number of people involved in barter trade of goods or services, independently or through a broker, is rapidly increasing across all industries. Individuals and organizations are going back for barter trade to mitigate the financial concerns of today’s economy, which will shape the future of commerce worldwide.

Policy Statement

Barter for goods and services is **not** the Districts preferred method of procuring goods or services since there is an increased risk of inaccurate valuation, reporting and tracking for these types of transactions. Therefore, the Board requires compliance with the following:

1. Barter trade transactions should be used for only unsold advertising time slots and any associated production services.
2. Barter trade transactions are to be performed as an arm’s length transaction in which the buyers and [sellers](#) act independently and have no relationship (e.g., family members) to each other. Any apparent or perceived conflict should be disclosed in writing to the college president prior to finalizing the agreement.
3. All direct and indirect costs related to the exchanged services must be considered, properly reviewed and approved. WYCC should break even on every exchange transaction.
4. Public funds should not be given to private entities or used to support a political campaign; therefore barter trade transactions should not be subsidized or donated.
5. All planned revenue and expenses are to be properly budgeted.
6. The Station’s budget must have Board approval.
7. The Station should not contract with any customers who have outstanding receivables or write-offs with the District unless approved by the Chancellor.
8. All procurement rules outlined in the Operations Manual are to be followed, regardless of amount.
9. All trades from a single vendor with a value exceeding \$10,000 during a fiscal year must have prior Board approval. However, the Board may choose to provide annual approval in aggregate for select vendors with an exchange value not to exceed a specified amount.

Accounting Guidelines

There are a few accounting guidelines to remember when you conduct barter transactions

1. The IRS treats barter trade on a cash basis, regardless if CCC is on an accrual-basis or cash-basis accounting method. Therefore, income is recorded when received and the expense recorded when paid.
2. When recording transactions under SFAS No. 116, public broadcasting entities must carefully evaluate such transactions to be sure to distinguish between exchanges and contributions. Exchange transactions are situations in which each party receives equivalent value. Exchange transactions are not considered contributions.
3. To determine whether a contribution has occurred, it is necessary to assess the characteristics of the transaction from the perspective of both the resource provider and the recipient. Exhibit 1 graphically presents judgments required when identifying a contribution or exchange transaction.
4. If barter trade expenditures are funded through a Community Service Grant (“CSG”) and the value of the goods or services received is greater than the value of the air time or production services given, the difference is recognized as a contribution and classified as a non –federal financial support in the financial reports provided to the Corporation for Public Broadcasting (“CPB”).
10. If barter trade expenditures are funded through a CSG and the value of the goods or services received is less than the value of the air time given or production services given, the difference is recognized as a donation and classified as an expense in the financial reports provided to the CPB. However, as noted above in the policy statement, public funds should not be given to private entities or used to support a political campaign; therefore barter trade transactions should not be subsidized or donated.

Contribution or Exchange

WYCC must determine whether a transaction is a contribution or an exchange. If the value of what the station receives is commensurate with the value of what the grantee gives, the transaction is an exchange. But if the value the station receives is greater than the value of what it gives, the difference is a contribution and should be recognized as a non-federal financial support for CPB reporting.

Underwriting is a contribution given to a station primarily to finance specific programming or activities. Underwriting contributions may be direct donations of cash or in-kind donations of goods or services. The station must determine, based on the facts and circumstances, if a portion of the underwriting meets the test of an exchange transaction (see Exhibit 1).

Valuation

Generally Accepted Accounting Principles (“GAAP”) require that WYCC record all significant contributed support at fair value at the time of donation, provided there is a clearly measurable and objective basis for determining the value. In other words, the donors’ usual and customary fees charged to a paying customer for equivalent goods or services must serve as the basis for determining fair value.

Specifically SFAS no. 124 states:

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties. Quoted market prices in active markets are the best evidence of fair value and should be used as the basis for measurement, if available. Quoted market prices are easy to obtain and are reliable and verifiable. They are used and relied on regularly and are well understood by donors, creditors, and other users of financial information.

Initially, fair value would be determined by the acquisition cost, if purchased in an exchange transaction.

Documentation

GAAP requires that documentation of contributed goods and services support the determination of fair value. Sufficient evidence must be retained by WYCC and be available for audit purposes. An invoice or letter from the donor is an example of such documentation. Donors must independently document their contributions as to description, date(s) of donation, fair value and method of valuation. In addition, all documentation must clearly show the donor's intent to contribute; and must be provided by the donor using their official business stationery that prominently displays their name, address and other relevant information, including the donor's signature or the signature of an authorized official of the donor (printed name and title of the signatory included).

WYCC must retain all documentation (e.g., contract, pricing sheets, price quotes, bid recapitulation sheets, other documentation) in an orderly manner. It should be well organized, filed and labeled in such a way that a random audit by the CCC Internal Audit, external auditors or any external agencies should find minimal to no significant audit findings regarding bartering practices and documentation standards.

Standards/Procedures

1. Determine if transaction is an exchange or contribution (see Exhibit 1).
2. Obtain and retain detail support for transaction to substantiate fair value in determining if transaction is a contribution or exchange. Use standard current rate cards (see Attachment 1 for 2009 example) for calculating CCC's cost of air time or production services. These rates will vary based on ad length, type (e.g., news, children) and time slot.
3. Determine if company is already a CCC vendor/customer and is in good standing, if not perform the following:
 - Have vendor complete a CCC Vendor Application (see exhibit 2)
 - Have vendor read the CCC Vendor Ethics Policy and sign the Contractors/Vendors Acknowledgement (see exhibit 3)
 - Forward completed documents to the Department of Procurement and Business Services
 - If the transaction is not an even exchange and a receivable should be recorded; contact General Accounting to set company up as a CCC customer.
4. To confirm value of goods or services received in an exchange transaction and comply with procurement rules, WYCC is to obtain price quotes as follows:
 - \$1,000 or less – Price comparison is highly recommended.
 - \$1,000 but less than \$2,500 – Three price quotes are required from vendor's providing comparable services or goods. Bid quotes are to be summarized on a bid recapitulation sheet and filed with the exchange documentation (e.g., contract, valuation documentation).
 - \$2,500 but less than \$10,000 – Informal competitive bidding is required; therefore WYCC must obtain three written bid quotations with at least one vendor being a certified M/WBE vendor. Bid quotes are to be summarized on a bid recapitulation sheet and filed with the exchange documentation (e.g., contract, valuation documentation, bids, scope of services).
 - \$10,000 or greater – Formal competitive bidding is required and therefore WYCC must prepare written specifications describing the required goods or services and forward their request to the Department of Business and Procurement Services to complete a sealed bid or a Request for Proposal document. Vendor compliance with the Board approved M/WBE Participation Plan is required, unless a waiver is granted by the Office of Contract Compliance.
 - For additional information see the Operations Manual located on the CCC website at <http://www.ccc.edu/RulesOperations.asp>.

5. Prepare Barter Contract/Exchange Agreement prior to transaction date (see standard contract approved by General Counsel):
 - Complete Form with all detail information (e.g., vendor, services exchanging, value, dates of service etc.)
 - Transactions should be recorded at fair market value (“FMV”) of service received
 - Discounting of services is prohibited.
 - Production value should be based on fully loaded costs (e.g., direct labor, indirect labor, and over head).
 - The use of CCC’s logo in publications or flyers carries nominal value in barter trade transactions, per section 513(i) of the Internal Revenue Code. Details such as specific programs or classes will also need to be included.
 - Obtain signature from vendor.
 - Obtain approval from the College President.
 - Accounting will enter all contracts in the PeopleSoft receivable module to financially track these transactions.
6. Forward signed agreement to General Counsel for review and final approval
 - General Counsel will execute agreement and forward to vendor.
 - General Counsel will track agreements.
7. All transactions are to be accounted for in accordance with Generally Accepted Accounting Principles and Government Accounting Standards; specifically SFAS 116, SFAS 124 and GASB 33
 - If a commercial is aired and the goods or services have not been received then a receivable will be recorded at FMV.
 - A liability will be recorded if the goods or services are received before the commercial is broadcast.
8. On a monthly basis WYCC will :
 - Report all barter trade executed agreements to the Board.
 - Provide documentation to support all barter trade transaction to the Controller’s Office to record a monthly journal entry.
9. The Department of Business and Procurement Services will issue a 1099-B to independent consultants, where applicable.

Sources:

National Association of College and University Business Officers (“NACUBO”) -

http://www.nacubo.org/Business_and_Policy_Areas/Accounting/AccountingTutorial/Radio_Or_Television_Station_Reporting_Standards.html

Internal Revenue Service (“IRS”) -

<http://www.irs.gov/businesses/small/article/0,,id=187920,00.html> IRC 513(i)

<http://www.irs.gov/pub/irs-tege/eotopici85.pdf>

Corporation for Public Broadcasting (“CPB”) – Financial Reporting Guidelines

<http://www.cpb.org/stations/frg/> and Principles of Accounting

<http://www.cpb.org/stations/principles/>

Generally Accepted Accounting Principles (“GAAP”) and Government Accounting Standards Board (“GASB”) specifically SFAS 116, SFAS 124 and GASB 33

Exhibit 1

Identifying a Contribution/Exchange Transaction

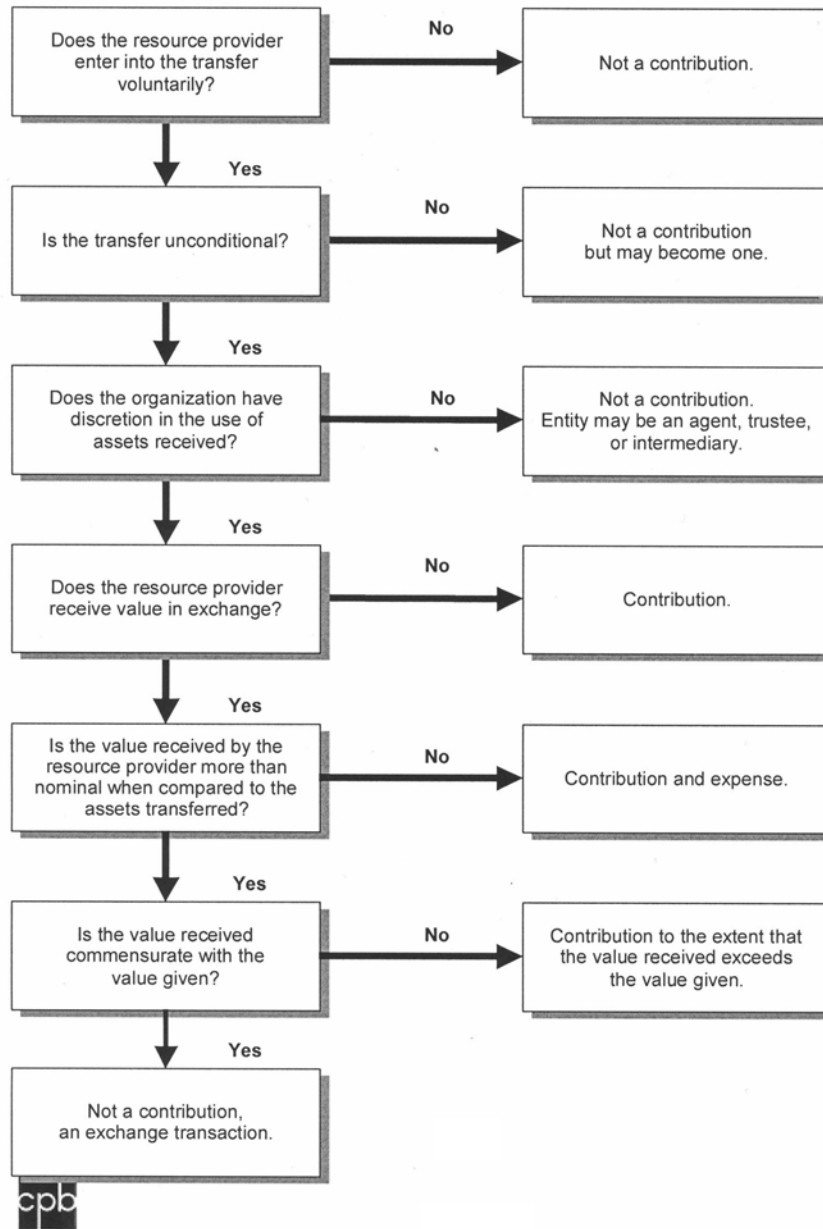


Exhibit 2

WYCC – TV 20 BARTER/EXCHANGE VENDOR'S LIST APPLICATION FORM

1. VENDOR INFORMATION

Name: _____ FEIN or Social Security #: _____

Dun & BradStreet #: (if applicable) _____

Parent Vendor Name (if applicable): _____

2A. APPLICANT'S MAILING ADDRESS:

Address: _____ Telephone: _____
_____ Fax Number: _____

City: _____ State: _____ Zip Code: _____

Internet Address: _____ Contact Person _____

3. TAX INFORMATION

Organization Type:

Corporation Individual Partnership Other: _____
Foreign Corporation Foreign Government Agency Foreign Partnership Government Agency

Tax Reporting Name (if different from Vendor Name): _____

4. CORPORATIONS AND PARTNERSHIPS - Please supply the following information:

President: _____ Secretary: _____

Vice-President: _____ Treasurer: _____

Owners or Partners: _____

IMPORTANT: City Colleges of Chicago requires that no employee or Board of Trustee may have a special interest in any contract paid with funds belonging to or administered by the Board of Trustees. If you/your firm has such a relationship, attach a separate sheet explaining that relationship. All transactions are governed by the laws of the State of Illinois, the Illinois Public Community College Act, and Board of Trustees Rules for the Management and Government of the City Colleges of Chicago.

I hereby certify that the information supplied herein is correct.

Name and Title (Please print or type) Signature Date

Exhibit 3
CITY COLLEGES OF CHICAGO ETHICS ORIENTATION
CONTRACTORS/VENDORS

INTRODUCTION/GENERAL PRINCIPLES

As a City Colleges of Chicago (CCC) vendor/contract worker you are subject to the City Colleges of Chicago Ethics Policy. The purpose of this policy is to promote public confidence in the integrity of CCC by establishing consistent standards for the conduct of CCC business by Board members and employees.

The CCC Ethics Policy applies to full-time, part-time, temporary and seasonal employees, as well as to appointees to the Board of Trustees and contract workers.

As a CCC vendor/contract worker, you are expected to work on behalf of CCC in a manner that always complies with laws, rules, regulations and policies. By doing so and by always acting with honesty and integrity you are allowing established values to guide your actions and decisions. That is what it means to follow the principles of ethics.

The information that follows is intended to make you aware of selected elements of the CCC Ethics Policy and other laws and rules that relate to ethical conduct. If you have questions you may contact the CCC Procurement Office.

ETHICS OFFICER

The City Colleges Ethics Officer is designated by the Chancellor to provide guidance to the officials and employees of the District concerning the interpretation and compliance with the provisions of the City Colleges of Chicago Ethics Policy. The Ethics Officer shall also perform such other duties as may be delegated by the City Colleges of Chicago Board.

ANNUAL ETHICS TRAINING

All CCC employees are required to complete at least annually an ethics training program conducted by the City Colleges of Chicago. This requirement applies to any person employed full-time, part-time, or pursuant to a contract, as well as to any appointee – i.e. Board members. The ethics training reflects aspects of the City Colleges of Chicago Ethics Policy. The City Colleges Ethics Training Administrator will notify you and provide instructions to you concerning when and how to participate in the annual ethics training.

EXCERPTS FROM CCC ETHICS POLICY

GIFT BAN

In many instances, it is unlawful for a CCC employee to accept gifts that are offered in connection with his or her job. An employee cannot solicit or accept a gift from certain individuals or entities that are defined by law as a "prohibited source." Current vendors, as well as vendors interested in doing work for CCC are considered prohibited sources.

As a contractor or vendor doing business with the City Colleges of Chicago you are required to comply with the Gift Ban prohibition of the CCC Ethics Policy. Under the Gift Ban Section of the Policy (Section 1aa) current vendors, as well as vendors interested in doing work for CCC are considered prohibited sources and thereby precluded from providing gifts to CCC employees except as provided in the CCC Policy at Section 4-2(a-1). If you are in doubt about a gift, contact your Ethics Officer and read the City Colleges of Chicago Ethics Policy on Gift Ban. The City Colleges of Chicago Ethics Policy can be found at http://ccc.edu/HR_FORMS/files/ethicspolicy.pdf.

FIDUCIARY RESPONSIBILITY

All vendor/contract workers, Board members and student officers of the District owe fiduciary responsibility to the Board, District and residents of the District. Fiduciary responsibility is defined as a relationship imposed by law where someone has voluntarily agreed to act in the capacity of a "caretaker" of another's rights, assets and/or well being. The fiduciary owes an obligation to carry out the responsibilities with the utmost degree of "good faith, honesty, integrity, loyalty and undivided service of the beneficiaries' interest."

USE OF DISTRICT PROPERTY

CCC full-time, part-time, temporary and seasonal employees, as well as appointees to the Board of Trustees and contract workers shall not engage in or permit unauthorized use of District property.

POLITICAL ACTIVITY

No person who has done business with the City Colleges of Chicago within the preceding four years or is seeking to do business with the City Colleges of Chicago shall make contributions in an aggregate amount exceeding \$1500.00: (i) to any candidate for city office during a single candidacy; or (ii) to an elected official of the government of the city during any reporting year of his term; or (iii) any official or employee of the City Colleges of Chicago who is seeking election to any other office.

PENALTIES

Any contractor doing business with City Colleges of Chicago found to have violated the City Colleges of Chicago Ethics Policy, may be barred from doing business with City Colleges of Chicago, along with any other penalty provided for in this Policy.

CITY COLLEGES OF CHICAGO ETHICS POLICY

All vendor/contractors workers are required to read and will be held accountable to the City Colleges of Chicago Ethics Policy. The City Colleges of Chicago Ethics Policy can be found at http://ccc.edu/HR_FORMS/files/ethicspolicy.pdf

All vendor/contract workers are required to sign the attached acknowledgment and return it to the Procurement Office. The executed acknowledgment will be on file in the Procurement Office.

VENDOR/CONTRACTOR ACKNOWLEDGEMENT

I affirm that I have received the above Ethics Orientation Training for Contractors/Vendors. I further affirm that I will read the full text of the City Colleges of Chicago Ethics Policy and be available for yearly ethics training.

FIRM NAME

SUBMITTED BY

TITLE

Contact Information for the City Colleges of Chicago Ethics Office

Telephone: 312/553-2925

Email: ethicsoffice@ccc.edu

Attachment 1 WYCC RATE CARD 2009:15

News and Information

Rate

M-F 6:00am-7:00am	France 24 News, RT News \$35
M-F 3:30pm	Various News and Information \$40
M-F 4:00pm	Various News and Information \$45
M-F 4:30pm, 10:30pm	Tavis Smiley \$65
M-F 5:00pm	Charlie Rose \$70
M-F 6:00pm	Euronews \$110
M-F 6:30pm	Journal \$90
M-F 10:00pm	Worldfocus \$110
M-F 11:00pm	Charlie Rose \$40
M-F 3:30pm-7:00pm; 10:00pm-12am	News and Information Rotator \$65

Prime Time/Other Late Fringe/Other Rate

Tues 7:00pm	Antiques Roadshow \$150
Various Mon-Sun 7:00pm-10:00pm	Auto, Travel, Other Prime \$110
Mon-Su 7:00pm-10:00pm	Prime Time Special, Austin City Limits \$125
Mon-Su 7:00pm-10:00pm	Prime Rotator \$100
Sat, Sun 10:30pm-12:00am	Various Non-News \$40
Mon-Sun 12:00am-6:00am	Various Overnight \$15
Run of Station 6:00am-12:00am	Various \$20

How-To/Travel/Health/Telecourses

Rate

M-F 6:30am-12:30pm, 2:00pm-3:30pm	College Telecourses, Exercise \$25
M-Su 10:00am-5:30pm	Cooking, Creative Arts, Health \$35
Sat 12:30pm	This Old House \$60
Sat/Sun Times 11:00am-2:30pm	Home Improvement/Gardening \$45

Sun Times 1:30pm-3:30pm

Travel \$50

Children's

Rate

Sat 6:00am-10:00am

Various PBS Kids \$35

Sun 6:00am-10:00am

Various PBS Kids \$35

Sat/Sun 6:00am-10:00am

Children's Rotator \$25