***Cost Allocation Analysis***

**FCC Form 471 Application #**

**FRN #**

**Rationale**: In an attempt to construct a viable cost allocation, assumptions must be made regarding when an individual may use their cellular phone off-premise. [school district x] must qualify off-premise use with the term “non-work hours”. If an individual is not engaging in work activities during regular work hours, there is a possibility the individual may incidentally use their cellular device off-premise. Using this rationale, the following assumptions must be used in order to construct a cost allocation:

 \_**Assumption 1** – 7am – 5pm are work hours that cover the majority of employees that have cellular phones issued to them. While [school district x] has employees that start as early as 6am (i.e., bus drivers) and employees that work as late as 10 pm with after-school activities (i.e., principals and central office staff), an average time frame must be established.

 \_**Assumption 2** – The average adult will sleep approximately 6-8 hours a night (Source - Gallup Poll 2005). For the sake of the cost allocation, [school district x] will use 8 hours. Also, while an individual is asleep, it is assumed they are not using their cellular phone.

 \_**Assumption 3** – During work hours, district staff members are considered on-premise.

 \_**Assumption 4** – On-premise is defined as being in or on property owned by [school district x]. This includes school campuses, the central office campus, the transportation/maintenance campus, technology support offices, and school buses.

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| Using these assumptions, the following on-premise/non-usage and off-premise hours were determined for an average staff member over the course of a week: **Day**  | **On-Premise/Non-Usage Hours**  | **Off-Premise**  |
| Monday  | 18  | 6  |
| Tuesday  | 18  | 6  |
| Wednesday  | 18  | 6  |
| Thursday  | 18  | 6  |
| Friday  | 18  | 6  |
| Saturday  | 8  | 16  |
| Sunday  | 8  | 16  |

For the average employee, 37% of their hours in a week could be allocated to using their cellular phone off-premise (62 [Off-Premise Hours]/168 [Hours in a week] X 100). Taking this percentage, the district requests to apply it as a reduction to the Annual Pre-discount Amount for Eligible Recurring Charges in Form 471 Application xxxx and illustrated in FRN xxxx. This results in the following changes:

**Annual Pre-Discount Amount for Eligible Recurring Charges: $82,109.54**

**Funding Commitment Request: $64,866.54**