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***TDGA
Special
Report***



NCSA – Non-Commercial Sustaining Announcements & How to Issue the Proper Invoicing*

What's a NCSA?

NCSA

According to the National Alliance of State Broadcasters Associations (NASBA), “NCSAs” or “NCSA Announcements” are “Non-Commercial Sustaining Announcements.” They are the messages of nonprofit organizations and governmental entities aired voluntarily, and for no consideration, by radio and television stations under NCSA Programs. The NCSA Announcements are neither paid commercials nor public service announcements. Accordingly, they should not be “logged” as commercials or PSAs.

This is how NCSA Programs work. An NCSA Sponsor wants coverage of a program or issue and comes to the State Association for help, since the association is uniquely situated to provide such coverage. In return for payment, the State Association offers to make available to the NCSA Sponsor a “bank” of airtime that stations have “donated” to their State Association for this purpose. In addition, the State Association distributes the NCSA Announcements to its stations and provides the NCSA Sponsor with information about how well the program ran. In most cases, the value of the donated airtime exceeds, by many fold, what the NCSA Sponsor would have paid to gain comparable airtime on stations through the state.

None of the monies received are paid to any station participating in the NCSA Program. The State Association uses the money for the benefit of the broadcast industry generally, as well as to assist its stations, for example, in complying with the extensive regulations of the Federal Communications Commission through educational programs, the Alternative Broadcast Inspection Programs, EEO-related initiatives, and the like. In short, NCSA Programs, and the revenues derived therefrom, are aimed at fostering better relations between the broadcast industry and nonprofit organizations and government entities, as well as advancing and strengthening the broadcast industry in each state, all pursuant to the tax exempt purposes of the State Associations.

How to Issue Proper Invoicing, using these responding Traffic Software Systems:

- **Arrows**
- **BroadView**
- **Darts**
- **DeltaFlex (CBSI)**
- **GBS – Computer Concepts**
- **Marketron**
- **Natural Log**
- **RadioWorks**
- **See Spot Run**
- **Smarts – DOS & Windows**
- **Summit Software Systems**
- **SuperLog**
- **VCI – Stars II+**
- **VT – Visual Traffic**
- **WideOrbit**

The Business relationship between the NCSA and the Radio / TV Station

If the State Association has an active NCSA Program underway, it will make a request to all Stations in the state for the scheduling of NCSAs for airplay. If the Station makes the decision to participate in the State Association's NCSA Program, it will donate, and thus schedule, “x” number of announcements from its inventory for the

State Association's NCSA Program. Because there is no cash being exchanged between the Station and the State Association, the dollar amount is \$0.00 or n/c. Each State may have slightly different arrangements for the way it conducts its' NCSA Program

However, just as in any traditional Order, NCSA Sponsors often require either Times, Affidavits, Invoices or some other form of documentation to show "proof of performance." This is where minor problems may occur in some software used for traffic and billing. And, this is where the Traffic Director / Accounts Receivable personnel play a vital role in the entire NCSA Program's success or failure.

Many Traffic Systems are specifically designed not to issue billing for zero-dollar orders and/or to issue invoices for "zero balances." Otherwise you'd print out reams of paper for promos, public service and other station-related zero-dollar announcements.

Additionally, many Stations and groups track the average spot rate for varied length announcements, by Station and/or by salesperson. Adding "zero dollar" valued spots to the data definitely diminishes the average rate per spot and presents an incorrect (or misleading) result for reviewing Sales revenue levels.

Because each Traffic System is configured with slightly different features and capabilities, the general response by Traffic Departments is: "We can't do that kind of zero-dollar billing without distorting our entire Sales Reporting program." TDGA, in its research for this report, found that such is not the case. However, each Traffic Software System requires a slightly different approach to properly handle the desired end result:

- Correct billing of a zero-dollar balance or rate, and "undistorted" financial reporting and sales analysis. Achieving just one of these goals is simple, but addressing all three goals is different based on which software you use.

We asked the Traffic Vendors for Guidance.

Several responded instantly, and others required repeated requests. TDGA is not their Customer and we do not subscribe to their support programs (because we do not use their systems directly.) Obviously, not all responded, which is their prerogative. If your Vendor is not represented, we suggest contacting them directly for solutions. Listed

Here are quick, easy methods to achieve flawless billing for NCSAs and still retain the integrity of your Station's internal reports and sales/underwriting analysis tools.

- **Arrows Traffic Management**

We can do this two different ways depending on whether you what it under cash or trade. Under cash billing you would enter as you normally would enter any order, but with zero amount in the rate fields. This provides you with your affidavit and statements each month. Or, enter it as a trade account. It acts the same as a cash bill, although you would have to print a separate statement. Either way you will get your affidavit for notary.

- **BroadView Software System**

The BroadView system intrinsically allows for the booking of zero-value spots. Additionally, when creating contracts, the station may also select the level of detail that would appear on the invoice. This is extremely handy if you want to produce an NCSA affidavit/invoice but don't want to see a page full of zeros.

Avoiding a flawed sales analysis or the calculation of average spot rates is also very simple in BroadView since the software allows for different sub-types of ad contracts. I.e. there may be different types of "ads" in BroadView - local ads, national ads, per inquiry ads, election ads, NCSA ads, etc. When doing any type of analysis or reporting, you simply choose the ad contract types that are relevant.

- **Darts – Datacount / Wicks Broadcast Solutions**

On the 7.25 version of Darts, spots may be entered on a contract with a zero rate to produce an invoice with dates and times. However, if the station uses package bills with zero-rated spots, the average rate will be distorted. The average price-per-spot-aired report does give the option to include/exclude zero rated spots and package bills. However, zero rated spots without package bills would not produce an accurate average rate.

The Entry Level system of Darts (Darts EL) will also produce a zero rate invoice but the average price per spot report only allows for include/exclude of zero rated spots. If zero rated spots are included so are package bills. If they are excluded the package bills are excluded as well. The report is still distorted if package bills are used.

- **DeltaFlex Systems / CBSI / Wicks Broadcast Solutions**

The Oregon Association of Broadcasters has been our primary contact for NCSA information. They like to see a value on the invoice. So here's how I did it:

In Accounts Receivable I created two table items: an Income Account item called "OAB", and a Payment Account item called "OAB". I assigned both of these table items to the Oregon Association of Broadcasters A/R account. Then I entered the contract in Traffic. I assign a rate to each spot because the Association needs to see the value of their advertising each month. Before printing the invoices at the end of the month. I pay off this invoice so there will be a zero balance on the account. The "Income Account" and "Payment Account" table items are automatically assigned when I enter the contract and the payment. (You must not use a Credit Adjustment or Reverse Charge because you are receiving something of value in return for your services, in this case, membership services and benefits.)

The charge and payment totals will also print on my month-end reports for simple entry to the general ledger. To prevent these charges from impacting your average spot rates it's a simple matter to limit out the OAB Income Account type.

Oh yes, one more thing: I also created an announcement type in Traffic called NCS. Some areas of our software do not allow the user to limit by Income Account. This special NCS announcement type allows the user to include (or exclude) these spots while including (or excluding) other types.

And our Program Log Totals Page summarizes the NCSA spots in terms of both units and time. (This was at the OAB's suggestion because these spots are not PSA's; nor can they be considered as Trade or Commercial Matter. They are a type unto themselves.

Feel free to contact us with any other questions you may have. Mike Nadeau, Wicks Broadcast Solutions (CBSI DeltaFlex) Mnadeau@wicksbroadcastsolutions.com

- **GBS – Green Broadcast Services (Computer Concepts)**

In our experience, often these organizations want not only spot counts, but \$ values as well. Our client stations write the orders normally, with rates, posting to a normal TRADE account (to keep trade dollars off the cash Aging reports), then adjust it off later to the appropriate G/L account (memberships, contributions, whatever may be the case).

This then gives the organization both a spot count AND a value, but does not skew the station's true accounts receivable. And the station quite simply adjusts off the amounts when adjusting off their trade balances.

- **Marketron International Systems – Marketron Radio**

Billing non-commercial revenue in the Marketron system is very easy. In the Sales Order module, you enter a monthly contract as a Non-commercial revenue type (although you can select any revenue type you wish).

Enter your schedule lines with a zero dollar rate. Marketron offers a choice: display a zero dollar rate on the invoice or check "Affidavit Only" to display a blank rate column on the invoice.

- **Natural Log Traffic Software Systems**

Natural Log has the ability to use different "Revenue Types" such as Cash, Trade etc. A Natural Log user could set up a revenue type for these \$0.00 orders (any Description is fine... NCSA, NCS, etc.) and assign that order to that revenue type. This way the users can

EXCLUDE that revenue type when creating Avg./Low rate reports.

They need to be sure to select "Detail" invoice type when entering the order. Most Natural Log users select "None" for invoices on \$0.00 orders but the choice IS there to create an invoice even for \$0.00 orders. The invoice will show \$0.00 per spot cost and list every date/time it ran.

- **RadioWorks Traffic Software Systems**

RadioWorks is set to not print zero balances in the batch, but any invoice, zero balance or not, can be printed individually. We can also print affidavits that show the dates and times and price of spots that have run. Zero amounts are no problem.

RadioWorks customers are welcome to contact us for guidance if they have any difficulty understanding the ease of providing NCSA affidavits. John Young, RadioWorks Account Manager, Harwood Consulting, Inc.
- jyoung@harwood1.com

- **See Spot Run – ACI Media Traffic Software**

This is very simple in See Spot Run. You simply select the "Bonus Spot" option on the Order for the desired commercial. You also have the option of showing it on the Invoice / Affidavit or not. If you choose to NOT show it on the Invoice / Affidavit it will not affect your avg. rates or any reports. If you need to send an Invoice/Affidavit to the customer you select the "Show On Invoice" option and upon generating your reports choose not to include Bonus Spots.

- **SMARTS Broadcast Systems – DOS & Second Generation Windows versions**

In Smarts there are a couple of ways you can 'bill' for this. You can put in a REGULAR schedule with a zero rate. This allows use of everything in terms of the order / billing statements / affidavits / invoices, [If you are calculating total spot rates this may not be what you want to do.](#)

If you are calculating total spot rates, then enter it as a NO POST order. This will allow you to get both affidavits and invoices from your order, but it will NOT print a billing statement and thus won't affect your monthly spot totals.

Either option is very easy to use and both are available when you enter orders. These options are available in both our old DOS V-7 program and in our current Windows application SMARTS - The Second Generation. If you need any other clarification on these, please contact Debbie Kribell at SMARTS Broadcast Systems.

- **Summit Software Systems**

Our system allows the user to enter "zero" dollar spots for any advertiser for any contract. Just set the rate to 0 and set the invoice copies to 1. These contracts will bill just as non-zero dollar contracts will.

The invoices can be set to show the exact times and dates each spot ran as well as which station they ran on, etc.

There is also an option to set up a specific Billing Group for these advertisers and/or contracts so that the invoices may be produced separately from the regular billing.

The user also has the option to set a specific spot class to these spots for ease in producing reports only on these types of spots.

- **SuperLog / Wicks Broadcast Solutions**

If a schedule (order) in Super Log is put in with a \$0.00 rate, and "R" for regular billing is entered in the "Bill As" section, an invoice with times will be printed. If an affidavit is needed, then they will need to say "yes" to affidavit and it will print with times with a notary line for an additional signature. The spots will print on the order analysis report with a zero amount but it doesn't get included in the spot average at the bottom of the report. .

- **VCI – Video Communications, Inc. – Stars II and Stars II+**

Louise O'Leary, Manager of Customer Support for VCI provided this explanation: "In STARS II+ we would have our clients create a spot type for NCSA and order the spots to this spot type. Then when they called their skims they would exclude this spot type from their skim reports, so any inventory used by NCSA's who still appear as available in the system. We would have them order the spots as \$0.

Our inventory reports allow our users to ignore specified spot types and avail (breaks) types when pulling reports so they can always avoid counting particular spot types in their inventory (so it looks like the time is still available to sell).

Alternatively, these spots can be entered as "fillers" in STARS II+ and will not require a contract to be entered. We provide a "spot placement" report for fillers that shows scheduled "as run" information for the fillers, which could be provided to show when, where and how many spots aired. This would not need to be billed out, and therefore would not affect average unit rate. However, as a Traffic Manager, I would try to avoid running NCSA's in a LUC period!"

- **VT – Visual Traffic / Wicks Broadcast Solutions**

It's not a problem in Visual Traffic to bill out zero dollar invoices. They will print just like any other invoice when entering an order with a zero dollar rate. As for the potential of those spots affecting the average unit rate, the operator can assign a special spot type (such as NCSA) to those spots when they enter the order. If they don't want those spots to calculate on any average unit rate report, they can simply filter out that spot type

- **WideOrbit – Television Traffic Software Systems**

One possible solution would be to book the spots to an order as no charge "trade" spots with the State Association as the advertiser. This would enable the station to issue a contract and invoice without having the spots negatively impact their Average Unit Rate.

Depending on the traffic software, the station may also be able to book the spots as promo or PSA filler and generate a log summary report detailing dates and times of broadcast specific to the State Association also without having it negatively impact Average Unit Rates, etc.

WideOrbit would be pleased to assist any of our Customers in creating the solution to their specific needs or concerns.

Notations: All Traffic Vendors were invited to respond to our Special Report. We're hopeful that some of the responses might help make your NCSA Billing / Reporting obligations far more trouble-free than manual procedures used as an alternative. We are indebted to both NASBA and the Traffic vendors for their assistance in preparing this TDGA Report.

TDGA expresses its gratitude to the MAB (Maine Association of Broadcasters), KBA (Kentucky Broadcasters Association), NBA (Nevada Broadcasters Association), NASBA (National Alliance of State Broadcasters Associations) and the individual Traffic Software Vendor companies for their cooperation and source materials used in the preparation of this TDGA Special Report.



- **About NASBA –**

The members of NASBA are the CEOs of the State Broadcasters Associations which represent radio and television stations in the fifty states, the District of Columbia, and Puerto Rico. NASBA, a non-profit organization, is a professional alliance formed for the enhancement and improvement of its members' professional development.

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The TDGA Mission.....

To foster pride in our unique profession, and to promote the contributions we provide to the Radio and Television Broadcasting Industry. The Traffic Directors Guild seeks to enhance our member careers through information, cooperative services and education.