

# AppleFund Questions and Answers

## General Fund & ED/GOV Fund

### May 1989

#### ACCRUAL QUESTIONS

***Q: With the introduction of Earned Investment, how much am I accruing in my AppleFund account, including General, ED/GOV, and Infrastructure Funds?***

A: In the General Fund and Infrastructure Fund, you accrue based on your Sales Level. You still accrue 7% of all STO fees in your ED/GOV Fund.

***Q: How were the new Sales Levels determined?***

A: Sales Levels were determined by calculating the dealer's net finished goods purchases for a 12-month period. Sales Levels are reviewed twice per year, at month ending February and month ending August.

New dealers with no available sales history with Apple Computer automatically enter Earned Investment at Sales Level 1. A minimum of 5 months of sales data must be accumulated at the time of the Sales Level review in order for a dealer to be placed at a higher Sales Level. New accounts will be reviewed along with existing accounts at month ending February and month ending August.

***Q: How does my new accrual rate compare to last year's accrual rates?***

A: Prior to October 1988, the maximum dealer accrual rate was 5.75%, reached only if you achieved 180% of your preestablished goal. With the introduction of Earned Investment, dealers' accrual rates are based on their Sales Level, with ranges between 7.50% at Sales Level 1 to 5.00% at Sales Level 6. This total accrual is split equally between the Infrastructure Fund and the General Fund.

***Q: How does the "rolling accrual" work?***

A: Accruals in both the General Fund and the ED/GOV Fund are deposited monthly, based on net sales from the previous month. Dealers have six months (nine months for the ED/GOV Fund) to spend those dollars, and another three months to actually submit claims against the funds.

The accruals are considered “rolling” because a new month is always coming on as the oldest month is dropping off. Therefore, there is a constant “pool” to claim your ads/activities against.

***Q: Who do the accrued AppleFund dollars belong to? Are they Apple’s, or the dealer’s? If they are Apple’s dollars, when do they transfer to the dealer?***

A: AppleFund dollars belong to Apple Computer, Inc., *not* the dealer. Apple sets aside, or accrues, dollars to co-invest with its dealers based on sales; therefore, the more a dealer sells, the more Apple is willing to co-invest. Apple has final approval on how these dollars are used, based on the AppleFund criteria established. If a dealer opts not to use the allocated funds as prescribed, the dollars revert back to Apple.

AppleFund is a pay for performance program. Accrued funds will be credited to dealer after proof of performance of specified ads and activities as listed in the AppleFund Guidelines. Under no circumstances will Apple ever give accrued AppleFund dollars directly to a dealer unless AppleFund requirements are met, and then only on a reimbursement basis.

### **Closing vs. Expiring Funds**

***Q: What’s the difference between funds “closing” and “expiring” in the General Fund and ED/GOV Fund?***

A: General Fund accruals must be used within six months after they accrue. During this six months, dealers may run ads/activities. At the end of that six months, the accrued funds “close”. Dealers then have another three months to actually submit their claim against these “closed” funds for reimbursement. At the end of that three months, the “closed” funds “expire”. ED/GOV Funds must be used within nine months after they accrue.

During this nine months, dealers may run ads/activities. At the end of that nine months, the accrued funds “close”. Dealers then have another three months to actually submit their claim against these “closed” funds for reimbursement. At the end of that three months, the “closed” funds “expire”.

***Q: Can I use the “closed” funds?***

A: Funds are active for six months (nine months for ED/GOV Fund) after they accrue on the AppleFund Dealer Status Report. “Closed” funds may only be used to pay claims for ads/activities run during the six or nine month active life of the funds. “Closed” funds remain on the statement to allow a full 90 days for dealers to submit ad/activity claims that may have been run during the last

month the fund was active.

## **ED/GOV FUND QUESTIONS**

### ***Q: How do dollars accrue in the ED/GOV Fund?***

A: Dollars accrue in the ED/GOV Fund monthly; accruals are deposited at 7% of the STO fees paid by Apple to the dealer for that month. Dealers have nine (9) months to use ED/GOV Fund accruals, and an additional three (3) months to submit claims against those accruals for ads/activities done in the 9 month period. Keep in mind that claims must be submitted within 90 days of the ad/activity date to be eligible for reimbursement.

### ***Q: Who needs to sign off on my claims for ED/GOV Funds?***

A: The ED/GOV Sales Representative is now required to sign all AppleFund ED/GOV claims requiring a Sales Rep preapproval. Retail Sales Representative signature is no longer required.

### ***Q: Do I need to complete the proposal portion of the AppleFund Claim/Proposal form for advertising reimbursed from the ED/GOV Fund?***

A: It depends. Retail advertising *in general* does not require the proposal portion, Section A of the AppleFund Claim/Proposal form, to be completed. However, ED/GOV activities other than advertising require all sections of the AppleFund Claim/Proposal form to be completed.

### ***Q: I just became an authorized Apple Government dealer, but do not have any accruals in my ED/GOV fund from sales into the Government market. I do, however, have a balance in this fund from Education STO fee accruals. May I use these funds to help develop my Government market?***

A: The ED/GOV Fund may be used to support Education and Government specific activities regardless of how the dollars were earned. The flexibility of this fund allows the dealer to direct ED/GOV accruals toward the best marketing opportunity.

### ***Q: I'm not an authorized Apple Education or Higher Education or Government dealer. Will I receive accruals in the ED/GOV Fund?***

A: No, only authorized Apple Education Dealers, HEPP II dealers, and Apple Government Dealers will show an active ED/GOV Fund on their AppleFund statement. If the dealer is authorized for one or both of these markets, AppleFund credits will accrue monthly to the ED/GOV fund in the amount of 7% of each STO installation fee.



***Q: Why are my AppleFund credits from STO installations so slow in appearing on my statement?***

A: AppleFund credits for STO installations are recorded after the installation of the computer system has been made, and all paperwork has been returned to the Apple Support Site. To speed accruals, installation paperwork should be returned to the Support Site as quickly as possible.

***Q: Can I use the General Fund for reimbursement of Education/Government activities if my ED/GOV fund is too low?***

A: Yes. There are no restrictions on which markets a dealer can target in spending General Fund accruals. However, ED/GOV Funds may not be used to fund marketing or advertising activities outside of Education and State and Local Government markets.

***Q: Why can't I transfer my ED/GOV Fund into my General Fund?***

A: ED/GOV Funds are reimbursed ONLY for ads/activities that are specifically targeted to the education and/or government markets. We limit the use of these funds to allow dealers to target these audiences with the available funds under ED/GOV (7% of STO fee payments). For other markets/audiences, the General Fund may be used.

***Q: If a claim form is submitted with no "fund" box checked, what fund is used for eligible reimbursement?***

A: Claims submitted without the fund box checked will be taken from the General Fund. Infrastructure Fund claims must be submitted on an Infrastructure Fund Form.

***Q: How can I get better utilization out of my ED/GOV Fund?***

A: Carefully review the 1989 AppleFund Guidelines: ED/GOV Fund. You will find many additional qualifying activities that you can easily manage which you may take advantage of to increase your utilization. Plan advertising and activities together with your Education, Higher Education, or Government Sales Rep.

***Q: How can I use my ED/GOV Funds for newspaper ads?***

A: ED/GOV Funds may not be used for advertising in local daily or weekly papers, unless the ad is *specifically* directed to the education and/or government market. Use of ED/GOV Fund dollars is restricted to targeting the education and/or government market only.

Advertising in campus newspapers and publications is currently eligible under the ED/GOV Fund Guidelines: Print Advertising. If you would like to use your ED/GOV Funds in ways that are not specifically detailed in the Guidelines, please link the details of your request to AppleFund Corporate at “APPLEFUND”; we will respond as soon as possible.

***Q: How can I tell if an allowable activity applies to an Education dealer or a HEPP II dealer?***

A: In the AppleFund program, dealers are treated equally. Any references to “Education” or “Education Dealer” refers to both the K-12 dealer AS WELL AS the Higher Education dealer.

***Q: How many more activities are covered?***

A: We haven’t added any menu items, but we have enhanced nearly all of the existing items, including allowing free standing displays in Student Union and Campus Resale Centers, Curriculum Consultants, mailing of Education price lists, all items from HEPP II Price List, added campus newspapers, paying for color ink in newspaper and Yellow Page display ads, and more. Please refer to your 1989 AppleFund Guidelines: ED/GOV Fund for details and additional information.

***Q: What are the qualifications for a Student Rep on campus?***

A: Requirements for Student Reps are included in your HEPP II Dealer Agreement. Once these requirements are met, and the person is acting as a qualified Student Rep, AppleFund reimbursement is available from the ED/GOV Fund for Student Reps, as either a salary stipend or equipment. Student Rep business cards are also eligible for reimbursement, provided the Student Rep is devoted exclusively to Apple.

***Q: Can I use my ED/GOV Fund for headcount/facilities?***

A: At this time, reimbursement for investment in headcount and/or facilities is limited to reimbursement from the Infrastructure Fund. You may hire a consultant and/or specialist for a limited time on a contract basis—please refer to the 1989 AppleFund Guidelines: ED/GOV Fund for details and requirements.

***Q: How have ED/GOV accruals changed with the introduction of Earned Investment?***

A: Earned Investment has not affected how the Education/Government Fund accruals are earned. Accruals are still earned as 7% of all STO installation fees.

***Q: Can Education, Higher Education or Government Dealers take advantage of the ten allowable Seed Units?***

A: Yes. Seed units purchased under the AppleFund Seed Unit program may be reimbursed at up to 50% of dealer cost from ED/GOV Funds, provided the seeded product is Education and/or Government specific.

**QUESTIONS ON GUIDELINES**

***Q: Who determines AppleFund policy?***

A: AppleFund policies and program enhancements are determined by AppleFund Corporate. In order to make these determinations, we gather input from dealer surveys, field task force meetings, and circulation to corporate groups such as Marketing, Finance and Legal. We strive to make our policies and our program as flexible as possible, while still maintaining the integrity of the program.

***Q: When will I receive the new AppleFund Guidelines?***

A: You should have received the 1989 AppleFund Guidelines on or before April 1, 1989. At the time of receipt of the 1989 materials, you should have discarded your April 1988 and October 1988 materials. If you did NOT receive your 1989 materials, or you need additional copies, please link us at "APPLEFUND", and we will send a duplicate binder (or additional binders) to you as soon as possible.

***Q: Will I get reimbursed for price ads?***

A: AppleFund does not reimburse ads based on inclusion or exclusion of prices in ads. AppleFund reimbursement is based on meeting special requirements. Product-focused advertising is eligible for up to 75% reimbursement. If the ad is seminar-oriented, or qualifying Apple-only Image, Service and Support, and/or AppleCare advertising, it may be eligible for up to 100% reimbursement. Please see the Broadcast and Print Advertising sections of the 1989 AppleFund Guidelines for retail advertising requirements for both General Fund and ED/GOV Fund (some requirements may differ between funds).

***Q: Does advertising require prior approval?***

A: Generally, no. The exceptions are magazines, Billboards (Campus/School displays in the ED/GOV Fund Guidelines), and dealer-produced Promotional Items, all of which require prior approval by the Field Marketing Specialist. The Field Marketing Specialist must also approve Yellow Page display ads prior to placement with a directory.





***Q: What new activities can I be reimbursed for this year as compared to last year?***

A: We have enhanced nearly all of the menu items for the 1989 AppleFund Program. Among the highlights are increases in Seed Units from 4 to 10, increase in Promotional Items (previously Premiums) yearly limit to \$6,000 from \$4,000, 100% on qualifying Image, Service and Support, and AppleCare ads, van customization, mileage increased from \$.20 to \$.23/mile, clarification on Salespeople vs. Consumer Sales Incentive programs, tradeshow/event booth cleaning, color ink costs, and the list goes on. Please carefully review all of the new information in your 1989 AppleFund Guidelines binder so you can take full advantage of all the new enhancements now available to you.

***Q: What General Fund and/or ED/GOV Fund items support my investments in the Earned Investment program?***

A: There are quite a few. General Fund and/or ED/GOV Fund dollars can be used to reimburse up to 100% of Executive Search Firm fees, Recruitment Advertising, Apple-sponsored Training, Training Consultant/Specialist, Signage for Facilities, and Sales Incentives for dealership employees. These dollars are also available to reimburse up to 50% of seed unit systems and designated training equipment (such as AV equipment, or a one time purchase of a LaserDisc Player).

***Q: Who can I call with my AppleFund questions?***

A: Please refer to the AppleFund Guidelines: AppleFund Hotlines section of any booklet in your 1989 AppleFund binder for names, phone numbers, and link addresses of key personnel at AppleFund Corporate and AppleFund Program Headquarters (AAS). With the 1989 materials, you also received a Sales Operations Directory that shows you who handles what areas of the program within Sales Operations, and how to contact them, as well as a current listing of all the Field Marketing Specialists.

***Q: I never call AAS because they don't have an 800 number, and it's too expensive to call whenever I have a question about my fund balances, or need new forms. What should I do?***

A: Effective April 1, 1989, there is a toll-free 800 number to use when calling AAS from outside Michigan. The AppleFund AnswerLine phone number is 1-800-421-9023. This number is for dealer use only.

***Q: When a claim is denied for lack of funds, what is the time period for resubmission? What happens to the claim if there are no funds available when the claim is resubmitted?***

A: When a General or ED/GOV Fund claim is initially denied for lack of funds, dealers may resubmit their claim within 90 days of the date of the original audit letter denying the claim. If there are still no funds available at the time of resubmission, the claim is again denied, and is considered closed. Claims may be resubmitted only once.

***Q: Why doesn't AppleFund Program Headquarters (AAS) just hold claims denied for lack of funds until the funds accrue, and then reimburse the claim?***

A: AAS audits AppleFund claims based on prescribed policies from AppleFund Corporate. AAS audits over 30,000 claims per year. With this volume, we simply cannot track each dealer's accruals for claims denied for lack of funds. In addition, claims must be submitted and reimbursed within 90 days of the ad/activity date—claims "on hold" could easily run over this time limit. Claims must also be paid from the oldest available accruals in that 6-month period; many dealers use all of their allocated AppleFund dollars each month. As such, the claim would not be eligible for "future" funds.

***Q: How do I get approval for activities not covered in the AppleFund Guidelines?***

A: For approval on activities outside the standard Guidelines, you may link AppleFund Corporate with the details of your request, how it supports your business, the logistics involved (timing, date, place), and costs. Your request will be reviewed, and responded to as quickly as possible. You may also have your Apple Sales Rep or FMS submit your special request on your behalf.

## **MENU ITEMS**

### **Billboards**

***Q: What's changed with Billboards?***

A: We've made some enhancements to the menu; billboards that are seminar specific no longer require a product illustration. For the ED/GOV Fund, the name of the category has been changed to Campus/School Displays. We will also allow monthly submission of billboard or Campus/School Display claims with a photo

requirement only for the first month; subsequent monthly claims may be submitted with a copy of the original Claim/Proposal Form. Twelve photos will no longer be required. We are also now reimbursing for city/state permit fees. For Campus/School Displays only, the authorized dealer logo may be waived with the approval of the Apple Sales Rep. All other reimbursement and other requirements remain the same.

### **Broadcast Advertising**

#### ***Q: Have you changed anything on Broadcast Advertising?***

A. The minimum requirement of two complete descriptive sentences has been changed to two descriptive *words or phrases*. Apple-exclusive seminar ads continue to be reimbursed at up to 100%, provided they include the date, time, and location of seminar. We are now also reimbursing Image, Service and Support, AppleCare, and Recruitment advertising at up to 100% reimbursement, provided advertising is Apple-exclusive, and all requirements as listed in the 1989 Guidelines are met. All other items and reimbursement remain the same.

### **Consultants/Specialists**

#### ***Q: How have you enhanced this menu item?***

A. For the ED/GOV Fund, AppleFund reimbursement may be received for Student Reps on Campus fees, either as salary stipend *or* equipment. Curriculum Consultants and Executive Search Firm fees for new employees also qualify for AppleFund reimbursement, provided they are at least 50% Apple-dedicated. The cost of printing of business cards if consultant/specialist or Student Rep is Apple-dedicated is now also eligible for reimbursement.

### **Direct Mail/Newsletters**

#### ***Q: Have additional activities been added to this category?***

A. A variety of educational mailings are now eligible for AppleFund reimbursement, including parent/student mailings, back to school mailings, and mailing Education Price Lists to customer base and prospective customers.

In addition, newsletters can be approved based on format one time, rather than having content approved every time. We are also now reimbursing for User Group newsletters, and AppleCare-dedicated direct mail and newsletters.

### **Merchandising And Signage**

#### ***Q: What activities can I be reimbursed for under Merchandising and Signage?***

A. We have added several activities to this menu item. We are now reimbursing dealers for van customization, college campus signage, banners, Campus Resale Center displays, dealer business cards if Apple-exclusive, and StudentUnion signage.

## **Print Advertising**

### ***Q: Anything new with Print Advertising?***

A. Plenty! We are now reimbursing Image, Service and Support, and AppleCare advertising at up to 100% reimbursement, provided advertising is Apple-exclusive, and all requirements as listed in the 1989 Guidelines are met.

We also offer up to 100% reimbursement to dealers for AppleCare advertising without descriptive copy/product illustration with Sales Rep approval. Recruitment advertising is eligible for up to 100% reimbursement, provided the ad is Apple-exclusive, and the employee will be at least 50% Apple-dedicated. Employee must be employed a minimum of one year. Other changes to this category include up to 100% of costs for color ink, and advertising in event programs. We have clarified Seminar Advertising—in order to receive 100% reimbursement on a seminar ad, ad must include the date, time, and location of the seminar, or the ad will be reimbursed at the standard 75%. We have also added campus newspapers as an eligible item under the ED/GOV Fund.

### ***Q: What exactly is Image advertising?***

A: Image advertising is advertising the dealer places, either in print or broadcast media, that is not product focused. To qualify as Image advertising, the ad(s) must be Apple exclusive, promote the dealer's partnership with Apple, and feature the dealer's own unique store capabilities.

## **Product Giveaways**

### ***Q: What's new with Product Giveaways?***

A. There are no changes to this menu item; dealers are required to provide recipient of product giveaway with a 1099 form if the product is valued over \$600. Non-Apple product may no longer be used as product giveaways.

### ***Q: What is the difference between a donation and a Product Giveaway?***

A: A donation is something the dealer gives away with no expected return or benefit to the dealer, such as to a neighborhood cause or a charitable organization. A Product Giveaway is product that you give away as part of an overall market development plan, such as in-store drawings to highlight a new product demo, or an incentive for people to visit your booth at a trade show/event.

All requests for donations should be referred to your Apple Sales Rep or local FMS—this referral does not mean they can approve a donation for a dealer, as donations are not eligible for reimbursement. The referral simply means that donation requests should be handled and offered through the local Apple office

rather than the individual dealer.

### **Promotional Items**

***Q: What is this new category, and what is it for?***

A: This category is not new; we changed the name from Premiums to Promotional Items to offer a wider understanding of the intent of the menu item. The limit on Promotional Items has been increased from \$4,000 to \$6,000 per year. We have also clarified the eligibility of Promotional Items produced by dealers, as well as giving examples. FMS pre-approval is required on all dealer-produced Promotional Items.

### **Sales Incentives**

***Q: How has this menu item changed?***

A. First, we have broken out allowable Salesperson vs. Consumer incentives. We have also defined approved non-Apple product— items \$100 or less each may be approved by the Apple Sales Rep—items over \$100 each require approval from AppleFund Corporate. Non-Apple products are eligible as incentives for salespeople only; consumers are no longer eligible to receive non-Apple product. We are also allowing trips (hotel and airfare) and event tickets for salespeople only.

***Q: Am I limited to \$2,500 that can be awarded per dealer sales rep?***

A: No. The limit of \$2,500 is per employee, and can be added together to make larger incentives. For example, if your dealership has a total of ten employees, you have a total of \$25,000 to spend on sales incentives for that calendar year. If you choose to do so, the entire \$25,000 could be awarded to one salesperson, or there could be five winners of \$5,000 each, etc. The total available can be split between sales reps any way you see fit, within the contest/incentive parameters that were established at the beginning of the incentive contest.

***Q: Can I send my dealer reps who win sales incentives/contests on First Class airfare as part of a Sales Incentive contest?***

A: Yes. If you choose to do so, the total sales incentive dollars available could be awarded to one salesperson or many. If one of the incentives were a trip worth \$5,000, for example, that \$5,000 could include first class airfare, at your discretion.

If you are unsure about what qualifies as a Sales Incentive, please review the AppleFund Guidelines for Sales Incentives (pages 38-39 in General Fund, pages 36-37 in ED/GOV Fund). If you still have questions, please contact your Apple Sales Representative, local FMS, or AppleFund Corporate for

clarification.

### **Seed Units**

***Q: Why is sales tax charged on Seed Units purchased from Apple?***

A: According to the Apple Tax Department, the first use of the product determines taxability. If the dealer is going to be using the product (in this case for seeding purposes), he is subject to tax. Apple Auditors have confirmed that dealers must be charged sales tax as they have the first use of the product for at least one year. There is no way of getting around this tax. If you have further questions on this issue, please contact Susan Wilson in the Apple Tax Department directly, at (408) 974-2183.

***Q: What is the maximum allowable number of Seed Units?***

A: We have increased this number from four (4) to ten (10) Seed Unit systems per location, per calendar year. We have also developed a *minimum* configuration for each CPU, which is the minimum purchase allowable to qualify as a Seed Unit. There are also optional items that can be included in a Seed Unit System, such as choice of monitors, keyboards, and printers.

**NOTE:** LaserWriter printers qualify for reimbursement under the Seed Unit program only when purchased as part of an eligible configuration. The Seed Unit Agreement form is available on AppleLink. Look under the Apple Programs icon, AppleFund Program folder, AppleFund Forms folder. Remember, a completed and signed 1989 Apple Seed Unit Program form *must* be included with other required documentation when submitting your claim.

***Q: Can I seed other Apple products in addition to the minimum configurations listed in the General Fund and ED/GOV Fund Guidelines?***

A: Yes. As long as the Apple product is seeded at the same time as one of the minimum configurations listed under eligible Seed Units, you may seed additional product as well. This is limited only to Apple product, such as an Apple CD SC™.

### **Seminars And Events**

***Q: What new types of events can I take part in?***

A. We have not taken anything away from this category. We have added advertising in event programs, trade shows, booth cleaning, Apple-exclusive banners, travel to industry events (ie MacWorld), Sales Rep recognition event/awards dinners, and dealer briefings (ALL briefings require DM

approval). Mileage allowance has been increased from \$.20 to \$.23/mile for employees working at the event over 120 miles (one way) from dealership.



## **Service Marketing**

### ***Q: Have there been any changes to Service Marketing?***

A. No changes—ED/GOV Fund may now also be used for Service Marketing.

### ***Q: Why aren't service parts eligible for reimbursement?***

A: We allow several purchases to be made on a one time only basis, such as software and hardware diagnostics, documentation, A/UX update service and software library, and ASMS (Apple Service Management System) purchase.

### ***Q: Why aren't service parts included in the base numbers for AppleFund accruals?***

A: Service parts are not finished goods. AppleFund accruals are based on net finished goods purchases only. The dealer contract requires the dealer to stock service parts. AppleFund does not reimburse for this “cost of doing business” required in order for you to be an authorized Apple dealer.

## **Telemarketing**

### ***Q: How has Telemarketing changed?***

A. We have added reimbursement for scripting; otherwise, no changes.

## **Training**

### ***Q: Anything new in training?***

A. Apple Staff Development (ASD) Workshops are eligible for 100% reimbursement, and we will now reimburse a one-time purchase of a LaserDisc player. For the latest in training course availability, check AppleLink or the Apple Training Support Course Catalogue.

### ***Q: Why doesn't AppleFund reimburse for meals when a dealer is attending a training class?***

A: AppleFund is designed to support dealer activities that meet or exceed the requirements listed in the 1989 AppleFund Guidelines. In this case, we will reimburse the dealer for up to 100% of the actual cost of the training, travel, and lodging costs. Certain expenses are simply not eligible under the AppleFund Program.

### ***Q: Can I receive AppleFund reimbursement for investments that I make in third party equipment – especially those that help me meet EI requirements?***

A: It depends. Under the Seminars and Events menu, you may purchase AV equipment dedicated to Apple products and technology, and receive up to 100% reimbursement. Under the Training menu, you may purchase AV

equipment; you may also purchase one LaserDisc player, on a one time only basis. Both purchases are eligible for up to 100% reimbursement. We cannot support the general purchase of third party equipment through AppleFund dollars; the vendors you are purchasing from should be able to reimburse you through their own dealer support program(s).

If you have a special request for purchase of third party equipment that is for use only with Apple products, please link us at "APPLEFUND" with the information and request, and we will respond as soon as possible.

***Q: When will we be able to direct deduct Apple training courses attended?***

A: This is something we are working on devotedly. Direct deducts for Apple-sponsored training will be available in the next six to nine months. Watch your AppleFund Dealer Statement mailings for more information.

### **Yellow Page Display Ads**

***Q: What's new with Yellow Pages?***

A. Previously, we required a product illustration for ads larger than a double quarter column. We have clarified there is no minimum ad size requirement, and display ads double quarter column size or larger require product illustration. We are also now paying for color ink (limited to red).

### **Yellow Pages Tradename Program**

***Q: What's been happening with the Tradename Program?***

A. As you know, in 1988 we enhanced the Wahlstrom/West solicitation procedures to make participation and claiming much easier. This has increased dealer utilization of the Tradename Program from 61% to 68% since September 1988. In addition, 50% of our dealers are now in multiple directories as a result of the new solicitation procedures. Please review the Yellow Pages Tradename Program section of the 1989 AppleFund Guidelines for clarification on planning, previews, and ordering information. Wahlstrom/West now also has an 800 number for dealers outside California —(800) 228-5574.

## **GENERAL QUESTIONS**

***Q: Why does the DM have to sign for advertising and activities over \$5,000? I have three locations and my activities exceed \$5,000 all the time.***

A: We require the DM signature for activities over \$5,000 to ensure checks and balances in the investment of AppleFund dollars.

***Q: Why does it take so long for my Apple Sales Rep to sign the Claim/Proposal form(s) I send to him/her for approval and signature?***

A: Apple Sales Reps generally cover quite a large area, with many dealer accounts. A suggestion: contact your sales rep by phone or by link, let them know when the Claim/Proposal form(s) are coming, and what date you need them returned. This may help expedite the signature process.

***Q: What is the signature process if my sales rep, FMS, and/or DM is out of the office for an extended period, such as a sabbatical?***

A: If your Apple Sales Representative (retail, Education, and/or Government), your DM, or your RM are out of the office for an extended period and you need their signature(s) on an AppleFund Claim/Proposal form for the General and/or ED/GOV Funds, or on an Infrastructure Form for the Infrastructure Fund, the person designated with signature authority for the person that is out should sign for the absent person, and attach a copy of the letter giving them signature authorization to the claim, including beginning and end dates of signature authorization, to the claim prior to submission to AppleFund Program Headquarters (AAS). In general, a DM can sign for a rep, and an RM can sign for a DM.

***Q: How are the signature requirements determined? Why can't my Apple Rep just approve all my activities locally?***

A: The AppleFund program is designed for the most ease of use possible. As a rule, signature approvals at the field level are generally all that's required—usually the Sales Rep only, unless the claim is for over \$5,000, or for a few predetermined activities, in which case the Apple District Manager signature is also required. There are also four activities that require FMS signature and preapproval: Billboards (Campus/School Displays in the ED/GOV Fund), Print advertising (in magazines only), Promotional Items (only when dealer-produced), and Yellow Page Display ads.

However, field personnel may approve and sign off on claims **only** when they are for ads/activities that are included in the 1989 AppleFund Program Guidelines. Ads/activities that fall outside of the standard AppleFund Guidelines must be approved by AppleFund Corporate.

***Q: Why isn't there an 800 phone number for AAS? I have to call them all the time, and it costs me money.***

A: Effective April 1, 1989, dealers can now call AAS using the toll-free AppleFund AnswerLine—1-800-421-9023.

***Q: Can I claim my purchase of AppleCare from AppleFund?***

A: No, not at this time. However, in the 1989 program, effective April 1, 1989, print, radio, and TV ads, as well as direct mail pieces, that are exclusively devoted to AppleCare may be eligible for up to 100% reimbursement from the General Fund, as long as all requirements are met.

***Q: Why doesn't Apple provide merchandising materials and products?***

A: Apple does not currently have a merchandising program in place. However, you may order promotional and/or merchandising items through the Apple Collection Catalogue. Items ordered from the Apple Collection are eligible for up to 100% reimbursement from AppleFund.

***Q: What is the PROMO column on the AppleFund Dealer Status Report?***

A: The PROMO column gives you information on accruals and buy-in credits for Apple Corporate promotions, such as the April '88 promo Apple Puts It All Together (APIAT), or the October '88 promo Apple Makes It Easy (AMIE).

If you are confused about the information in the PROMO column on your AppleFund statement, please contact your local Apple Sales Rep or FMS for assistance.

***Q: When there is a change of ownership, can AppleFund dollars be transferred to the new owner?***

A: Yes. If buying dealer is purchasing all assets and debts of selling dealer, AppleFund balances can be transferred to the buying dealer. This is handled with a form called the AppleFund Transfer of Balances agreement. This form is available to you on AppleLink—look under the Apple Programs icon, AppleFund Program folder, AppleFund forms folder. The completed form, signed by both parties, must be submitted to AppleFund Corporate to effect a transfer of funds.

***Q: Are sales tax & gratuities eligible for AppleFund reimbursement?***

A: Currently, no. We are researching state tax levels for the United States, and hope to be able to begin reimbursing at least a portion of sales tax within the next several months. Gratuities are entirely at the option of the dealer, and are not eligible for AppleFund reimbursement.

***Q: What is the difference between a Dealer Status Report and a Dealer Statement?***

A: They are one and the same.

***Q: When are AppleFund statements sent? Are the independent and franchisee statements sent at different times? If so, when?***

A: AppleFund statements will be sent to dealers by the second week following Apple's fiscal month end. Franchise dealers who do not purchase directly from Apple but from their corporate franchise headquarters will receive their statement 10 days after Apple receives sales data from the franchisor corporate headquarters.

***Q: Are AppleLink costs eligible for AppleFund reimbursement?***

A: At this time, no. AppleLink costs are listed under Non-Reimbursable Expenses under the Service Marketing menu item in both the General Fund and ED/GOV Fund Guidelines. We have this cost planned for future program development, but at the moment we cannot offer reimbursement for this cost.

***Q: Why can't I pay for Infrastructure items out of my General or ED/GOV Funds?***

A: AppleFund balances are not transferable from fund to fund. They are earned separately to be invested against the specific fund menu only. For example, a consultant hired on a contract basis for a limited period of time may be reimbursed from the General or ED/GOV Fund, depending on the consultant's focus. General or ED/GOV Funds may NOT be used if the consultant were to be hired on a permanent basis.

***Q: How do I contact AppleFund Program Headquarters (AAS)?***

A: You can link them at address X0549, or call them at (313) 456-8341. Outside Michigan, you can call the toll-free AppleFund AnswerLine 800 number, 1-800-421-9023. This toll-free number is for dealer use only.

***Q: Who can I contact at Corporate if I have an AppleFund problem?***

A: Dealers must report any problems with AppleFund balances, claims, payments or statements to AppleFund Corporate in Cupertino as soon as possible for the quickest resolution of the problem. In no instance should more than 30 days pass on any issue. You will find an AppleFund Problem Identification Form on AppleLink, under the Apple Programs icon, AppleFund Program folder, AppleFund Forms folder. This form will assist you in ensuring you include all information necessary to resolve the problem quickly. You may contact AppleFund Corporate by calling (408) 974-6150, or linking “APPLEFUND”.

***Q: Why doesn't AppleFund offer upfront accruals?***

A: AppleFund is a pay for performance reimbursement program, whereby dealers must perform an activity first, pay for it, then apply for reimbursement from earned accruals.

***Q: What are direct deductions?***

A: Direct deductions are debits made to the AppleFund balance for a dealer's participation in an Apple-Sponsored program. These programs are made available to the dealer through Apple Corporate or the Regional Field Marketing Specialist. Participation in direct deduct programs is at the option of the dealer; it is not mandatory. For additional information on direct deductions, please consult your AppleFund Guidelines: Management Guide, or contact your local Field Marketing Specialist (FMS).

***Q: Are co-op claim forms provided by the newspaper acceptable as substitutes for the AppleFund Claim/Proposal Form?***

A: No. The AppleFund Claim/Proposal form must be completed so the claim can be tracked through AAS by the claim number. The co-op claim forms may be provided as a *supplement* to the paid media invoice, but not as a substitute. The paid media invoice (including ad size, contract rate, total cost and date of each ad) must be submitted for all claimed advertising, as well as other required documentation. Consult the Print Advertising section of the 1989 AppleFund Guidelines for more information.

***Q: Must all documentation be original?***

A: No, you may submit the original **or** a legible photocopy of invoices, proposals, etc. We recommend you keep at least one copy for your files of all documentation submitted, in the event of a lost claim. Exception:

Photocopies of notarized scripts or of newspaper/magazine tearsheets are NOT acceptable.

***Q: How can I expedite AppleFund reimbursement for General and ED/GOV Fund activities?***

A: Review the Management Guide booklet in your 1989 AppleFund Program binder. On page 11, you will find a section devoted to “Pitfalls to avoid when submitting claims for the General or ED/GOV Fund.” This section gives you tips on claim submission, and how to ensure it is as rapid as possible.

***Q: How can we get a check vs. the credit memos we now receive?***

A: Dealer accounts are handled by the support site for that region. AppleFund Corporate has no control over whether a dealer receives a check or a credit memo; it depends on how your particular account is set up. If you wish to start receiving checks rather than credit memos, you must contact your support site to arrange it.

***Q: How long should a normal reimbursement take?***

A: The average “life of a claim” is illustrated here, based on working days.

<b>Action</b>	<b>Time (working days)</b>
Dealer: Mail transit time	3
AAS: Claim receipt and processing	5
Credit tape processing	2
Fed Ex tape to support sites	1
Sites: Process credit tape	2
Mail credit memo	1
Mail transit time	3
Dealer: Open mail/distribute	2

*TOTAL: 19 working days or 4 weeks. \*\* If your reimbursement is in the form of a check, add 2 weeks to the process.*

***Q: What is the “flow” of paperwork between dealer, Apple Rep, AAS, and AppleFund Corporate? Who is responsible for what?***

A: The flow of paperwork in the above cycle works as follows:

**Dealer:** Complete AppleFund Claim/Proposal Form: Section A for proposed ad/activity requiring prior approval. Send/give to Apple Sales Rep for approval.

**Rep:** Review proposal, ensure it falls within AppleFund Guidelines, sign where required and return to dealer. If activity falls outside of Guidelines, refer to AppleFund Corporate for approval PRIOR to ad/activity taking place.

**Corp:** If necessary, review proposed request. Does it make good business sense, what is the impact to dealer and Apple sales, what is the ROI, timing, costs, etc. Send link to dealer/rep indicating approval, or reasons why request is denied.

**Dealer:** When ad/activity is approved, either by rep or AppleFund Corporate as appropriate, proceed with ad/activity. Collect invoices and documentation. Submit to AAS for reimbursement within 90 days of ad/activity date.

**AAS:** Claim flow at AAS is illustrated in the chart above.

***Q: When did the new AppleFund Guidelines become effective?***

A: The 1989 AppleFund Guidelines became effective April 1, 1989 (Apple's fiscal Q3).

***Q: How do I obtain more pre-printed Claim/Proposal forms?***

A: Additional AppleFund Claim/Proposal forms may be obtained by calling AppleFund Program Headquarters at (313) 456-8341. Outside Michigan, call the toll-free AppleFund AnswerLine at 1-800-421-9023. You may also link your request to link address X0549.

***Q: The AppleFund Claim/Proposal form is a three part form. Where should the copies go?***

A: The top copy of the AppleFund Claim/Proposal form goes to AppleFund Program Headquarters (AAS) when a claim is filed. The second copy should be kept by the dealer for tracking purposes. The third copy should be given to the Apple Sales Representative.

## **APPROVALS**

***Q: What is a proposal approval vs. a prior approval?***

A: An approved proposal is required for all market development activities. To obtain this approval, complete Section A of the AppleFund Claim/Proposal Form and have your Apple Sales Representative sign it before initiating any expenditures.

Prior approvals are required for billboards, magazines, Yellow Pages display advertising, and dealer-produced Promotional Items, PRIOR to any production taking place or dealer funds being spent. To obtain this approval, complete Section B of the AppleFund Claim/Proposal form and have your Field Marketing Specialist sign it before initiating any expenditures.





***Q: Why does my claim get denied when my rep/DM has already signed off on the AppleFund Claim/Proposal Form?***

A: AppleFund must adhere to FTC Guidelines. The rep/DM signature is required for approval of ads/activities within the AppleFund Guidelines—Apple field sales personnel **may not** approve anything that doesn't fall under the standard AppleFund menu. AppleFund Corporate records requests for any ad/activity that is outside the standard requirements for use in future program development. Such requests should be linked to "APPLEFUND".

## **MISCELLANEOUS**

***Q: What is a DM?***

A: The official titles of the Regional Sales Managers and the District Sales Managers have been changed recently to Regional Manager and District Manager. DM is simply an acronym for District Manager.

***Q: I never received my 1989 AppleFund Guidelines. What should I do?***

A: If you have not received your 1989 AppleFund Guidelines, please send a link to link address "APPLEFUND" with your name, company name, and street address and we will send you a duplicate as soon as possible.

***Q: How will I know what menu items to look under for specific activities? My activity is not necessarily named the same name as the menu item.***

A: For the 1989 AppleFund Program, an alphabetical index has been added to the back of both the General and ED/GOV Fund Guidelines booklets. This index is designed to help you locate specific activities by a variety of key words.

## **MENU ITEM ENHANCEMENTS**

If you have any questions about any of the 1989 AppleFund program changes or enhancements, please contact your Apple Sales Representative, your Field Marketing Specialist, or AppleFund Corporate (408) 974-6150 (AppleLink: APPLEFUND). Additional contacts for your questions include:

- Patti Birse, General Fund menu, ED/GOV Fund menu, BIRSE2, x4080
- Sandra Sakaguchi, Infrastructure Fund menu, SAKAGUCHI1, x6815
- Anne Greenan, AppleFund Administration, GREENAN1, x5467

Please carefully review your 1989 AppleFund Program Binder for complete requirements on each menu item as this summary only topline menu and program enhancements. Additional details, including qualifying activities, production requirements, restrictions, reimbursement levels, and documentation requirements can be found in your new AppleFund 1989 Guidelines. The complete 1989 AppleFund Program is also posted on AppleLink under the Apple Programs icon in the AppleFund Program Folder, AppleFund Forms folder.

## **OVERALL PROGRAM CHANGES**

### **• APPLEFUND INFRASTRUCTURE ACCRUAL CHANGES**

Accrual changes based on the Sales Level measurement became effective 4/1/89. Changes in Infrastructure Fund accrual rates are as follows:

<b>Sales Level</b>	<b>FROM</b>	<b>TO</b>
-----		-----
1	2.00%	3.75%
2	2.00%	3.75%
3	1.50%	3.25%
4	1.25%	3.00%

5	0.75%	2.50%
6	0.75%	2.50%

• **APPLEFUND PROGRAM HEADQUARTERS 800 NUMBER**

A new toll-free 800 number is now available at AppleFund Program Headquarters (AAS) for dealer use! This 800 number became effective with the 1989 program. The AppleFund AnswerLine toll-free 800 number is 1-800-421-9023.

• **SIGNATURE REQUIREMENTS**

Retail Sales reps will continue to sign off on all General Fund and Infrastructure claims. However, the ED/GOV Sales Reps will now sign off on all ED/GOV Fund claims - no counter signatures from Retail Sales Reps are required. (Exception: all claims over \$5,000 still require DM approval, for both General and ED/GOV Funds).

Infrastructure Fund claims and proposals require both the Apple Sales Representative and the DM approval and signatures, regardless of the dollar amount of the proposal or claim.

• **GENERAL FUND - HIGHLIGHTS**

All eligibility information is based on dealer meeting all production requirements, submitting claim with correct documentation within 90 days of ad/activity, and having sufficient accruals at the time of submission to allow full reimbursement. **These enhancements also apply to the ED/GOV Fund.**

- Image ads, Service/Support ads, AppleCare ads, Recruitment ads, and Seminar ads qualify for up to 100% reimbursement.
- Up to 100% reimbursement of up to \$5,000 per calendar year for Apple-only van customization. Available for vans ONLY; no other vehicles are eligible.
- Change menu category name from “Premiums” to “Promotional Items”. Increase dollar limit from \$4,000 to \$6,000 per location per calendar year.
- Pay for color ink costs at 100% for both newspaper advertising and Yellow Page display advertising. Yellow Page display advertising color limited to red.
- Define and separate consumer vs. salesperson incentives.
- Increase Seed Units from 4 per location per calendar year to 10. Updated minimum configurations for each Seed Unit.
- Pay for booth cleaning at tradeshow/events.

- Increase mileage reimbursement from .20/mile to .23/mile.
- Add travel to industry events (i.e. MacWorld)

- **ED/GOV FUND - HIGHLIGHTS**

- Change menu item name from “Billboards” to “Campus/School Displays”.  
Allow on-campus  
merchandising and signage with waiver of authorized dealer logo, with  
Sales Rep approval.
- Reimburse for advertising by ED/GOV dealers on campus radio/TV  
stations and campus  
newspapers.
- Reimburse HEPP II Student reps/trainers fee that dealer incurs. May be  
salary stipend OR equipment donation. Pay for Student Rep business cards,  
and allow  
reimbursement of Curriculum Consultants.
- Open up direct mail/newsletters to mailings to parents, back to school,  
prospects, any  
influencer. Allow mailing of Education price lists without  
descriptive copy.
- Add Higher Ed Reseller Conference, Educom, and Macademia to Seminars  
and Events as eligible  
activities. Air fare, mileage, lodging only.