

AppleFund Questions and Answers

Infrastructure Fund

May 1989

BASICS

Q: What is the Infrastructure Fund?

A: The Infrastructure Fund is a quarterly fund developed to provide reimbursement for investments in qualified personnel and facilities that enhance your business for the support and sale of Apple products.

Q: How do I earn Infrastructure Fund accruals?

A: Infrastructure Fund accruals are based on your total net shipments of finished goods purchased from Apple Computer. Funds are accrued quarterly and the rate at which you earn Infrastructure accruals is based upon your Sales Level under Earned Investment. For details on Sales Levels refer to page 4 of the 4/1/89 Infrastructure Guidelines.

Q: How do I claim against the Infrastructure Fund?

A: Develop a six month Infrastructure Fund proposal with your Apple Sales Representative which reflects qualifying personnel and facilities you plan to add to your business over the next six month period. Make sure that all items to be claimed meet the Infrastructure Fund guidelines, and at the end of the first quarter of the six month proposal have your Apple Sales Representative prepare a claim.

Q: What happens if AppleFund Program Headquarters makes an error in entering my Infrastructure Proposal?

A: If your AppleFund Dealer Statement for Infrastructure does not reflect the proposal your Apple Sales Representative sent to AppleFund Program Headquarters, notify AppleFund Program Headquarters at 313-456-8341 (outside Michigan, call 1-800-421-9023). Upon notification, the error will be reviewed and if needed a correction to your proposal will be made.

Q: If a new dealer comes on board after the proposal deadline can a proposal still be submitted?

A: Yes. So long as the dealer is a brand new dealer for Apple and has had no other connections with AppleFund previously. Also, you must have a proposal submitted before you can claim and you can only claim those Infrastructure items which are in place (have met all requirements as outlined in the April '89 Infrastructure Guidelines). Therefore a proposal must be at AppleFund Program Headquarters before the claiming period begins. Claiming periods for the Infrastructure Fund are the months of July, September, January, and April for the prior quarter.

Q: What are the procedures for a new dealer to sign up for the Earned Investment program?

A: Follow the steps listed below:

1. Complete the Apple Dealer Agreement.
2. Have your Apple Sales Representative complete a Dealer Update Form (DUF) and then have them send to your local support site.

Once your DUF has been entered into the support site database you will automatically begin to earn AppleFund accruals.

New dealers (unless they are franchisees) enter EI at level 1. If you have five months worth of sales history when Apple take the Sales Level measurement, we will annualize this history to come up with your new Sales Level.

3. Have your Apple Sales Representative get a blank Infrastructure Form from AAS (313-456-8341).
4. Work with your Apple Sales Representative to complete your 6-month Infrastructure Proposal.
5. Your Apple Sales Representative will obtain your Apple District Manager's signature, and return the completed Infrastructure Fund proposal to AppleFund Program Headquarters as soon as possible.

If your proposal reaches AppleFund Program Headquarters before Apple begins the claiming process for that quarter, and the Infrastructure that you have proposed is in place, (meets all Infrastructure requirements as outlined in the April '89 Infrastructure guidelines) you can claim against your funds for that quarter.

Q: If an existing dealer does not submit a proposal in the first month of the 6-month proposal cycle, will a proposal be accepted at a later date?

A: No. An existing dealer must have their Apple Sales Representative submit a 6-month proposal in the first month of the 6-month proposal cycle (October and April) for it to be accepted.

Q: Can my six month proposal be modified?

A: Yes. You can modify your six month proposal once. Modification should be made when you submit your first quarterly claim against your six month proposal. For April - September proposals, a modification should be made in the month of July. For October - March proposals, a modification should be made in January.

Q: Can a modified proposal include additions and deletions to my original proposal?

A: Yes. In fact the whole proposal can be deleted and a new one written if changes in your business warrant it and your Apple Sales Representative and District Manager approve. When modifying a proposal the dealer, Apple Sales Representative, and District Manager signatures must appear in the proposal section of the Infrastructure Form.

Q: When can I claim against the modified part of my proposal?

A: Only at the end of the second quarter of the six month proposal cycle.

Q: Does the "roster" section of the Infrastructure form have to be completed when submitting a proposal?

A: No. The "roster" section should only be completed when submitting a claim.

Q: Where does my check or credit memo come from?

A: From your local support site.

Q: When will I receive reimbursement for my Infrastructure Fund claim?

A: If your claim is approved, a check or credit memo will be sent to you 30 days from the date of receipt of your Infrastructure Fund claim at AppleFund Program Headquarters.

Q: When will my Infrastructure Fund accruals expire?

A: Funds expire following the end of each six-month proposal cycle (end of May and November). You have 30 days from the end of each quarter to claim against these funds.

Q: Can I submit my Infrastructure Fund proposal and claim directly to AppleFund Program Headquarters?

A: No. Unlike General Fund and ED/GOV Fund claims, all Infrastructure proposals and claims must be approved by your Apple District Manager as well as your Apple Sales Representative before they can be processed. Infrastructure Fund proposals and claims received without signatures will be returned to the Apple District Manager for signature, and will delay the process of reimbursement.

Q: When filling out my six month proposal how do I calculate for the Total Proposal Dollars?

- A:**
1. Fill in the QTY column with the exact number of Infrastructure items to be put in place during the six month period.
 2. In the \$ Amt column fill in the quarterly reimbursement value.
 3. Calculate for the Total \$ column by multiplying the QTY column by the \$ Amt column.
 4. To calculate your Total Proposal Dollars add Total \$ column.

Example: If you're planning to hire 1 SE each quarter and 1 Trainer in Q1 and 2 Trainers in Q2 during the six-month period, your proposal form would look like this:

QTY	Code	Description	\$ Amt	Total \$
	2100	Systems Engineer	\$5,000	\$10,000
	3130	Trainer \$4,000	\$12,000	
		Total Proposal Dollars:		\$22,000

Calculating the total proposal dollars lets you know the maximum reimbursement you can receive at the end of any one of the two quarters. It is not intended to calculate the total dollars you may be eligible to receive across the six month proposal cycle.

In the example above, the dealer claimed 1 SE and 1 Trainer in Q1, earning \$9,000 in reimbursement. In Q2 he/she claimed 2 SEs and 3 Trainers, earning \$22,000. The grand total reimbursed to this dealer for the six month proposal cycle was therefore \$31,000.

For further details on how to complete the AppleFund Infrastructure Form, refer to the 4/1/89 AppleFund Infrastructure Fund Guidelines.

Q: How do I get additional AppleFund Infrastructure Guidelines?

A: Link "APPLEFUND" with your name and street address.

Q: *Can I be reimbursed for Infrastructure that was not on the 6 month proposal?*

A: No, items claimed that were not outlined in the original six month proposal or proposal update will not be reimbursed. The proposal can be modified at the end of the first quarter to include those items you wish to claim in the second quarter. Infrastructure claimed at the end of a quarter must have been proposed at the beginning of the quarter.

Q: *Must a dealer have an Infrastructure menu item in place right at the time of the claim? What if the Infrastructure was in place for the majority of the claimed term?*

A: The Infrastructure Fund claim is a snapshot process. All claimed Infrastructure menu items must be in place on the last day of the claiming quarter **and** when the claim is signed. In other words, the claim will not be influenced by any of the Infrastructure-related activities that have occurred throughout the claimed period. Instead the claim will be an assessment of the current Infrastructure that is in place. *There are no exceptions to this policy.*

SALES LEVELS

Q: *Will backlog be included in the Sales Level measurements?*

A: No. In an effort to make the program equitable for all dealers, only billings will be used to compute the Sales Level.

Q: *Is the Earned Investment Sales Level based on a storefront level or account level?*

A: The Earned Investment Sales Level is based on an account level consolidation.

Q: *Why is it that when a dealer's sales volume level goes up, their General Fund and Infrastructure Fund accrual rates go down?*

A: Earned Investment has been designed to provide significant value to all Apple dealers. We have applied the financial resources which are available to fund this in the most equitable manner possible. The decreasing Infrastructure and General Fund rates that occur with a dealer's increasing sales volumes are offset by the increase in sales achievement discounts.

Q: *How will franchise accounts' Sales Levels and AppleFund accruals be determined?*

A: The Sales Level for the franchise account will be determined in exactly the same manner as for the rest of the dealer channel. The franchisee will get the accruals applicable to the Sales Level that the franchisor purchases. For example, if an independent dealer earning an accrual rate of 3.75% decides to become a franchisee, their AppleFund accruals would become that of the franchisor.

Q: At what Sales Level do new dealers enter Earned Investment?

A: New dealers (other than franchisees) will begin participating in Earned Investment at Sales Level 1. Franchisees will enter at the sales level of the Franchisor. Once there is 5 months worth of sales history, when the Sales Level measurement is taken your sales will be annualized to determine any changes to Level 1 status. Level change measurements will occur at the same time as for all other dealers (end of August and February).

MENU ITEM GUIDELINES

Q: Who is responsible for ensuring that all Infrastructure requirements are met, the Apple Sales Representative or dealer?

A: The dealer. You should familiarize yourself with the April '89 Infrastructure Guidelines, and have a plan for ensuring that all requirements for the Infrastructure menu items you want to claim that quarter are met. Your Apple Sales Representative is only responsible for helping you complete your 6-month proposals and quarterly claims, and for returning your proposals and claims to AppleFund Program Headquarters for processing.

Q: What Infrastructure items can I be reimbursed for?

A: As of April 1, 1989, the following qualifying* menu items are eligible for reimbursement under the Infrastructure Fund:

- Systems Engineer
- Dedicated Systems Engineer
- Outbound Service Technician
- Trainer
- Engineering Sales Representative
- Target Market Sales Executive
- Dedicated Sales Manager
- Business Development Manager
- Dedicated Products Manager
- Sales Reporting
- Desktop Communications Demo Facility
- Advanced Desktop Publishing Demo Facility
- Desktop Engineering Demo Facility
- Business Multimedia Demo Facility
- Training Room
- Dealer Supported VAR agreements

* All Infrastructure menu items listed above must meet all requirements listed in the April '89 Infrastructure Guidelines before they can be claimed.

Q: Do the titles I give to the personnel I want to claim under Infrastructure have to be the same as the titles in the Infrastructure menu to claim them?

A: No. So long as the person in the position you are claiming meets all the requirements of the position as outlined in your April '89 Infrastructure Guidelines, they can be claimed.

Q: Can part-time employees be combined and claimed for one position?

A: No. Under the Infrastructure Fund overall guidelines, claimed personnel must be “permanent full-time employees” to be eligible to be claimed.

Q: Can an employee who holds two Infrastructure positions at the dealership be claimed for both positions?

A: No. Under the Infrastructure Fund overall guidelines, claimed personnel cannot be claimed for more than one Infrastructure position.

Q: Can my store manager be claimed for any of the Infrastructure positions?

A: No. Under the Infrastructure Fund overall guidelines, store managers and principals do not qualify for reimbursement under any of the Infrastructure Fund menu items.

Q: For the Systems Engineer and Dedicated Systems Engineer menu items, under the “Special Requirements” section, it states that “Other third party network training based on dealers authorization” is required. What does this mean?

A: If you are an authorized Novell, 3Com, DECnet, etc. dealer, your SE or Dedicated SE would need to attend training on their product lines. To document that your SE or Dedicated SE has completed third party network training, you should keep a copy of the certificate or invoice issued for the training in your Infrastructure Fund file.

Q: I have one full-time trainer but have two training rooms, one at each of my authorized locations. Can I claim both of my training rooms?

A: Yes, with your Apple District Manager’s approval. And so long as the training rooms are in close proximity (within one hours drive) to each other; the full-time trainer supports both training rooms; you are claiming the full-time trainer; and each training room meets the special requirements and minimum portfolio requirements for training rooms outlined in the April '89 Infrastructure Guidelines, you can claim both training rooms.

- Q:** *Can you have a building that is large enough to accommodate multiple demo facilities, and be able to claim each facility in that location?*
- A:** Yes. So long as each facility is at least 120 square feet in size, is separated by walls, partitions, or signage (when approved by District Manager), and meets all other requirements under the April '89 Infrastructure Guidelines, you can have your facilities in one building.
- Q:** *Under demo facilities we are required to keep the facility separated from the selling floor. Is there any other way to separate the facility other than by walls or partitions?*
- A:** Yes. Signage (if approved by your District Manager) can be used to separate demo facilities from the selling floor.
- Q:** *Does 50% Dedicated to Apple mean 50% of a person's available time, or 50% of the activities they work on, should be spent supporting Apple?*
- A:** 50% of the activities they work on. This means that 50% of the activities the individual you claimed completes, must be in support of Apple products.
- Q:** *Do dealers need to purchase a VAX or Mainframe in order to support the requirement of Host Integration in their DTC Demonstration Facilities?*
- A:** No. However, the ability to demonstrate Host Integration is key for our DTC dealers. Dealers can demonstrate host integration by accessing their customers' mainframe or mini system, or by subscribing to a time share system to gain access to their mainframe or mini systems.
- Q:** *Does an Outbound Service Technician need to support Apple products exclusively?*
- A:** No they do not. They must be employed *in addition* to the Apple Service Technician required in the dealer agreement, meet all other requirements outlined in the 4/1/89 AppleFund Infrastructure Fund guidelines, and spend at least 50% of their time supporting Apple products.
- Q:** *Does an Outbound Service Technician need to perform exclusively outside the dealer location?*
- A:** No, so long as they can provide on-site service within eight business hours on service contract agreements; the Apple Rep has seen the service contract agreements; and they meet all other requirements outlined in the April '89 AppleFund Infrastructure Fund guidelines, they do not have to perform exclusively outside.

Q: If I am claiming a Trainer as a consultant under General Fund, does that qualify me to claim a training room via Infrastructure?

A: Yes, to claim a training room with a Trainer Consultant send a copy of the training consultant claim or agreement with the Infrastructure Fund claim as backup to show that no permanent employee is claimed. The training room claim cannot be honored by the Apple Sales Representative, District Manager or AAS without proof of trainer consultant documentation provided.

Q: Does a training consultant qualify for reimbursement as a Trainer via Infrastructure?

A: No. A training consultant is not eligible for Infrastructure Fund reimbursement, because the person is not a full-time employee of the dealership which is a requirement for Infrastructure reimbursement. However, your training consultant may be eligible for General Fund or ED/GOV fund reimbursement under the Consultant Specialist category.

Q: Where does a DTC Specialist fit under the New Infrastructure program?

A: This position would fall under the Target Market Sales Executive section of the Earned Investment menu.

Q: Can a Dedicated SE also support competitive CPUs like IBM or Compaq?

A: No. A Dedicated SE must devote 100% of their time to the support of Apple and compatible 3rd party products. With the need to support networks which may have other competitors' CPUs, they will also have to be familiar with these CPUs. However, when giving presentations and demonstrations with their dealer reps, they should be presenting and supporting only Apple solutions.

Q: What if a dealer employee that has previously been claimed under a dealer's Infrastructure Fund leaves the dealership?

A: The employee can no longer be claimed for Infrastructure Fund reimbursement. If the dealer wants to maintain the same Infrastructure Fund reimbursement amounts, a new personnel resource must be hired and meet all the qualifications in the guidelines before the next claim term.

Q: Does a demo facility have to be at my authorized store location?

A: No. You can claim your demo facility even if it is separate from your store location. However, the demo facility can only be claimed when it is for use by your authorized store location(s) and it meets all of the Infrastructure requirements as outlined in the April '89 AppleFund Infrastructure Guidelines.

Q: Is a dealer whose trainers have been through the Apple Training Alliance (ATA) courses allowed to waive the courses required for a trainer under the Infrastructure guidelines?

A: No. Currently there is no provision to allow for the ATA train the trainer courses to substitute for the Infrastructure required training courses.

DOCUMENTATION

Q: How do we know what Infrastructure documentation to keep on file for our Apple Sales Representative and Apple Auditors to review?

A: All documentation requirements for Infrastructure are listed in the “Notes” section under each Infrastructure menu item in the April ’89 AppleFund Infrastructure Guidelines.

Q: What Infrastructure documentation must be returned to AppleFund Program Headquarters with my Infrastructure claim?

A: None. All Infrastructure documentation required must be kept at your dealership in an Infrastructure Fund folder, and be available for review by your Apple Sales Representative and Apple Auditors at any time. The only exception to this is when claiming a Training Room with a training consultant you would need to return the training consultant agreement or Consultant Specialist claim with your Infrastructure Fund proposal and claim.

Q: Where do I get an Infrastructure Fund folder?

A: Any folder in your dealership which contains Infrastructure documentation serves as an Infrastructure Fund folder.

Q: Why does Apple ask for payroll stubs as part of the Infrastructure documentation requirements?

A: Payroll stubs are used to document that the person being claimed was a full-time employee of the dealership during the time the dealer is claiming for. Because Infrastructure is not reimbursing for salaries, we do not need to see what the individual is paid — you may black this out on the stubs if you wish.

COMPLIANCE

Q: Who decides, the dealer or the Apple Sales Representative, if a person or facility qualifies for Infrastructure reimbursement?

A: AppleFund Corporate. If you have a question regarding any of the requirements as outlined in the guidelines, you should have your Apple Sales Representative contact AppleFund corporate for clarification. To qualify for

Infrastructure Fund reimbursement, personnel and facilities must meet all requirements as outlined in the April '89 AppleFund Infrastructure Guidelines. If the personnel or facility being claimed meet all of the requirements outlined in the guidelines, they are eligible for reimbursement.

Q: What action will Apple take to ensure that all dealers are complying with Infrastructure guidelines and requirements?

A: Random compliance audits, which began in April '89, are being conducted quarterly to ensure that accurate documentation is in place across the entire dealer channel, and to identify any areas where improvement is needed in Apple's guidelines and reporting requirements.

PROGRAM ENHANCEMENTS

Q: Are there any plans to modify Earned Investment and the Infrastructure Fund in the future? If so, when and how will it be modified?

A: It is our objective to enhance Earned Investment and the Infrastructure Fund on an ongoing basis. Any changes made to Earned Investment or the Infrastructure Fund will be communicated in writing to our dealers at least 15 days before the change takes effect.

Q: Will it be possible to add additional menu items to the list of approved Infrastructure menu items on an "exception" basis?

A: NO! The Infrastructure Fund applies to the entire dealer channel. Infrastructure Fund menu items may not be added on a dealer by dealer basis. We will be reviewing the Infrastructure Fund menu items on an ongoing basis; when needed, new menu items will be added.