



IEEE 802 LAN/MAN Standards Committee

Mar 16, 2007

Ronald G. Jensen
Past Chair - IEEE Audit Committee
445 Hoes Lane
Piscataway, NJ 08855

Ref: Financial best practices recommendations

Dear Mr. Jensen,

The IEEE 802 LMSC Executive committee meeting at its March 2007 plenary session in Orlando, FL has addressed the requests in your memo of 30 January, 2007. The items are summarized below along with the committee's responses.

- 1) Acknowledge that LMSC assets are IEEE property
- Audit Committee suggestions: Confirm your understanding that LMSC assets are IEEE property, and that the EC and the LMSC working groups, as "steward" of these assets, acknowledge their responsibility to manage them appropriately.

IEEE 802 Response: The EC acknowledges that assets it manages are the property of IEEE Inc. As duly elected officers of IEEE 802 LMSC we recognize we have a fiduciary duty as the stewards of these assets to manage them appropriately and that we retain the right to obligate these assets for purposes necessary to promote 802 approved objectives.

- 2) All bank accounts to have at least two volunteer and one IEEE staff signators
Staff Director of Financial Service as staff signator on all accounts.
- Audit Committee suggestions: Migrate to IEEE concentration banking (Wachovia) Develop a plan and schedule to complete the migration to concentration banking by the end of 2007.

IEEE 802 Response: Agree, the 802 treasurer will open a concentration banking account by May 31st, 2007 and the existing 802 account will be closed as obligations through that account are satisfied.

3) Submit all supporting financial materials for year-end audits by agreed-upon deadline

- Audit Committee suggestions: LMSC will submit outstanding 2005 data by 31 March 07. LMSC and the Audit Department will work together to determine future due dates for financial reporting.

IEEE 802 Response: LMSC has submitted the outstanding 2005 data (as of Feb 1, 2007), and will work with IEEE Operations Audit to establish and meet future deadlines.

4) Document use of competitive bidding in selection of suppliers, or supply rationale for non-use

- Audit Committee suggestions: All contracts submitted for execution will document the use of competitive bidding in the selection of suppliers, or supply rationale for non-use.

IEEE 802 Response: Agree, 802 complies for all contracted services and uses prudent financial analysis of competitive prices for equipment and supply purchases.

5) 3rd party bonuses must be clearly documented in the contract; otherwise they are prohibited

- Audit Committee suggestions: This best practice will be followed.


IEEE 802 Response: We agree. Third party bonuses paid from IEEE 802 funds, if used, will be documented as such in the appropriate contract. We presume that gratuities for exceptional performance are allowed.

6) Report Conflicts of Interest regarding business matters

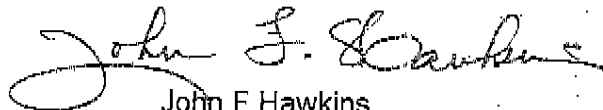
- Audit Committee suggestions: The IEEE Policy regarding conflicts of interest will be followed.

IEEE 802 Response: We agree.

Yours sincerely,



Paul Nikolich,
Chairman, IEEE 802 LMSC



John F Hawkins,
Treasurer, IEEE 802 LMSC

cc: Steve Mills, Chair, IEEE-SASB
George Arnold, President, IEEE-SA BOG
Judith Gorman, Managing Director, IEEE-SA