

“It used to take three months of effort for two people just to prepare the corporate tax return. Now it takes only a few weeks.”

– Stefan Feinberg, Manager of Finance, Sinclair Broadcast Group, Inc.

BNA Fixed Assets™ Provides Sinclair Broadcast Group with a Clear Picture

Web-based solution enables greater accuracy and control

Challenge:

Improve accuracy and control of fixed assets data while reducing effort to consolidate and report on fixed assets across 58 different locations.

Solution:

BNA Fixed Assets™ Web

Results:

Condensed the time to close while reducing headquarters' workload by more than 75%. Improved income statement and balance sheet accuracy and eliminated after-the-fact adjustments. Enable real-time access to fixed assets data and a more accurate picture of deferred tax liability. Provides precise access control and enforces corporate depreciation policies.

Sinclair Broadcast Group, Inc. is one of the largest and most diversified television broadcasting companies in the country today. Sinclair owns and operates, programs, or provides sales services to 58 television stations in 35 markets, reaching 22% of U.S. households. Managing more than 69,000 fixed assets throughout the company was a major challenge for Stefan Feinberg, Manager of Finance at Sinclair, and his staff.

Three Months of Effort to Consolidate and Correct Data

The decentralized software Sinclair was using for fixed assets management and reporting presented a host of difficulties. Each of the 58 stations had a copy of Vertex® Fixed Assets Manager software that was used to create and maintain fixed assets data locally. To consolidate the stations' fixed assets information for the corporate tax return, the data was e-mailed to headquarters, then painstakingly reviewed and consolidated. “It took two people, three months of dedicated work to get this done,” said Feinberg.

In addition to the inordinate amount of effort required to consolidate the data, the accuracy and timeliness of the data was equally challenging. Fifty-eight fixed assets databases proved to be too daunting of a task

to manage. “We had two fixed asset systems; one for GAAP books and one for tax books. We were doing twice the work!” said Feinberg.

The Decision to Centralize

As Sinclair began preparation to move to Oracle® ERP and general ledger systems, the opportunity presented itself to search for a better solution to fixed assets management. After evaluating several alternatives, Sinclair selected BNA Fixed Assets Web for its centralized solution hosted over the Web, accurate support of tax laws, immediate availability of tax changes in the application, Open Timeline™ capability, and ease of use.

BNA Fixed Assets Web Improves Accuracy and Control

By using BNA Fixed Assets Web, Sinclair can centrally set and control depreciation policies, giving the company better control over asset data for both tax and accounting purposes. “With the decentralized system we had before, a business manager at a station could decide on a certain tax life for an asset without knowing how corporate would handle it. Now asset data goes in correctly at the beginning, with no duplicated efforts and no adjustments after the fact,” said Feinberg. The additional control enabled by the

Sinclair Broadcast Group, Inc.

- One of the largest television broadcasting companies in the U.S.
- Owns and operates, programs, or provides sales services to 58 television stations in 35 markets, reaching 22% of U.S. households
- Gross revenues: \$656.5 million
- Fixed assets: 69,000+, with an average annual spend of \$10-\$25 million
- Employees: 2,490

BNA solution also helps Sinclair meet Sarbanes-Oxley Section 404 regulations ensuring data integrity of reported financial data for public companies. Feinberg believes that one of the major advantages of BNA Fixed Assets Web over other systems is the ability to make changes to asset data at any point in the lifetime of the asset — while preserving the entire history of that asset. “BNA’s Open Timeline capability is tremendous. We can make changes in the past and know those changes are accurately applied and tracked.”

Shortened Closing Time Reduces Uncertainty

With BNA, Sinclair now has faster reconciliation of book and tax depreciation, enabling the company to close its tax books sooner and calculate the income tax provision more accurately. Before BNA, there was some uncertainty about the impact of depreciation on deferred tax liability until the financial statements were reconciled. “Now that we have a real-time, accurate picture of our depreciation, we no longer have to estimate this component in calculating our tax provision,” said Paul Nesterovsky, Tax Director at Sinclair.

Reduced Efforts by More Than 75%

Now, with BNA Fixed Assets Web, Sinclair has a centralized solution that automatically consolidates fixed assets data, yet provides the stations with decentralized fixed assets reporting. All 58 stations have direct access to

the BNA system, while headquarters is able to control access to each database through BNA system security.

Using BNA’s hosted solution also frees Sinclair from installation, upgrades, back-up, and support requirements across its stations and headquarters, while enabling compliance with Sinclair’s disaster recovery requirements. After a smooth migration to BNA Fixed Assets Web, Sinclair achieved the benefits it desired:

- Significant reduction in time and labor to close GAAP books and to prepare tax returns
- Faster, more accurate and real-time reporting
- More accurate, timely picture of deferred tax liability
- Little to no after-the-fact adjustments
- Controlled access for data integrity and compliance

Real-Time Access Provides Needed Visibility

With real-time access across all stations, Sinclair has a clearer picture of its fixed assets. “I can go to any location and get real-time information about fixed assets. I couldn’t do this before without having a station send me a file. By the time I’d get the data and create reports, the fixed assets information was out of date,” explained Feinberg. With BNA Fixed Assets Web, Sinclair now has a centralized and consolidated solution that provides a significantly improved level of control and accuracy of fixed assets data.

About BNA Software

Established in 1983, BNA Software specializes in developing expert solutions for tax and accounting professionals. As part of BNA, the largest independent publisher of news and analysis of legal and regulatory developments for over 80 years, we deliver the highest degree of tax, regulatory, and compliance expertise in every BNA Software solution and service engagement.

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