

Schools and Libraries (E-rate) Program

COMMON AUDIT FINDINGS

- Entity did not retain documentation to show compliance with competitive bidding requirements
- Entity did not retain documentation to support discount calculation data as indicated on the FCC Form 471, Description of Services Ordered and Certification Form
- Discrepancies existed in the total student and/or NSLP student count
- The non-discount portion of the cost of services provided was not paid
- Service provider bills did not list the details of services and/or equipment provided
- The applicant could not produce copies of all service provider bills received
- Equipment and/or services were ineligible
- Equipment was not installed
- Equipment could not be located
- Entity/service provider did not retain documentation of maintenance services performed on equipment
- The applicant was unable to make effective use of the discounted services
- Consortium was missing Letters of Agency (LOA)
- Entity did not retain a copy of the Technology Plan Approval letter (FY2014 and prior years)

STEPS TO MINIMIZE AUDIT FINDINGS

- Document, document, document
- Organize application documentation in a logical manner
- Throughout the funding year, obtain copies of necessary documentation (i.e., copies of service provider bills, cancelled checks, contracts, equipment delivery documentation, maintenance documentation, etc.) and keep in a central location
- Keep equipment inventory up-to-date
- Perform reconciliation of service provider bills with invoices submitted to USAC using the FCC Form 472 (BEAR), and with reimbursements received from service providers

STEPS FOR SERVICE PROVIDERS TO MINIMIZE AUDIT FINDINGS (& ASSIST APPLICANTS)

- Document, document, document
- Provide sufficient detail on bills
- Include items such as Funding Request Numbers (FRNs), specific details of the items purchased such as serial numbers, quantity, product descriptions, and product delivery information
- On bills, indicate the total amount due less amounts paid by or to be paid by USAC ("Pre-Discount Amount")
- Indicate payment terms of the net amount of the bill
- Separate eligible items from ineligible items
- Maintain service logs for all basic maintenance performed on equipment (i.e. date, time, type of maintenance performed, etc.)
- Best practice is to generate separate bills for eligible and ineligible items to reduce risk of the applicant or service provider including an ineligible item on an FCC Form 472 (BEAR) or FCC Form 474 (SPI)
- Complete BEAR or SPI by using one line per customer bill