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## Selective Review News Brief Series Sufficient Budget

May 15, 2006

This is the first in a series of short News Briefs to help you understand key aspects of the Selective Review process. Each day this week, we will provide guidance to help you respond to the ten questions that USAC reviewers commonly ask during Selective Reviews.

For specific guidance, see the [Selective Review](#) area of the USAC website.

### **Q1. I do not have a final approved budget. What can I provide instead?**

#### **What is a Commitment Adjustment (COMAD)?**

The purpose of Selective Review budget questions is to determine that the applicant has in place the necessary financial resources to fund its non-discount share *prior to certifying its Form 471*. Since some applicants cannot provide a final approved budget because the timing of their budget cycle does not match that of the application process, USAC will accept certain other documents in place of a final approved budget.

If you do not have a final approved budget, you can respond by providing BOTH:

- a signed and dated letter from an official from your school or library AND
- an alternative budget document.

#### **Letter from School or Library Official**

The letter must respond to the following questions:

- What phase of the budget approval process are you in?
- What outside action (e.g., voter approval, governing board approval, state legislation, etc.), if any, does your share of funding depend upon?
- If that action does not occur, will you still be able to pay your non-discount share?

The letter should identify the specific amount that you will have available to pay your share.

#### **Alternative Budget Document**

In addition to the official letter, you MUST provide one of the following documents:

- A draft budget covering the current funding year.
- A signed (if possible) and dated resolution of a governing Board authorizing the filing of the Form(s) 471 for a given dollar amount, for specific services and/or products, and within a particular timeframe. The resolution should state the funding year, fiscal year, or school year during which the payment is authorized.
- A signed and dated donor or commitment letter to the applicant. The letter MUST specify the level and commitment of funds or other resources and the timing of the delivery of such resources. It must also state that the resources are for E-rate supported products/services or for items needed to effectively use the discounted services. The grants or outside funding organizations must be independent of the service provider.

See also the [Operating Budget](#) section of the Selective Review guidance on the USAC website.

**Tip: Provide Complete and Timely Answers**

USAC requests that you provide all of the information requested within 30 calendar days from the date of the Selective Review request so that USAC may complete the review of your application(s). Be sure to respond to all questions and carefully review your responses for accuracy and completeness.

If you don't answer one or more questions or if you provide only a partial answer, we will assume you have no additional information to provide on that question. After we receive your response or after the due date passes, USAC will complete the Selective Review based on the information we have. If you provide no answer or a partial answer, you will likely have funding denied.

Remember that USAC cannot grant multiple or lengthy extensions to respond to a Selective Review request.

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