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## Schools and Libraries News Brief

**March 9, 2007**

**TIP OF THE WEEK: Monday, March 12 is the deadline for certifying a timely FY2007 Form 471 filed online.** If your certification is postmarked after that date, USAC will consider your Form 471 as out-of-window.

### Demand Estimate for FY2007

Yesterday, USAC filed the demand estimate for FY2007 with the FCC. The demand estimate for a funding year summarizes the dollar amounts from all the funding requests submitted on timely filed Forms 471. These totals are also broken down by category of service and by discount band.

For FY2007, the total demand estimate is \$3.69 billion, an increase of about \$140 million from FY2006. Funding requests for Priority 1 services (Telecommunications Services and Internet Access) increased over FY2006 by about 6.4% to a total of \$1.79 billion. Funding requests for Priority 2 services (Internal Connections and Basic Maintenance) increased over FY2006 by about 1.8% to a total of \$1.9 billion.

USAC uses the figures of the demand estimate to plan for the release of funding waves. You should note that this original demand estimate gradually decreases as the following are identified:

- Duplicate requests (for example, if an applicant files a Form 471 online and then submits a paper copy of the same application)
- Forms that are not certified in-window (for example, if an applicant files a timely but uncertified Form 471 online and neglects to submit a paper certification by the deadline of March 12)
- Requests for ineligible services, entities, or uses (for example, if an applicant files a Form 471 for a private school with an endowment over \$50 million).

You can review USAC's submission to the FCC – which includes both a letter and a spreadsheet – on the Schools and Libraries [Latest News posting on the demand estimate for FY2007](#).

### Overview of the PIA Review Process

USAC uses the Program Integrity Assurance (PIA) process to review applications for compliance with program rules. During this process, USAC reviews the information on your Form 471 and may contact you with additional questions on specific items.

The review process unfolds in two stages: Initial Review and Final Review. Initial Review includes a "Services Review." Final Review includes a Quality Assurance process as an additional check on the work done during Initial Review.

#### Initial Review

After your Form 471 has been assigned to an initial reviewer, the reviewer prepares the questions that USAC must ask based on the information you provided (or did not provide) on your application. In a limited number of cases, the information on the Form 471 is sufficient to complete the review. In most cases, USAC needs more information.

Once the questions have been prepared, the initial reviewer contacts you using your preferred mode of contact. If your preferred mode of contact is email or fax, the initial reviewer's first contact is via the email message or fax containing the list of questions that require a response. If your preferred mode is telephone, the initial reviewer calls and asks you for your email

address or fax number, and then emails or faxes the list of questions. In all cases, USAC provides written questions and asks for written responses to those questions.

### **Deadline for responses**

You have 15 days from the date of the email or fax to provide responses to USAC's questions. If USAC has not received a response after seven days, USAC sends you a reminder and forwards a copy of the reminder to your state E-rate coordinator. If USAC does not receive a response after 15 days, USAC will continue to process your application with the information on hand, which often leads to a denial of funding.

USAC has defined two periods – one in the summer and one in the winter – when we understand that staff may not be available to answer questions. During these periods, USAC must make a successful two-way contact before establishing the 15-day deadline. A successful two-way contact must include a response from the applicant by phone, fax, or email that a person able to answer USAC's questions (the contact person or a designee) is available. The summer and winter periods are:

- **Summer:** the Friday before Memorial Day through the Friday following Labor Day
- **Winter:** the Friday before Christmas Day through the Friday following New Year's Day

Once these periods are over, USAC returns to its regular 15-day procedure. If you still have questions on the deadline for submitting your response, please review [Deadline for Information Requests](#).

Note that you always have the following options when asked to respond to questions:

- **You can ask for clarification.** If you don't understand one or more of the questions – or you don't understand what USAC considers a complete response – ask your initial reviewer what the question means or what information USAC is expecting in your response.
- **You can ask for more time.** While USAC wants to complete application reviews promptly so that funding decisions can be issued, we understand that some questions take more time than others and that the person on your staff with the knowledge to answer a question may be temporarily unavailable. USAC can grant a limited extension of time to respond to questions if you ask for it. Keep in mind, however, that USAC's review work must continue and your initial reviewer will set aside your application while you work on your response. The reviewer might not be able to return to your application quickly once you provide the requested information.
- **You can ask for a manager.** If you are having difficulty and do not feel you are making progress, please ask to speak to a manager. You will not be penalized if you make this request, and you may find that the manager may be able to help you understand what is causing the problem you are having and what you need to do to resolve it.

### **Services Review**

The Services Review, which is part of Initial Review, is based on the information you provided in the Item 21 Attachment. During the Services Review, your reviewer verifies the eligibility of the products and services you requested and the accuracy of the amounts in your funding request. Again, as with the other parts of Initial Review, a certain number of Services Reviews can be completed without contacting the applicant. In most cases, the Initial Reviewer will have questions that cannot be answered with existing information. These questions are usually contained in the Initial Review list of questions emailed or faxed to the applicant, but USAC may also ask additional questions later.

If the initial reviewer cannot locate your Item 21 Attachment, he or she will request a copy.

- If you have already submitted your attachment, you can inform your reviewer of the date you submitted it and the method used. USAC will be able to locate your

attachment if you submitted it online. However, if you submitted it by email, fax, or regular mail, your review may proceed more quickly if you submit another copy directly to your reviewer. Be sure to ask for confirmation that your reviewer received the attachment.

- If you have not yet submitted your attachment, your initial reviewer's request starts a 15-day response clock. Again, USAC will process your application with the information on hand if you have not submitted the attachment by the deadline.

We will cover the Services Review in more detail in a future News Brief.

### **Final Review**

Final Review – with the accompanying Quality Assurance process – is a review of the work done during Initial Review. Each step of the Initial Review process is itself reviewed to verify that the correct procedures were followed, the appropriate questions were asked, and complete answers were received. If there is any part of the Initial Review process that the final reviewer questions, the application is returned to the initial reviewer for follow-up work.

The result of this process is that you may be contacted after your Initial Review with what may appear to be additional or repetitive questions. If the questions you are being asked seem new or repetitive, there are two likely explanations:

- Your initial reviewer is no longer with USAC, and the new initial reviewer assigned to do the follow-up work may need to gather information that may not have been requested during the Initial Review. If this is the case, be prepared to provide the date and the method of your first submission to assist the new initial reviewer in finding your material. Also, if the reviewer's questions cover information that you did not provide earlier, please include that information in your response.
- Your answer to the original question was not complete. If this is the case, please ask for clarification of the question, or try to ascertain what information is missing from your response. Again, if you are having difficulty, you can ask to speak with a manager.

The Quality Assurance process is a second level of review to verify that all parts of the review were done correctly. A much smaller number of applications go through this second review. Again, applications undergoing Quality Assurance may be returned to the initial reviewer for follow-up.

It is important to understand that the review process is not linear. At any point during the process, an application can be returned to an earlier stage because of work that was not completed correctly or information that is missing. If you are following the progress of your application using the [Form 471 Application Status Tool](#), do not be alarmed if your application seems to move "backward" – that is, to an earlier status in the list of statuses. If you do see such a movement, monitor your preferred mode of contact carefully as such a movement may indicate that an initial reviewer will contact you with questions.

Most of all, keep in mind that checking your Form 471, your Item 21 Attachment, and your responses to USAC questions for completeness and correctness will go a long way toward speeding your application through the review process.

### **Service Provider Training Scheduled for April**

USAC will hold two one-day training sessions for service providers next month. The materials covered will be the same at both sessions. The dates and locations are as follows:

- Wednesday, April 18 in Atlanta, Georgia
- Wednesday, April 25 in Chicago, Illinois

Registration information will be posted early next week in the [Schools and Libraries area](#) of the USAC website. The announcement will also include details on the hotel and how to make hotel

room reservations. USAC will accept the first 200 registrants and then start a waiting list. At least a week before the training is held, USAC will provide copies of the agenda and training materials for service providers to bring with them to the training.

If you have questions, please use the contact information provided on the registration page.

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