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Schools and Libraries News Brief

March 7, 2008

TIP OF THE WEEK: Wednesday, March 12 is the deadline for certifying a Form 471 that was filed online before the close of the FY2008 filing window (February 7). Be sure to postmark your paper certification on or before the deadline so that your form will be considered in-window.

Commitments for Funding Year 2007

Funding Year 2007. USAC will release FY2007 Wave 41 Funding Commitment Decision Letters (FCDLs) March 12. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 83% and above and denials at 79% and below. As of March 7, FY2007 commitments total over $1.99 billion.

On the day after the FCDLs are mailed, you can check to see if you have a commitment by using USAC's Automated Search of Commitments tool.

FY2008 Demand Estimate

Each year, about a month after the close of the filing window, USAC prepares a demand estimate for the upcoming funding year and submits it to the Federal Communications Commission (FCC). The demand estimate summarizes the dollar amounts for all funding requests submitted on timely filed Forms 471. These totals are also broken down by category of service and by discount band (90%, 80-89%, 70-79%, etc.)

For FY2008, the total demand estimate is just over $4.3 billion, which includes about $1.95 billion in Priority 1 requests (Telecommunications Services and Internet Access) and about $2.35 billion in Priority 2 requests (Internal Connections and Basic Maintenance of Internal Connections). The demand estimate is based on the funding requests in the 39,909 applications received or postmarked by February 7, 2008, the close of the Form 471 application filing window.

For more information, refer to the Latest News posting for March 5, 2008 and the FY2008 Demand Estimate.

Overview of the PIA Review Process

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

The review process has two components:

- Initial Review, which includes a Services Review
- Final Review, which includes a Quality Assurance (QA) review 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 initial 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 without applicant contact. In most cases, USAC must request 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 the email message or fax containing the list of questions that require a response.
- If your preferred mode is telephone, the initial reviewer will call you and ask for your email address or fax number, and will then email or fax you the list of questions.
- In all cases, USAC provides written questions and asks for written responses to those questions.

In general, you have 15 days from the date of the email or fax to provide responses to USAC's questions. (For more information on the specific summer and winter periods when this procedure is modified, refer to the Deadlines for Information Requests guidance on the USAC website.)

- 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 may lead to a modification or denial of funding.

The **Services Review** is based on the information you provided in the Item 21 Attachment. During the Services Review, the initial reviewer verifies the eligibility of the products and services requested and the accuracy of the amounts in the funding request. If the initial reviewer has questions that cannot be answered with existing information, those questions will be included in the Initial Review list of questions. However, USAC may also ask additional questions later.

You always have the following options:

- **You can ask for clarification.** If you don't understand one or more questions, ask your initial reviewer what the question means or what information USAC expects in your response.
- **You can ask for more time to respond.** USAC can grant a limited extension of time to respond to questions. However, if you ask for more time, your initial reviewer will set aside your application and start other reviews while you work on your response, so he or she may not be able to return to your application quickly once you provide the information.
- **You can ask to speak with a manager.** If you feel that you are not communicating successfully with your initial reviewer, please ask to speak to a manager. You will not be penalized if you make this request, and the manager can help you understand the questions USAC is asking and the responses USAC expects to receive.

Initial Review modifications and denials

Once Initial Review has been completed, the initial reviewer may recommend that a funding request be modified or denied based on the information supplied during the review. Some examples of modifications are:

- Removal of ineligible products and services
- Removal of ineligible recipients of service
- Reduction in number of months of service

If the initial reviewer concludes that a funding request should be modified or denied, you will be contacted. The initial reviewer will inform you of the result of the review and give you an opportunity to provide additional information if you disagree with the conclusion. (If you agree with the initial reviewer's determination, you do not have to provide a response.) This additional information will be reviewed as well before the Initial Review process is finished.

Final Review

Final Review is a review by USAC of the work done during Initial Review. Each step of the Initial Review process is itself reviewed by a final reviewer to verify that the correct procedures were followed, the appropriate questions were asked, and complete answers were received. If the final reviewer has a concern about any part of the Initial Review process, 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 complete the review may need additional information.
- Your answer to the original question was not complete.

In both cases, make sure you understand what information is being requested and provide the information as quickly and accurately as possible.

The **Quality Assurance (QA)** 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 the QA process. Again, applications that undergo QA review 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. If you do see such a movement, monitor your preferred mode of contact carefully in case an initial reviewer attempts to contact you.

In summary, to be prepared for PIA review, be sure to do the following:

- Check your Form 471 and your Receipt Acknowledgment Letter (RAL) to make sure all of your entries are correct. If you find a mistake, submit a RAL correction by following the instructions in the RAL.
- If you have not already done so, submit your Item 21 Attachment. You can file online, by email, by fax, or on paper by following the Item 21 Attachment guidance on the USAC website.
- Organize all of the documentation related to your application and have it readily available to assist you in answering any questions.
- Monitor your preferred mode of contact so that you will know when PIA attempts to contact you.
- Answer all questions promptly and completely.
- Ask for more time to respond if you need it.
- If you are having problems, ask to speak to a manager.

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