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Schools and Libraries News Brief

March 14, 2008

> **TIP OF THE WEEK:** **To find out the status of an invoice, call the Client Service Bureau at 1-888-203-8100; to find the status of a check, call the Customer Relations Management Center at 1-888-641-8722.** Payments are not handled in the same location as invoices and using the correct telephone number for your inquiry will get quicker results.

Commitments for Funding Year 2007

Funding Year 2007. USAC will release FY2007 Wave 42 Funding Commitment Decision Letters (FCDLs) March 18. 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 14, FY2007 commitments total just under $2.01 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.

Special Edition News Briefs on Audits

This week, USAC issued a series of four short News Briefs, each covering basic program guidance in the four subject areas where audit findings and comments from last year's audits were most common – Document Retention, Technology Plans, Discount Calculations, and Invoicing. The findings and comments from these audits, conducted under the Improper Payments Information Act (IPIA), are summarized in the Understanding Audits area of the USAC website. Applicants that had findings or comments identified during this series of audits received copies by email of the four Special Edition News Briefs.

An audit **finding** identifies a program rule violation. Examples of program rule violations include:

- An applicant received Internet Access or Internal Connections but did not have an approved technology plan.
- An applicant did not conduct an open and fair competitive bidding process.
- An applicant invoiced USAC for services that were not delivered.

In general, an audit **comment** identifies a situation where, even if a program rule is not violated, good accounting practices are not being followed. Examples of comments include:

- An applicant did not file a Form 500 to return an unused commitment to USAC.
- An applicant did not perform an invoice reconciliation.
- An asset listing was not kept up to date, even though the applicant was able to locate the equipment purchased with program funds.

Following are links to the four short Special Edition News Briefs and a description of the most common findings or comments pertaining to that subject.

Document Retention

Auditors found that a number of applicants had findings and comments related to document retention. The most common were:

- Asset registers were incomplete or not maintained.
- Equipment purchased with program funds could not be located.
- Technology plan approval letters could not be located.
- Consortium leaders could not locate Letters of Agency and/or Forms 479 for all consortium members.

- Applicants did not follow their own document retention policy or did not have a policy.

Technology Plans

Two of the three findings for technology plans were that the plans were deficient (in other words, they did not adequately address the five elements) or that they were not approved. The third finding, that the technology plans were not approved before the Form 470 was filed, is no longer a program requirement.

Discount Calculations

The two most common findings related to discount calculations were that entities were not listed on the Form 471 or the discount calculation could not be verified.

Invoicing

Findings and comments related to invoicing spanned a number of issues, including:

- The invoice does not support the request.
- Documentation on the invoice is not available.
- The invoice does not agree with the contract.
- Invoice detail is insufficient.
- An applicant could not provide evidence of payment of the non-discount share or the non-discount share was not paid.
- A product or service was substituted for the approved product or service without requesting and obtaining approval for a service substitution.

From the information above, you can see that maintaining complete and accurate records and carefully following program rules will assist you to demonstrate compliance with program rules during an audit.

You may download and print copies of Schools and Libraries News Briefs on USAC's website. You may subscribe to or unsubscribe from this news brief. For program information, please visit the Schools and Libraries area of the USAC website, submit a question, or call us toll-free at 1-888-203-8100. Feel free to forward this news brief to any interested parties.

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