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Schools and Libraries News Brief

May 30, 2008

TIP OF THE WEEK: If you will be covered by a new technology plan in Funding Year 2008, make sure that you have sent your plan to a [USAC-certified Technology Plan Approver \(TPA\)](#) for approval. Your plan must be approved before services start or your Form 486 is filed, whichever is earlier.

Commitments for Funding Years 2008 and 2007

Funding Year 2008. USAC will release FY2008 Wave 6 Funding Commitment Decision Letters (FCDLs) June 3. This wave will include commitments for approved Priority 1 requests (Telecommunications Services and Internet Access) for schools and libraries at all discount levels. As of May 30, FY2008 commitments total over \$538 million.

Funding Year 2007. USAC will release FY2007 Wave 53 FCDLs June 4. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 81% and above and denials at 80% and below. As of May 30, FY2007 commitments total just under \$2.33 billion.

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

Overview of the Selective Review Process

Each year, certain applications are chosen to undergo a review process that is more extensive than the standard Program Integrity Assurance (PIA) review. USAC calls this process a [Selective Review](#). Applicants chosen for Selective Review must provide additional information to demonstrate compliance with specific program rules and policies.

In general, Selective Review covers four areas:

- Technology planning
- Competitive bidding and the service provider (vendor) selection process
- Budgeting for the applicant's non-discount share of the cost of eligible services
- Securing access to necessary resources (Form 471 Item 25 certification)

In past years, applicants undergoing Selective Reviews have had to complete all sections of the Selective Review. For FY2008, some applicants will still be required to do so. However, other applicants will complete only certain sections of the Selective Review. These abbreviated reviews are known as Category Selective Reviews.

The Selective Review process generally runs as follows:

- Your selective reviewer uses your preferred mode of contact to send you the [Selective Review Information Request \(SRIR\)](#) document. This document contains all of the Selective Review questions you must answer and a checklist (on page 2) for the documentation you must provide. NOTE: If your preferred mode of contact is telephone, the Selective Reviewer will call you and ask for an email address or a fax number so that you can receive the document.
- Call or email your Selective Reviewer to confirm receipt of the document.
- Check to verify that all Forms 471 filed by your Billed Entity – including any filed by Billed Entities over which you have authority – are included in the document. Selective Reviews are done at the Billed Entity level, not the Form 471 level, and it is important to include in the review all Forms 471 filed by your Billed Entity for the funding year.
- Review the [instructions](#) for the sections of the SRIR that you must complete.
- Remember that you have a limited amount of time to respond to the questions. USAC requests responses within 15 calendar days for Category Selective Reviews and 30

calendar days for Full Selective Reviews.

- If you have questions during the preparation of your response, contact your Selective Reviewer as soon as possible. Make sure your answers and your documentation are both responsive and complete.
- If you need more time to complete your response, ask for it. USAC can grant you a limited extension of time.
- After you have submitted your response, USAC will review all materials you provided and may contact you with follow-up questions.
- If USAC's review results in a decision that would lead to a partial or complete denial of funding, USAC will contact you and give you an opportunity to provide additional information and/or clarifying information.
- After USAC has reviewed the information you provide and after the entire PIA review process has been completed, USAC will issue funding decisions on your Forms 471.

Below we cover each one of the Selective Review areas in more detail. For a series of questions and answers on the Selective Review process, you can also refer to the Special Edition of SL News Briefs that we sent out earlier this week:

- [Selective Review - FAQs](#)
- [Selective Review - Technology Planning and Budget](#)
- [Selective Review - Competitive Bidding](#)
- [Selective Review - Contracts](#)

Technology planning

Discounted services other than basic telephone service must be covered by a technology plan. We ask for three items for the Selective Review section that deals with technology planning:

- The technology plan creation date. This is the date that the technology plan first contained all five required elements, even though it may not have been in its final approved form. This date must be on or before the date that any associated Form 470 was posted to the USAC website, as the technology plan should form the basis of the services requested on the Form 470.
- A copy of the written technology plan. This is the technology plan as it existed on the creation date above, not necessarily the final version approved by a USAC-certified TPA.
- The person(s) or organization(s) that created the technology plan or assisted you with its development and the name of the USAC-certified TPA that approved or will approve the technology plan.

Competitive bidding

The competitive bidding section of Selective Review is the most complex and involves the greatest amount of documentation. In this section, USAC is looking for evidence that an open and fair competitive bidding process occurred and that you complied with all applicable program rules and policies.

For documentation of your competitive bidding process, we will ask for the following at a minimum:

- A copy of all signed and dated contracts and/or any other agreements with service providers related to your Form(s) 471
- A copy of your Request for Proposals (RFP) if one was issued
- A description of the process you used to select the most cost-effective bid
- Copies of all winning and losing bid responses
- Any correspondence between service providers and the applicant that relates to the competitive bidding process

Budget

When we refer to "budget" in a Selective Review, we are interested specifically in more information about how you will pay your non-discount share – that is, the net cost of the eligible services after the E-rate discount is applied.

We will ask you for a copy of your operating budget for the upcoming funding year. If you cannot provide us with a final approved operating budget, you can send us BOTH:

- A signed and dated letter from an official at your school or library with certain information on your budgeting process AND
- An alternative budget document, such as a draft budget covering the current funding year.

Item 25 certification

In Item 25 of Form 471, you certify that "the entity I represent or the entities listed on this application have secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support."

The section of the Selective Review that requests information on securing access to these necessary resources is a worksheet that you complete with dollar and number figures. In some cases you may have invested in resources in a previous year – such as computers or servers – that can still be used for this funding year, and there are fields on the form to identify and include those resources. You will also have an opportunity to indicate contributions and/or in-kind donations.

Because this section of the SRIR is self-explanatory and does not involve additional documentation, it is not covered in the Special Edition of SL News Briefs mentioned above.

For additional information on Selective Reviews, you can refer to [Step 8. Undergo Selective Review](#) and the related documents identified on the USAC website.

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