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Schools and Libraries News Brief

May 8, 2009

TIP OF THE WEEK: If you have not yet certified a Form 470 that you cited in Item 12 of a Form 471 Block 5 funding request, [certify it online](#) or on paper as soon as possible. PIA will remind you if a cited Form 470 has not been certified but your certification will then become subject to the 15-day response deadline.

Commitments for Funding Years 2009, 2008, and 2007

Funding Year 2009. USAC will release FY2009 Wave 3 Funding Commitment Decision Letters (FCDLs) May 12. 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 8, FY2009 commitments total just under \$172 million.

Funding Year 2008. USAC will release FY2008 Wave 51 FCDLs May 13. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 88% and above and denials at 86% and below. As of May 8, FY2008 commitments total over \$2.26 billion.

Funding Year 2007. USAC will release FY2007 Wave 80 FCDLs May 14. 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 8, FY2007 commitments total just under \$2.5 billion. This will be the last regular wave for FY2007 (see below).

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.

Last Regular FY2007 Funding Wave

Wave 80, which will be mailed on May 14, will be the last regular wave for FY2007. From this point forward, USAC will issue occasional funding waves as applications complete the review process and funding decisions can be made. Following the naming convention established for past funding years, future FY2007 waves will be identified by the last regular funding wave number followed by a letter: Wave 80A, Wave 80B, Wave 80C, and so on.

Some applicants and service providers have not yet received FCDLs. On May 14, USAC will issue a letter to most of these program participants giving them additional information about the current status of their applications. Program participants that will not receive a letter dated May 14 include the following:

- Applicants and service providers that know the reason USAC has not issued an FCDL. For example, USAC has already informed non-compliant auditees by letter that commitments will not resume until they have met certain requirements. In each case, USAC has issued a copy of the letter to all affected service providers.
- Applicants with applications undergoing heightened scrutiny. In most cases, USAC will be issuing explanatory letters to these applicants and the affected service providers in the near future.
- Applicants with applications that are nearing the final stages of the review process. In these cases, USAC is expecting to issue an FCDL in the very near future.

If you have not received either an FCDL or an explanatory letter by the end of June, you can [Submit a Question](#) or call the Client Service Bureau at 1-888-203-8100 to check on the status of your application.

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.

Next week, USAC will issue a series of three Special Edition News Briefs that will address key aspects of the Selective Review process and answer commonly asked questions. While not all applicants undergo Selective Reviews, the information contained in this series can assist applicants with conducting competitive bidding processes, creating technology plans, and securing access to resources necessary to use discounted services.

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)

Some applicants must complete all sections of the [Selective Review Information Request \(SRIR\)](#) document while others will only be asked to complete certain sections. We refer to all of the abbreviated reviews as **Category** Selective Reviews.

The Selective Review process generally runs as follows:

- Your selective reviewer uses the preferred mode of contact you indicated on your Form 471 to send you the SRIR. 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 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 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 being reviewed.
- Review the instructions for the sections of the SRIR that you must complete.
- If a consultant is responding to the SRIR on your behalf, remember to provide a copy of the Letter of Agency (LOA) or consultant agreement that you have in place for that consultant.
- 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 reviewer as soon as possible using the contact information provided in the SRIR. Make sure your answers to all SRIR questions and your supporting 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 and/or clarifying information.
- After USAC has reviewed the information you provide and the Selective Review process is complete, you will receive an email or fax (based on your preferred mode of contact) notifying you that the Selective Review is finished. If the PIA review process has also been completed, USAC will issue funding decisions on your Forms 471.

Below we cover each one of the Selective Review areas in more detail.

Technology planning

Discounted services other than basic telephone service must be covered by a technology plan that was created prior to the filing of your current year Form 470. 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.**

For more information, refer to [Step 2. Develop a Technology Plan](#) on the USAC website.

Competitive bidding

The competitive bidding section of Selective Review is the most complex and involves the greatest amount of documentation and time to prepare a response. 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 vendor evaluation process you used to select the most cost-effective bid, including evaluation matrices, tables, and/or spreadsheets
- 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 applicant's net cost of the eligible services after the E-rate discount is applied.

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

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

First RNLs Issued for FY2010 Forms 470

After a Form 470 is successfully processed, USAC issues a [Receipt Notification Letter \(RNL\)](#) to verify that the form was filed and give the applicant a chance to review and – if necessary, correct – information entered on the form.

In some cases, applicants with long procurement cycles or other specific procurement requirements may need to file a Form 470 well in advance of the funding year. USAC has enabled the online system for Form 470 and the first RNLs for FY2010 Forms 470 were issued May 6.

You are advised to carefully review your RNLs. Remember that the opportunities to correct information on a Form 470 are limited and you may be required to file a new Form 470 instead of requesting a RNL correction.

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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