



USAC

Emergency Connectivity Fund Program Newsletter

November 2023

Updated Frequently Asked Questions (FAQs)

The FCC recently updated the [Emergency Connectivity Fund FAQs](#) to share more information regarding the Single Audit Act:

Q: What is the Single Audit Act?

A: The [Single Audit Act](#) requires an annual audit of non-Federal entities, including Tribes, that expend \$750,000 or more of federal financial assistance in a fiscal year. See [2 CFR § 200.501](#). The Single Audit must be performed by an independent auditor.

Q: If I receive funding through the Emergency Connectivity Fund am I subject to the Single Audit Act requirements?

A: If you expend \$750,000 or more in federal financial assistance during a fiscal year, including amounts reimbursed by the ECF Program, you are subject to the Single Audit Act requirements. These requirements include preparing a Schedule of Expenditures of Federal Awards (SEFA), among other things. See [2 CFR § 200.510\(b\)](#).

Q: Does ECF Program funding need to be reported on the Schedule of Expenditures of Federal Awards (SEFA) pursuant to [OMB Uniform Guidance](#) requirements?

A: Yes, ECF Program beneficiaries that receive ECF funding commitments are required to report ECF Program funds on SEFA forms. The Catalog of Federal Domestic Assistance (CFDA) number for the ECF Program is 32.009.

Q: If we are required to report ECF Program funds on our SEFA forms, which ECF Program funds should we include on the SEFA?

A: ECF Program beneficiaries should include the total expenditures that have been reimbursed by the ECF Program during the relevant period. In other words, the total amount that has been reimbursed by the ECF Program during the relevant period should be reported on the SEFA.

Q: What happens once an auditor completes a Single Audit Act report?

A: The data collection form and reporting package must be uploaded to the Federal Audit Clearinghouse within 30 days after your entity received the audit report or nine months from the end of your entity's fiscal year, whichever occurs first. See [2 CFR § 200.51](#).

Q: What will the FCC do once the Single Audit Act report is uploaded into the Federal Audit Clearinghouse?

A: The FCC will first issue an acknowledgement letter if there is a finding identified related to the ECF Program (CFDA 32.009) in your Single Audit Act report. The acknowledgement letter will also outline the steps for resolving any

identified finding(s).

Q: What should I expect next?

A: Consistent with its responsibilities under the Single Audit Act, the FCC will review the auditor's finding(s) and issue a management decision letter (MDL), which will state whether the audit finding(s) is sustained and the reason for the decision, among other things. See [2 CFR § 200.521](#). If more information is needed prior to issuing the management decision letter, you may receive a request from USAC to provide information related to the audit finding(s), as well as for documentation regarding any subsequent corrective actions. Once the FCC has had an opportunity to review all relevant documentation, it will issue a MDL (see below), which will include information regarding any potential financial recovery or other corrective actions, and that such action(s) will be appealable.

Q: What is a management decision letter?

A: A MDL serves as the FCC's official written response to the ECF-related findings contained in the Single Audit Act audit report, identifying whether the FCC agrees with the auditor's finding(s) and the basis for its decision, among other things. MDLs will be shared with both the auditee and the auditor. If the auditee has not yet completed the corrective action specified in the report, a timetable for follow-up may be provided, as well as a description of any other corrective action deemed appropriate.

Q: I'm aware that other schools have already received a management decision letter. Why is mine taking so long?

A: There are a number of reasons why some management decision letters may be issued quicker than others. One key reason is that some entities' audit reports may have been uploaded in the Federal Audit Clearinghouse earlier than others and the FCC was able to resolve them sooner. In addition, some audit reports may present more complex factual circumstances and findings, some of which may warrant the FCC or USAC to request additional information related to the audit finding(s) from the auditee. Auditees can assist with the timely resolution of any audit finding(s) by responding promptly to any requests for additional information.

Q: Will I have to pay back the funds my school or library received through the Emergency Connectivity Fund?

A: The FCC is committed to resolving Single Audit Act-related findings in a fair and equitable manner, recognizing that the Emergency Connectivity Fund was an emergency program, while also protecting the integrity of the program and the limited funds. Depending on the scope and severity of any audit finding(s), there is a wide range of potential corrective actions that auditees may face. Corrective actions could be limited to implementation of a corrective action plan, may include an opportunity to cure any deficiencies, or could result in a financial recovery, if required, that is commiserate with the scope of the violation(s). Auditees will have an opportunity to appeal any adverse decision pursuant to [47 CFR § 54.1718](#) of the FCC's rules.

Q: If an auditee demonstrates that an auditor's finding is inaccurate, how will the FCC treat that finding? Will the MDL indicate that such a finding is not sustained?

A: The FCC will review the auditor's findings for each auditee to determine whether the findings are accurate and whether they should be sustained and issue a Management Decision letter within six months of receiving the audit report. If, during the course of the FCC's review of the auditor's findings, an auditee is able to show that the auditor's findings are inaccurate, the FCC would likely not sustain the findings and, pursuant to [2 CFR § 200.521](#), would state as such in its management decision. To the extent an audit finding or the basis for that find is unclear, auditors and/or auditees may receive outreach from USAC or the FCC seeking additional information that would be incorporated into the management decision.

Q: What happens if the FCC does not sustain a finding?

A: If the FCC does not sustain a finding, it is our understanding that the finding would be considered resolved, and there would not be any additional actions the auditee would be required to take regarding that particular finding.

Q: Is an auditee not considered a low-risk auditee in the upcoming audit year if there were findings related to internal control deficiencies, modified opinions, and/or questioned costs in the prior year?

A: An auditee must qualify as a low-risk auditee if it meets the criteria set out in [2 CFR § 200.520](#). However, the rule does not state that the auditee would automatically qualify as a high-risk auditee if this criteria was not met. Thus,

we cannot opine at this time whether an auditor may change an auditee's low-risk status for the upcoming audit year pursuant to [2 CFR § 200.520](#).

Q: What will school applicants need related to unmet need at the different stages of the ECF Program process (e.g., application, invoicing, or audits)?

A: At the application stage, schools just need best estimates of their unmet need. They may use whatever method they deem appropriate for estimating unmet need and are not required to provide any documentation to support these estimates when they submit their ECF FCC Form 471 application. Visit the [Entity Information](#) webpage to see the unmet need questions for schools on the application.

When schools file for reimbursement, they should only request reimbursement for eligible equipment and services provided to students or staff who would otherwise lack broadband services and/or devices sufficient to engage in remote learning. For example, if a school requested ECF funding to support the broadband services at the homes of 100 students based on an estimate of those that lack services, but it determines during the school year that only 90 students have unmet need, the school should only seek reimbursement for the services provided to those 90 students. Schools may also be asked to provide documentation to support actual costs of assigned equipment and/or services after funds have been committed. While the FCC has left it up to the applicants what methodology they use to determine actual unmet needs, applicants may be asked to provide documentation to support their actual unmet need after funds have been committed and reimbursement was received. Documentation may include, for example, asset and service inventories that match their unmet need numbers, documentation on how actual unmet need was calculated, etc. See [FCC FAQ 8.5](#) for more information about asset and service inventory lists. However, asset and service inventory lists are not the only way an applicant can demonstrate how it sought reimbursement based only on its actual unmet needs.

All applicants must also maintain documentation supporting their compliance with ECF Program rules and certifications, including documentation on how unmet need was calculated, for at least 10 years.

Q: On our ECF FCC Form 471 application, our school requested equipment and services based on an actual, calculated unmet need. Do we need to perform another unmet needs calculation prior to submitting a request for reimbursement?

A: While only best estimates of unmet need are required at the application stage, if an applicant bases their application on an actual, calculated unmet need (rather than an estimate) and requests reimbursement based on that same actual, calculated unmet need, the applicant would not be required to perform a new unmet need calculation at the time of submitting the request for reimbursement. Please note that the applicant needs to be able to explain how they requested support based on their actual unmet need and not based upon an estimate, and provide supporting documentation (for example, information on the survey that was conducted before the ECF funding application was submitted). See [FCC FAQ 6.9](#).

ECF Program Compliance and Other Friendly Reminders

Please continue to check the ECF Portal and your email communications, and keep your entity information up-to-date in the ECF Portal. It is crucial that your organization not miss any communication that comes from USAC. For example, the ECF Program team may contact you after ECF funds have been disbursed to request payment verification, if you received funds before paying your service provider and have not uploaded the payment verification into the ECF Portal. The ECF program team may also contact you for other post-commitment-related reviews. As a reminder, failure to respond to a USAC information request(s) may lead to denial or recovery of ECF support, so it is important to timely respond to these requests.

If your Account Administrator listed in the ECF Portal has changed or is no longer with your organization, call the ECF Customer Support Center (CSC) at (800) 234-9781 and request to update your information to reflect the name and email address of the new Account Administrator.

For More Information

Please review the [FCC's Emergency Connectivity Fund FAQs](#) to learn more about the program's requirements and commonly asked questions. The FAQs are consistently updated to reflect any program deadline extensions and provide other important details. Additional information is also available in the [FCC's ECF Program Report and Order](#)

and in the [March 1, 2023 Public Notice on ECF Compliance Obligations](#).

You can also visit [EmergencyConnectivityFund.org](https://www.emergencyconnectivityfund.org) and sign up for [Emergency Connectivity Fund Program emails](#) for more information about the ECF Program.

Applicants and service providers can contact the ECF CSC with questions at (800) 234-9781, Monday – Friday, from 8 a.m. to 8 p.m. ET, or submit a customer support request through the ECF Portal.

We appreciate your participation in the ECF Program and look forward to your ongoing engagement as we work together to close the Homework Gap!

Need Help? Contact Us!

Please contact the Emergency Connectivity Fund Customer Service Center (CSC) at (800) 234-9781 or create a case in the ECF Portal.

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