

# E-Rate Beginners Session

Presented by

**Valarie Byrd**

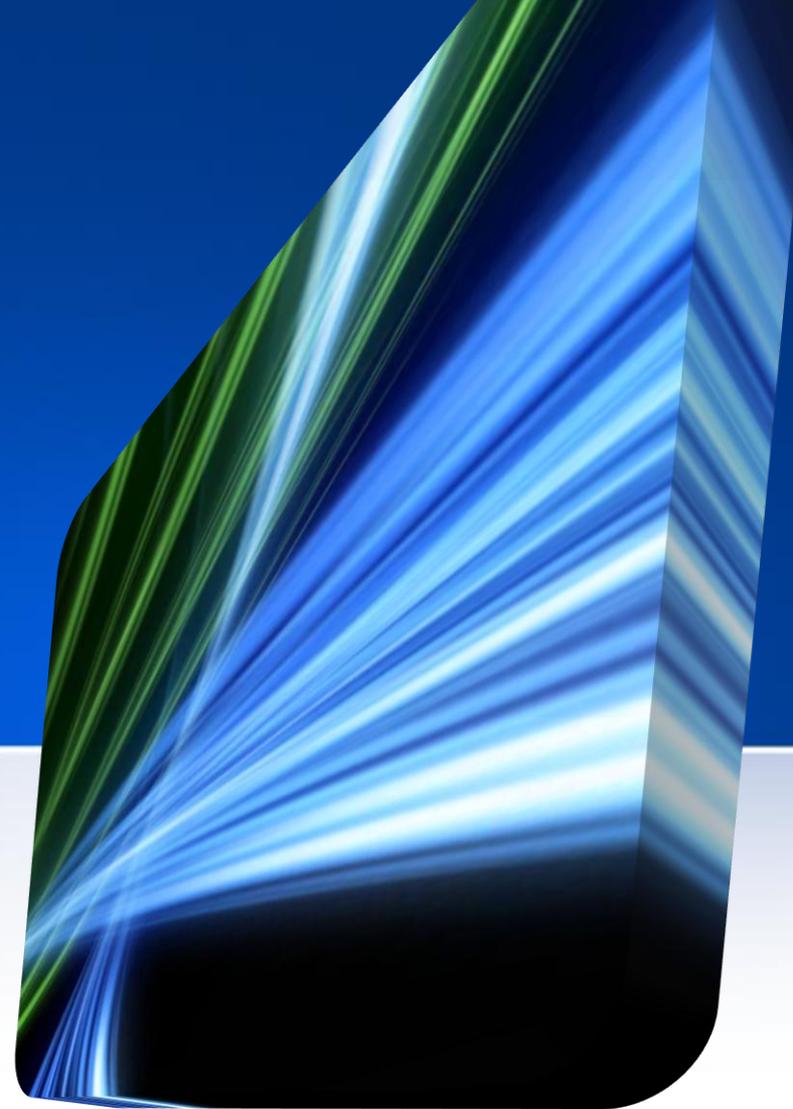
**Division of State IT**

E-Rate Program Coordinator

**Nancy Rosenwald**

**SC State Library**

E-Rate Program  
Coordinator



## Overview

- General information about E-rate
- Technology planning
- Requesting services (Form 470)
- Competitive bidding process
- Ordering services (Form 471)
- Application review & funding commitments
- Begin receiving services (Form 486)
- Invoicing USAC (Form 472 and Form 474)
- Deadlines

# Beginner's Presentation

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## **General Information about E-rate**

## E-rate Organization

- Federal Communications Commission (**FCC**), an independent U.S. government agency, oversees the E-rate program
- Universal Service Administrative Company (**USAC**), a not-for-profit, administers the E-rate program along with three other programs
- Schools and Libraries Division (**SLD**) is the part of **USAC** with responsibility for E-rate

## E-rate Rules

- The **FCC** sets rules and policies through orders
  - Policies are defined in the text of orders
- **USAC/SLD** develops procedures for specific actions, such as how to process applications
  - **USAC** submits its procedures to the **FCC** for approval each year

## E-rate Timeline

- Commitments for E-rate are made by funding year (**FY**), which runs from July 1 through the following June 30
- USAC refers to the funding year as the year in which most services will begin
  - E.g., FY2010 is July 1, 2010 – June 30, 2011

# General Information about E-rate

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## E-rate Budget

- Commitments are capped at \$2.25 billion for each funding year
- This cap will be adjusted for inflation starting in FY2010
- Once each year, **FCC** can roll over unused funds from previous funding years into the current funding year

## E-rate Eligibility

- Who is eligible for E-rate funding?
  - Schools and school districts
    - Non-traditional facilities (*conditionally by state*)
  - Libraries and library systems
  - Consortia – groups of eligible entities that band together to aggregate demand and negotiate lower prices

## E-rate Discounts & Determining Your Discount Percentage

- How large are the discounts on eligible products and services?
  - Discounts: 20% to 90% of eligible costs
- Discount level for a school or library depends on:
  - 1) Percentage of students who are eligible for National School Lunch Program (**NSLP**) in:
    - (for a school) the school
    - (for a library) the school district in which the library is located
  - 2) **Urban** or **rural** location of the school or library

# General Information about E-rate

## Calculate your discount percentage with our Discount Matrix

<b>INCOME</b> <b>Measured by % of students</b> <b>eligible for <span style="color: red;">NSLP</span></b>	<b>URBAN LOCATION</b> <b>Discount</b>	<b>RURAL LOCATION</b> <b>Discount</b>
If the % of students in your school that qualifies for the NSLP...	...and you are in an URBAN area, your discount will be...	...and you are in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

## E-rate Categories of Service

- Priority 1 (**P1**) (funded first)
  - Telecommunications Services
  - Internet Access
- Priority 2 (**P2**) (funded beginning with neediest applicants first)
  - Internal Connections
  - Basic Maintenance of Internal Connections

## E-rate Forms

- How do I file a program form?
  - In general, you have three options:
    - File online, certify on paper
    - File online, certify online
    - File on paper, certify on paper
  - There are two versions of each online form:  
standard and interview

**\*Tip\*** USAC encourages you to file online, because online filing speeds processing and reduces errors

## E-rate Letters

- Each time you file a program form, **USAC** sends you a letter
    - Letters are color-coded by funding year
      - 2008  Blue
      - 2009  Canary
      - 2010  Pink
- etc.

**\*Tip\*** When storing documents, USAC encourages you to separate your program forms & letters by funding year to better organize them.

# Beginner's Presentation

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# Technology Planning

## Technology Plan Elements

- You must write a technology plan that contains the following elements:
  - 1) Goals and strategies for using technology to improve education or library services
  - 2) Needs assessment
  - 3) Staff training
  - 4) Evaluation plan
  - 5) Budget (**ONLY for Tech Plans for FY2010 and earlier**)

**\*New Rule\*** Starting for FY2011, if you are only requesting **P1**, a technology plan is **not** required

## Technology Plan Deadlines

- Your technology plan must be **approved** by a USAC-certified **Technology Plan Approver** when your services begin or at the time you file the Form 486—whichever date is **earlier**

# Beginner's Presentation

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## Requesting Services (Form 470)

## The Purpose of Form 470

- Open a competitive bidding process
  - Identify and describe your desired categories of service and the function of the services
  - Describe the scope of your needs (e.g., a single school building, a library system, a state network)
  - Notify potential bidders (service providers) of the types and quantities of services that you need
- \*Note\*** RFPs are **not** required by E-rate but may be used to describe specific needs and circumstances



## Acronyms and Terms

- Billed Entity Number (**BEN**): an identification number assigned by USAC to each school or library building
- Personal Identification Number (**PIN**): a code assigned by USAC to applicants for use in certifying program forms online
  - USAC issues a **PIN** to every new authorized person filing a paper Form 470, 471, or 486

## Acronyms and Terms

- Request for Proposals (**RFP**) – a bidding document (not required by E-rate) that provides detailed information about your services, locations, bid submission requirements, etc.
  - Some states or procurement agencies refer to these documents by other names, e.g., Invitation for Bids (IFB)

## Acronyms and Terms

- Form 470 Receipt Notification Letter (**RNL**) – a letter issued by **USAC** to the applicant that summarizes the information provided in the Form 470
- Allowable vendor selection/contract date (**ACD**) – the date 28 days after the Form 470 is posted to the **USAC** website

# Beginner's Presentation

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# Competitive Bidding Process

## Competitive Bidding Requirements

- You must ensure that the competitive bidding process is open and fair
  - You must keep all incoming bids/correspondence with bidders and prepare to evaluate bids equally
- All potential bidders have access to the information from your Form 470 and **RFP**, and they can respond to your requests

## Examples of Competitive Bidding Rule Violations

- The applicant has a relationship with a service provider that would unfairly influence the outcome of a competition or furnish the service provider with “inside” information
- Someone other than the applicant or an authorized representative of the applicant prepares, signs, and submits the Form 470 and certification

## More Examples of Competitive Bidding Rule Violations

- A service provider representative is listed as the Form 470 contact person and that service provider is allowed to participate in the competitive bidding process
- The Form 470 does not describe the desired products and services with sufficient specificity to enable interested parties to submit bid responses

## Acronyms and Terms

- **Bid** – A service provider response to your Form 470 and/or RFP that contains services and prices and any other information you have requested
- **Price as the primary factor** – In evaluating bids, the price of the eligible products and services must be the most heavily-weighted factor in your evaluation of bids

# Competitive Bidding Process

## Sample Bid Evaluation Matrix

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE goods and services	30	15	30	25
Prior experience w/ vendor	20	20	0	20
Prices for ineligible services, products & Fees	25	20	15	25
Flexible Invoicing: 472 or 474	15	0	15	15
Environmental objectives	5	5	3	2
Local or in state vendor	5	5	5	5
Total	100	65	68	92

## Choosing a Service Provider

- After you close the competitive bidding process for your services (on or after the **ACD**):
  - 1) You can evaluate the bids received
  - 2) You can choose your service provider(s)
  - 3) You can sign a contract
  - 4) You can post a Form 471

# Beginner's Presentation

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## Ordering Services (Form 471)

## The Purpose of Form 471

- Provide information on the service providers and eligible services you have chosen
- Identify the eligible schools and libraries that will receive services
- Include your discount calculation information
- Certify your compliance with program rules

# Ordering Services (Form 471)

## Form 471

FCC Form 471	Do not write in this area.	Approval by OMB 3060-0806
<p><b>Schools and Libraries Universal Service</b>  <b>Description of Services Ordered and Certification Form 471</b>  <b>Estimated Average Burden Hours per Response: 4 hours</b></p> <p>This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.  <b>Please read instructions before beginning this application. (You can also file online at <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a>.)</b>  <b>The instructions include information on the deadlines for filing this application.</b></p>		
Applicant's Form Identifier <small>(Create your own code to identify THIS Form 471)</small>	<input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>	Form 471 Application#: <small>(To be assigned by administrator)</small>
<b>Block 1: Billed Entity Information</b> (The "Billed Entity" is the entity paying the bills for the services listed on this form.)		
1 a	Name of Billed Entity	<input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>
2 a	Funding Year: July 1, <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/> through June 30, <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/>	3 Billed Entity Number <input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>
4 a	Street Address, P.O. Box, or Route Number <input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>	
	City <input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>	
	State <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/>	Zip Code <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/> <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/>
b	Telephone Number <input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>	Fxt <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/> <input style="width: 40px; height: 20px; background-color: #cccccc;" type="text"/>
		C Fax Number <input style="width: 100%; height: 20px; background-color: #cccccc;" type="text"/>

## Acronyms and Terms

- Funding Request Number (**FRN**) – the identification number assigned to a Form 471 Block 5 funding request
- Service Provider Identification Number (**SPIN**) – the identification number assigned by **USAC** to a service provider
- Service providers may have more than one **SPIN** in order to identify separate business units or states in which they operate

## Acronyms and Terms

- Item 21 Attachment (**Item 21**) – the description of services associated with a funding request (Item 21 on Form 471)
  - Item 21 attachments can be submitted online, by fax, email, or on paper

## Acronyms and Terms

- Receipt Acknowledgment Letter (**RAL**) – a letter issued by **USAC** to the applicant and the service provider that summarizes the information provided in the Form 471
- Many of the entries on the form can be corrected after submission by using the **RAL**
- These corrections must be submitted to **USAC** no later than 20 days from the date of the **RAL**

## Acronyms and Terms

- Non-instructional facility (**NIF**) – a school building with no classrooms or a library building with no public areas
  - **NIFs** are eligible for Priority 1 services
  - **NIFs** are eligible for Priority 2 services only if necessary to provide effective transport of information to classrooms or public areas of libraries

# Beginner's Presentation

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## **Application Review & Funding Commitments**

## Acronyms and Terms

- Program Integrity Assurance (**PIA**) – the **USAC** group that reviews and makes funding decisions on program applications
- Funding Commitment Decision Letter (**FCDL**) – a letter issued by **USAC** to the applicant and the service provider that contains commitment decisions on funding requests

## During **PIA** review, USAC reviews your Form(s) 471 to:

- Check the eligibility of the schools and libraries and their discount levels
- Verify that the services you requested are eligible for discounts
- Give you an opportunity to make allowable corrections to your form
- In some cases, ask for additional verification of your compliance with program rules

## Receiving Your Funding Commitment

- Following application review, USAC issues a Funding Commitment Decision Letter (**FCDL**) to both the applicant and the service provider(s)
- Applicants and Service Providers should carefully review their **FCDL** for details on approved or denied requests and your next steps

# Beginner's Presentation

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## **Begin Receiving Services (Form 486)**

# Begin Receiving Services (Form 486)

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## The Purpose of Form 486

- Notify **USAC** that your eligible services have started or been delivered and invoices for those services can be processed and paid
- Provide the name of the **TPA** that approved your technology plan
- Report your status of compliance with **CIPA**

# Begin Receiving Services (Form 486)

## Form 486

FCC Form 486	Do Not Write in this Area	Approval by OMB 3060-0853 Estimated time per response: 1.5 hours
<b>Schools and Libraries Universal Service Receipt of Service Confirmation Form</b>		
To be completed by the Billed Entity Please read instructions before completing. <span style="float: right;">(You can also file online at <a href="http://www.usac.org/sl">www.usac.org/sl</a>.)</span>		
Applicant's Form Identifier (Create your own code to identify THIS Form 486)	Form 486 Application#: _____ (To be assigned by administrator)	
<b>Block 1: Billed Entity Information</b>		
1. Name of Billed Entity		
2. Billed Entity Number	3. Funding Year July 1, _____ through June 30, _____	
4. Complete Mailing Address of Billed Entity Street Address, P.O. Box, or Route Number		
City	State	Zip Code
Telephone Number	Extension	Fax Number

## Acronyms and Terms

- **Form 486 Notification Letter** – a letter issued by **USAC** to the applicant and service provider after a Form 486 has been processed
- Children’s Internet Protection Act (**CIPA**) – a law with specific requirements on Internet safety policies and filtering

# Beginner's Presentation

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## **Invoicing USAC (Form 472 and Form 474)**

## Applicants have a choice between two methods of invoicing (receiving discounts on eligible services)

- Billed Entity Applicant Reimbursement (**BEAR**) Form 472 is filed by the applicant and approved by the service provider after the applicant has paid for the services in full
- Service Provider Invoice (**SPI**) Form 474 is filed by the service provider after the applicant has been billed for the non-discount portion of the cost of eligible services

## Requirements to fulfill before invoicing USAC

- *Applicants and Service Providers* receive an **FCDL** from **USAC** for the services being invoiced
- *Applicants* must file a Form 486 and receive a **486 Notification Letter**
- *Service Providers* must file a Form 473
  - Form 473 can be filed after **USAC** has announced the opening of the application filing window

# Invoicing USAC (Form 472)

## Form 472

FCC Form 472	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; width: fit-content; margin: 0 auto;"> <p><b>Do not write in this space.</b></p> </div>	<p>Approval by OMB 3060 – 0856 Estimated time per response: 1.5 hours</p>
<p><b>Universal Service for Schools and Libraries</b> <small>(To be completed by schools, libraries, or consortia.)</small></p>		
<p><b>BILLED ENTITY APPLICANT REIMBURSEMENT FORM</b> For reimbursement of discounts on approved services already paid for by the Billed Entity Applicant. Only one Service Provider Identification Number (SPIN) per form. <b>Must be completed and signed by the Billed Entity Applicant and signed by the relevant service provider.</b></p>		
<p>Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.</p> <p>FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT</p> <p>Part 54 of the Commission's Rules authorizes the FCC to collect the information on this form. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.</p> <p>The public reporting for this collection of information is estimated to range from 1 to 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERM, Paperwork Reduction Act Project (3080-0856), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to PRA@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS FORM TO THIS ADDRESS.</p> <p>Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3080-0856.</p> <p>THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.</p>		
<b>BLOCK 1: HEADER INFORMATION</b>		
1. 471 Billed Entity Name		
2. 471 Billed Entity Number		
3. Service Provider Identification Number (SPIN)		
4. Contact Name		
5. Contact Telephone Number		
6. Reimbursement Form Number		
7. Reimbursement Date to USAC		
8. Total Reimbursement Amount (total of Block 2, Item 15 – 14.2 digits maximum)		

## Acronyms and Terms

- **BEAR Notification Letter**: a letter issued by **USAC** to the applicant and service provider after a **BEAR** has been processed
- **Quarterly Disbursement Report**: a report issued to the applicant detailing all invoicing activity (**BEARs** and **SPIs**) during the previous quarter
- Form 473 - Service Provider Annual Certification (**SPAC**): **SPACs** are used by the service provider each funding year to certify that it will comply with FCC rules concerning invoicing and documentation

# Beginner's Presentation

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# Deadlines

## Application Deadlines

- **Form 470** - Posted at least 28 days before the filing of the Form 471, keeping in mind the Form 471 application filing window opening and closing dates.
- **Form 471** - Received or postmarked no later than 11:59 p.m. EST on the day of the close of the Form 471 application filing window (exact date will be posted on our website)

## More Deadlines

- **Form 486** - Received or postmarked no later than 120 days after the date of the USAC Funding Commitment Decision Letter or the service start date, whichever is later
- **Form 472/Form 474** - Received or postmarked no later than 120 days after the date of the Form 486 Notification Letter or the last date to receive service, whichever is later
- **Appeals** - Received or postmarked no later than 60 days after the date of USAC's decision letter

**With questions, please contact us!**

**Phone:** (888) 203-8100

**Fax:** (888) 276-8736

**E-mail:** [Submit-a-Question](#)

**Website:** [www.usac.org/sl](http://www.usac.org/sl)

**\*Note\*** For extra guidance, please consider our Helping Applicants to Succeed (**HATS**) initiative

# Beginner's Presentation

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# Questions?