



Universal Service
Administrative Co.

E-rate Program Applicant Training

E-rate Fundamentals

September – November 2016

Washington DC • Orlando • Houston • Philadelphia • Minneapolis • St. Louis • Seattle • Los Angeles

Overview

- General information
- E-rate Productivity Center
- Requesting services (FCC Form 470)
- Competitive bidding process
- Ordering services (FCC Form 471)
- Application review and funding commitments
- Begin receiving services (FCC Form 486)
- Invoicing USAC (FCC Form 472 and FCC Form 474)
- Document retention

E-rate Background

- Federal Communications Commission (FCC), an independent U.S. government agency, established and 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, Policies, and Procedures

- Congress directed the FCC to establish the E-rate program in 1996.
- The FCC sets rules and policies through orders.
- USAC develops procedures for specific actions, such as how to process applications.
 - USAC's procedures are reviewed and approved each year by the FCC.

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., Funding Year (FY) 2017 is July 1, 2017 to June 30, 2018.

E-rate Budget

- E-rate funding is capped at \$3.9 billion per year, adjusted annually for inflation.
- Once a year, the FCC may direct USAC to roll over funds that are collected but unused from one or more prior funding years to the next full funding year.

E-rate Eligibility

- Elementary and secondary 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
 - Consortia can also include ineligible entities under limited circumstances and subject to cost allocation requirements.
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E-rate Service Types

- Category One
 - Voice Services – subject to a phasedown of 20 percentage points per year that started in FY2015
 - Data Transmission and/or Internet Access
- Category Two
 - Internal Connections
 - Managed Internal Broadband Services
 - Basic Maintenance of Internal Connections

Eligible Services List

- Each year, the FCC publishes a list of products and services that are eligible for E-rate discounts for the upcoming funding year.
 - FCC issues a draft eligible services list and solicits comments and reply comments.
 - FCC reviews comments and reply comments received, then prepares and issues the final list.
 - That eligible services list governs the eligibility of products and services for that funding year.
 - The FY2017 ESL was released 9/12/2016.

E-rate Discounts

- Discounts range from 20-90 percent of eligible costs (20-85 percent for Category Two services, up to 30 percent for voice in FY2017).
 - Discounts are calculated for the school district or the library system (not for individual schools or library branches).
 - Discount level depends on:
 - Percentage of students who are eligible for National School Lunch Program (NSLP) in the appropriate school district.
 - For a library, this is the public school district in which the main branch of the library is located.
 - Urban or rural status.
 - Discount level for a consortium is the simple average of the discounts of the consortium members.
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Discount Matrix

INCOME <i>% of students eligible for NSLP</i>	Category One Discount Levels		Category Two Discount Levels	
	URBAN DISCOUNT	RURAL DISCOUNT	URBAN DISCOUNT	RURAL DISCOUNT
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

Voice Services – Phasedown for FY2017

INCOME <i>% of students eligible for NSLP</i>	Category One Discount Levels	
	URBAN DISCOUNT	RURAL DISCOUNT
Less than 1%	0%	0%
1% to 19%	0%	0%
20% to 34%	0%	0%
35% to 49%	0%	10%
50% to 74%	20%	20%
75% to 100%	30%	30%

Category Two Budgets

- Starting with FY2015, USAC calculates a Category Two (C2) budget for each school or library.
 - The school or library can receive discounts on the pre-discount cost of C2 services up to its C2 budget amount.
 - The C2 budget covers a five-year period starting with the first funding year USAC makes a C2 commitment.

Category Two Budgets

- Budget calculation
 - School calculation - $\$150 \times$ the maximum number of full- and part-time students using the services.
 - Library calculation:
 - $\$2.30 \times$ the total internal square footage of the library
 - For urban libraries, $\$5.00 \times$ the total internal square footage of the library - urban libraries have an Institute of Museum and Library Services (IMLS) locale code of 11, 12, or 21.
 - Floor: If the budget calculation for a school or library results in a value less than $\$9,200$, the school or library budget is set at $\$9,200$.

E-rate Productivity Center (EPC)

- EPC is the E-rate customer portal for applicants, service providers, and consultants. In EPC, you can:
 - File most program forms.
 - Maintain a list of your related entities (individual schools for school districts, library branches for library systems, consortium members for consortia).
 - Update your entity information (e.g., addresses and phone numbers, entity information such as student counts and library square footage).
 - Create additional users on your organization's account and assign them rights (permissions).

FCC Form 470

- Opens your competitive bidding process.
- Notifies potential bidders of the types and quantities of services that you need.
- Must be posted on the USAC website at least 28 days before filing the FCC Form 471.

Note: Request for Proposals (RFPs) or other supplemental documents may be issued in addition to describe specific needs and circumstances.

FCC Form 470

- If you issue an RFP or RFP document, both the FCC Form 470 and the RFP document(s) must be available for at least 28 days.
 - We use “RFP” and “RFP document” generically to refer to any bidding document that describes the project and requested services in more detail than that provided in the entry fields on the FCC Form 470.
 - RFPs and RFP documents must be attached to the FCC Form 470 in EPC, whether they are issued before or after the form is posted to the USAC website.

Response Letter

- FCC Form 470 Receipt Notification Letter (RNL): a letter issued by USAC to the applicant that summarizes the information provided in the FCC Form 470.
- USAC posts this letter in your EPC account (News feed).
- If you notice mistakes, use the RNL modification process in EPC to submit allowable corrections or to attach an RFP document issued after the form was certified.
 - Navigate to the specific form in EPC, then choose “Related Actions” to make a modification.

Competitive Bidding Requirements

- No one other than the applicant or an authorized representative of the applicant should prepare, sign or submit the FCC Form 470 or certification.
- The FCC Form 470 and/or the RFP must describe the desired products and services with sufficient specificity to enable interested parties to submit bid responses.
- All potential bidders must have access to your FCC Form 470, RFP (or other supplemental documents describing the procurement, if you have them).
- You must evaluate the incoming bids fairly and equally, and select the most cost-effective bid using price as the primary factor.

Competitive Bidding

Sample Evaluation Matrix

- The price of the eligible products and services must be the most heavily weighted factor in your evaluation of bids.

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	30	15	30	25
Prior experience w/ vendor	20	20	0	20
Prices for ineligible services, products and fees	25	20	15	25
Flexible Invoicing: 472 or 474	15	0	15	15
Local or in-state vendor	10	10	8	7
Total	100	65	68	92

Competitive Bidding Process

- After waiting at least 28 days, you can:
 1. Choose your service provider(s).
 2. Sign a contract (if applicable).
 3. Submit an FCC Form 471.

FCC Form 471

- Identifies the service providers and eligible services you have chosen on funding requests.
- Identifies the eligible schools and libraries that will receive services.
- Calculates how much support you seek for the funding year using your discount calculation information.
- Must be completed and certified during the application filing window (which generally opens in January and extends for about 75 days) for that funding year.
 - The window dates for FY2017 will be announced on the USAC website and through the SL News Brief when they have been set.

Response Letter

- FCC Form 471 Receipt Acknowledgment Letter (RAL): a letter issued by USAC to the applicant and the service provider that summarizes the information provided in the FCC Form 471, which you should carefully review.
- USAC posts this letter in your EPC account (News feed).
- If you notice mistakes, use the RAL modification process in EPC to submit allowable corrections.
 - Navigate to the form, choose “Related Actions” and then “Submit Modification Request (RAL).”
- USAC processes allowable corrections during the review of your application.

Program Integrity Assurance (PIA) Review

- Program Integrity Assurance (PIA) is the USAC group that reviews and makes funding decisions on program applications:
 - Verifies eligibility of the schools and libraries entities, entity discount levels, and the services requested.
 - Gives you an opportunity to make allowable corrections to your form.
 - In some cases, asks for additional verification of your compliance with program rules.
 - Navigate to the specific form in EPC, then choose “Related Actions” and “Respond to Inquiries” to locate any PIA questions.

Decision Letter

- Funding Commitment Decision Letter (FCDL): Following application review, USAC issues this letter to both the applicant and the service provider. It contains decisions on approved or denied funding requests and next steps.
- You can generate this notification from the Notifications section of your EPC account. It will then show up in your News feed.

FCC Form 486

- Notifies USAC that your eligible services have started or been delivered and invoices for those services can be processed and paid.
 - Provides the name of the technology plan approver TPA that approved your technology plan (if applicable).
 - Technology plans are no longer required, but this form may be filed for any funding year.
 - Reports your status of compliance with Children’s Internet Protection Act (CIPA)—a law with specific requirements on Internet safety policies.
 - FCC Form 486 must be filed before USAC can pay invoices.
-

Response Letter

- FCC Form 486 Notification Letter: a letter issued by USAC to the applicant and service provider after an FCC Form 486 has been processed.

Before Invoicing USAC

- Applicants and service providers must have received an FCDL from USAC with a positive commitment for the services being invoiced.
- Applicants must certify an FCC Form 486 and receive an FCC 486 Notification Letter.
- Service providers must file a Service Provider Annual Certification (SPAC) FCC Form 473 for that funding year.
- If applicants want to be reimbursed for services for which they have paid in full, they must file an FCC Form 498 to provide their banking information.

Two Methods of Invoicing

- 1) Billed Entity Applicant Reimbursement (BEAR) FCC Form 472: *filed by applicant* after services have been paid in full **OR**
- 2) Service Provider Invoice (SPI) FCC Form 474: *filed by service provider* after the applicant has been billed for the non-discount portion of eligible services.

Note: Applicants can choose their method of invoicing; service providers cannot force applicants to use a particular method.

Invoice Deadlines

- The deadline for submitting invoices – BEAR Forms and SPI Forms – is 120 days after the last day to receive service or 120 days after the date of the FCC Form 486 Notification Letter, whichever is later.
- For most applicants and service providers, the deadlines are:
 - October 28 following the close of the funding year (recurring services).
 - January 28 following the close of the funding year (non-recurring services).

Invoice Deadline Extensions

- Applicants and service providers can request and receive one 120-day extension of the invoice deadline.
 - The request must be received or postmarked by the invoice deadline (generally October 28 or January 28).
 - You do not need to provide a reason for the request.
 - We suggest using [Submit a Question](#) to submit your request
 - Choose “Invoice Deadline Extension Request” from the Topic Inquiry menu and provide the appropriate Funding Request Number(s).
 - USAC cannot process requests that are not timely filed.
-

Filing FCC Form 498

- Applicants [file FCC Form 498 in EPC](#).
 - Set up permissions for (1) school or library official and (2) general financial contact.
 - Find or obtain the following numbers:
 - Federal Employer Identification Number (EIN) or Tax Identification Number (Tax ID)
 - DUNS Number
 - FCC Registration Number (FCC RN)
 - Bank routing number
 - Bank account number

Filing FCC Form 472 (BEAR Form)

- Applicants [file FCC Form 472 in the legacy system](#).
 - If you have a Personal Identification Number (PIN), continue to use that PIN to log in to the legacy BEAR Form.
 - If you do not have a PIN, call our Client Service Bureau at (888) 203-8100 and request a PIN.
 - BEAR Forms no longer require service provider review or approval.

Response Letters

- **BEAR Notification Letter:** a letter issued by USAC to the applicant with a copy to the service provider after a BEAR is processed.
- **Quarterly Disbursement Report:** a letter issued to the applicant detailing all invoicing activity (BEARs and SPIs) during the previous quarter.

Ten-year Document Retention Requirement

- All applicants and service providers are required to retain receipt and delivery records relating to pre-bidding, bidding, contracts, application process, invoices, provision of services, and other matters relating to the administration of universal service for a period of at least ten years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

Documents to Retain

- Refer to the [E-rate Program Binder](#) for a complete list of documents to retain.
- Documents can be retained in hard or soft copy.
- Label and store documents so that you or your successor can easily find and produce them upon request.

Where to Go for Help

- Client Service Bureau
 - Call (888) 203-8100 between 8:00 am and 8:00 pm ET weekdays.
 - If you have an EPC account, create a customer service case (Actions tab > Contact Us)
- [USAC website](#)
 - [Apply for E-rate](#) – links to file forms
 - [Applicant Process](#) – step-by-step program information
 - [Search Tools](#) – tools to search for program data



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E-rate Fundamentals

Thank you!

E-rate Program Applicant Training

Opening Remarks

September – November 2016

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Who is Craig Davis?

- Background
 - USAC for 12 years
 - Director, High Cost Program
 - VP, Rural Health Care
- Personal Philosophy
 - Stakeholders come first
 - How can I help

FY 2016 Was Very Challenging

- Adjusting to a New System (EPC)
- Application Process hurdles
- Two Filing periods
- Pace of Commitments
- Stakeholder information not timely available

Thank You For Your

- Patience
- Understanding
- Feedback
- Solutions
- Perseverance

FY 2016 Results

- There was sufficient funding to meet all demand for C1 and C2 requests and the FCC directed USAC to fully fund all eligible requests.
- To date (through Wave 13), we have issued decisions on 26,842 applications (59% of total) for over \$579.8 million.
- Direct BEAR payments to applicants.

How FY 2017 Will Be A Better Experience

- Stakeholders will be involved sooner
- We are all more familiar with the systems
- Profile already established in EPC
- FCC Form 471 applicant information pre-populated
- One filing window
- Application review will start earlier
- Funding decisions will come sooner and faster

Training Agenda Highlights

- Portal and EPC demo and benefits
- Direct BEAR payment to applicants process
- How to prepare for audits and what you need
- Fiber basics and rules you must know

Training Themes

- Partnering for Success
 - You are a part of the solution
 - You define success
- We are here to help
 - Outreach and education
 - Act on your input
- Benefits
 - Better solutions
 - Successful process changes



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Opening Remarks

QUESTIONS?



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Opening Remarks

Thank you!



E-rate Program Applicant Training

EPC Fundamentals

September – November 2016

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Overview

- What is EPC?
- What do I need to begin using EPC?
- How do I log in for the first time?
- How do I navigate to and complete the actions I want to take?
- Where can I go for help?

What is EPC?

- EPC is the E-rate Productivity Center – the main point of contact for applicants with the E-rate Program
 - Complete and certify program forms including FCC Forms 498, 470, 471 and 486
 - Obtain the status of applications and requests
 - Submit appeals and post-commitment change requests (e.g., SPIN changes and service substitutions COMING SOON)
 - Receive timely reminders and notifications
 - Respond to PIA questions
 - Ask USAC questions

What do I need to begin using EPC?

- Organization account
 - Independent school
 - Independent library
 - School district
 - Library system
 - Consortium

NOTE: There are also accounts for service providers and for consultants.

- Account administrator

What do I need to begin using EPC?

- Organization account
 - Your organization account contains information about your organization and any related organizations.
 - The information for each organization is located in its profile.
 - Profiles for individual schools are managed through the school district profile.
 - Profiles for library branches are managed through the library system profile.
 - Consortium members manage their own profiles, and the members are listed in the consortium profile.

What do I need to begin using EPC?

- Account administrator
 - The account administrator can:
 - Create other users on the organization account.
 - Assign user rights (permissions) to those users.
 - Full rights – view, complete, and certify program forms, update profile information.
 - Partial rights – view and complete program forms, update profile information.
 - View-only rights – view program forms and profile information.
 - Update his or her own rights.

How do I log in for the first time?

- First, USAC sets up accounts for the following (if they do not already exist):
 - The organization.
 - The individual schools or library branches that belong to the organization, if any.
 - The account administrator.
 - The account administrator must go to **portal.usac.org**, create a password, log in to EPC, and accept the terms and conditions of EPC use before he or she can take any actions.
 - Account users created by the account administrator must go through the same process (create, log in, accept).
-



News Tasks (108) **Menu Bar** Ane Shelton - Applian

My Landing Page

Funding Request Report | FCC Form 470 | FCC Form 471 | FCC Form 488 | Appeal | Manage Users | Manage Organizations | USAC Website | Contact Us | Help

Quick Links

USAC UAT
Welcome, Library System 13001!

Notifications

Notifications

Generated Date Generated By Generated On

No items available

My Entities

My Entities

Number	City	State	Zip Code
	Washington	DC	20036
	Alexandria	VA	23257
Library 2 in System 13001	Alexandria	VA	23687
Library 3 in System 13001	Alexandria	VA	23171
Library 4 in System 13001	Alexandria	VA	23159

1-5 of 11

My Tasks

My Tasks

Received	Status	Deadline
3/20/2016 7:40 PM EDT	Accepted	
3/30/2016 12:15 PM EDT	Accepted	
4/27/2016 4:04 PM EDT	Accepted	
4/28/2016 2:38 PM EDT	Accepted	
5/10/2016 11:15 AM EDT	Accepted	
5/12/2016 4:58 PM EDT	Accepted	
5/16/2016 9:27 AM EDT	Accepted	
5/23/2016 1:12 PM EDT	Accepted	
5/23/2016 1:13 PM EDT	Accepted	
6/9/2016 2:42 PM EDT	Accepted	

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Customer Service Cases

Customer Service Cases

Date Created

6/22/2016 5:40 PM EDT

FCC Forms

FCC Forms

Form Type: FCC Form 470

Status: All, Incomplete, Certified

Number Funding Year Status

No items available

My Landing Page - Navigation



Menu Bar

- The News tab contains your “letters,” other notifications from USAC (e.g. FCDL), and information on program activities – for example, if someone certifies a form.
- The Tasks tab includes actions for someone in your organization to do, such as respond to PIA requests.
- The Records tab features lists of related groups, such as applicants, service providers, and program forms.



Menu Bar (continued)

- At this point, the Reports tab is limited to landing pages and RAL modification requests, but other reports can be added later.
- Actions include things you can do, such as submitting a customer service request or exporting FCC Form 470 or 471 data.

[Funding Request Report](#) | [FCC Form 470](#) | [FCC Form 471](#) | [FCC Form 486](#) | [Appeal](#) | [Manage Users](#) | [Manage Organizations](#) | [USAC Website](#) | [Contact Us](#) | [Help](#)

Quick Links

- Quick links to actions you can take
 - File a program form (FCC Forms 470, 471, 486)
 - Manage users (edit, create, change permissions)
 - Manage organizations (edit information)
 - Contact us (open a customer service case)

Notes on filing program forms

- FCC Forms 470, 471, 486 can be filed from:
 - The links below the menu bar – OR –
 - The parent organization’s main page (click “Related Actions” and then the appropriate form, or click “FCC Forms” and then the appropriate button at the top of the page)
- FCC Form 498 can be filed from the parent organization’s main page by clicking “Related Actions.”
 - Only the school or library official or general financial contact will be able to see the FCC Form 498 link.

Notes on filing program forms

- FCC Form 472 (BEAR) must be filed in the legacy system (from the [Forms](#) page on the USAC website).
- FCC Form 500 must be filed on paper for now.

Other program forms:

- FCC Form 474 (SPI), a service provider form, must be filed in the legacy system.
- FCC Form 473 (SPAC), a service provider form, must be filed in the [E-File System](#).

Notifications

Notification Type: ▼

Funding Year: ▼

Wave Number: ▼

Status ⓘ All
 Generated
 Not Generated

Notification	Description	Issued Date	Generated By	Generated On

Notifications

- From this section, you can search for, generate, and view notifications such as a Funding Commitment Decision Letter or FCC Form 486 Notification Letter.

My Entities

Entity	Entity Number	City	State	Zip Code
Library System 13001	8810	Washington	DC	20036
Library 1 In System 13001	9077	Alexandria	VA	23257
Library 2 In System 13001	9079	Alexandria	VA	23687
Library 3 In System 13001	9081	Alexandria	VA	23171
Library 4 In System 13001	9083	Alexandria	VA	23159

1-5 of 11

My Entities

- From this section, you can access and edit profile information for each of your entities (individual schools, library branches, non-instructional facilities, annexes).

My Tasks			
Name	Received	Status	Deadline
Edit Form 471 Application	3/20/2016 7:40 PM EDT	Accepted	
Create FCC Form 470	3/30/2016 12:15 PM EDT	Accepted	
Edit Form 471 Application	4/27/2016 4:04 PM EDT	Accepted	

My Tasks

- From this section, you can access tasks that need to be completed, such as certifying a form.
- If you start but do not certify a form, the system will create a task for you to return to and finish your work from where you left off.

Customer Service Cases				
Case ID	Topic	Nickname	Status	Date Created
2400341	FCC Form 472 - BEAR	kuguiyguig	Pending	6/22/2016 5:40 PM EDT

Customer Service Cases

- EPC users can file customer service cases, which are requests sent to the Client Service Bureau (our call center).
 - To create a case, go to the Actions tab in the Menu Bar and choose “Contact Us.”
 - You can ask a question, provide information, or make certain requests.

Customer Service Cases					
Case ID	Topic	↑	Nickname	Status	Date Created
2400341	FCC Form 472 - BEAR		kuguiyguig	Pending	6/22/2016 5:40 PM EDT

Customer Service Cases

- From this section, you can view a customer service case that you have already submitted, track USAC actions on the case, attach documentation, and/or ask follow-up questions.
- More interactivity is possible than with the [Submit a Question](#) function.

FCC Forms

Form Type:

Funding Year:

Status: All
 Incomplete
 Certified

Nickname	Application Number	Funding Year	Status
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FCC Forms

- From this section, you can search for and view program forms started and/or certified by your organization.

How to submit RNL modifications

- USAC issues a Receipt Notification Letter (RNL) in the News feed immediately after an FCC Form 470 is certified.
- Applicants can submit modifications to the form, including adding an RFP document.
- Navigate to the specific form and select the application.
- Under “Related Actions,” choose the specific modification you want to make.
- Complete and submit the information requested.

How to submit RAL modifications

- USAC issues a Receipt Acknowledgment Letter (RAL) in the News feed immediately after an FCC Form 471 is certified.
- Applicants can submit modifications (Submit Modifications).
 - Navigate to the specific form and select it.
 - Under “Related Actions,” choose “Submit Modification Request (RAL).” You can submit one or multiple modifications by navigating to the appropriate section(s) of the request.

How to respond to PIA questions

- During USAC's review of an FCC Form 471, USAC may have questions for the applicant.
- USAC notifies the applicant of the questions through email to the contact person and an item in the News feed.
- The person who will answer the questions goes to Records and enters the application number to access the questions.
- All questions must be answered before the response can be submitted.

How to submit appeals

- Applicants can appeal a USAC decision.
 - Click “Appeal” in the list of options just under the menu bar on the landing page. -OR-
 - Under the organization’s profile page, click “Related Actions” from the left-hand menu and “Create Appeal” from the list of options.
 - Identify the FRN(s) and provide the information requested.
 - Receipt confirmation sent (COMING SOON)


Where to go for help

- Call the Client Service Bureau at (888) 203-8100 for help with the following:
 - Verifying accounts and account administrators
 - Updating profile information
 - Creating new users and updating existing users
 - Linking organizations
 - General questions about the portal

Where to go for help

- Visit the USAC website for the following:
 - Glossary of terms
 - Frequently asked questions
 - Applicant user guides
 - Video tutorials
 - Copy of the portal terms and conditions

Apply for E-rate page



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ABOUT THE PROGRAM

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- [Eligible Services List](#)
- [Document Retention](#)
- [Appeals & Audits](#)
- [Glossary of Terms \(PDF\)](#)
- [FAQs](#)

RESOURCES & TOOLS

- [Apply for E-rate Forms](#)
- [Blog: File Along with Me Reference Area](#)
- [Search Tools](#)
- [Latest News](#)
- [Samples & Examples](#)
- [Trainings & Outreach](#)
- [Submit a Question](#)

APPLICANT PROCESS ▼

SERVICE PROVIDER PROCESS ▼

APPLY FOR E-RATE

FY2016 Filing Window
EPC Maintenance Schedule

Welcome to the E-rate Program! This program provides discounts for Wi-Fi, high-speed broadband, and telecommunications services for schools and libraries throughout the country. There are four steps to receive funding:

- Request bids for service,
- Apply for funding,
- Start receiving services, and
- Invoice USAC.

View the [application process flowchart](#) to keep track of where you are in the process.

[We're here to help!](#) If you need assistance at any step of the process, please feel free to contact us.

Service providers should see our section on [E-rate for Service Providers](#).

FY2016 Filing Window Is Now Closed

Returning user?

Log in to the E-rate Productivity Center (EPC) to access your forms and messages.

New users should call us at (888) 203-8100 to set up an account in EPC.

One: Request Bids for Service (FCC Form 470)

Questions?



Universal Service
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E-rate Program

Program Compliance

Fall 2016 Applicant Trainings

Washington DC • Orlando • Houston • Philadelphia • Minneapolis • St. Louis • Seattle • Los Angeles

Overview

- Know Your Role
- Fair and Open Competition
- Document Retention

Applicants

- Register in the E-rate Productivity Center (EPC)
- File FCC Form 470 and attach RFP documents
- Evaluate bids and select the winning service provider, using price of the eligible products and services as the primary factor in your selection process.
- File FCC Form 471 during the application window
- Respond to inquiries from PIA
- File FCC Form 486
- File FCC Form 498 and file FCC Form 472 (BEAR) if applicable
- Document your compliance with FCC rules on an on-going basis.
- Retain documentation for at least ten years from last date of service delivery.

Service Providers

- Register in the E-rate Productivity Center (EPC)
 - Respond to FCC Forms 470 and RFPs.
 - May assist applicants with preparing their funding request information.
 - May provide technical answers to questions regarding specific goods and services requested but NOT on competitive bidding questions.
 - Must file FCC Form 473, Service Provider Annual Certification Form.
 - Must file FCC Form 474, Service Provider Invoice, if applicable.
 - Should document your compliance with FCC rules on an on-going basis.
 - Must retain documentation for at least ten years from last date of service delivery.
-

Consultants

- Register in the E-rate Productivity Center (EPC)
- Obtain a Consultant Registration Number to be included on all FCC forms where you have provided assistance to schools and libraries with their E-rate applications for a fee.
- Follow the role of your client – either applicant or service provider.
- Avoid conflicts of interest.
- Document your compliance with FCC rules on an on-going basis.
- Retain documentation for at least ten years from last date of service delivery.

The Competitive Bidding Process

- Must be a **fair and open** process.
- Avoid conflicts of interest.
 - Applicant consultant ↔ Service Provider
 - Applicant ↔ Service Provider
- Open competition and bid evaluation.
- Follow all rules – FCC and state/local.
- Read the FCC Form 470/RFP responses and contract fine print.
- [6th Report and Order](#) provides further clarifications and examples of rule violations.

FCC Form 470

- Indicates the services and categories of service which entities are seeking.
 - Must be posted for at least 28 days.
 - Must include RFP and RFP documents if issued (FCC Form 470 requires an RFP if you are requesting dark fiber or self-provisioned fiber).
 - Must indicate “or equivalent” when specifying a manufacturer
 - Indicates any special requirements and/or disqualification factors (Listed on FCC Form 470 narrative and/or RFP).
 - Indicates who will be receiving the services.
 - Exemption from FCC Form 470 filing for Low Cost High Speed Internet Access, when applicable
-

Fair and Open Competition

Only Applicants Can:

- Determine the types of service you will seek on an FCC Form 470.
- Prepare and fill out the FCC Form 470.
- Sign and certify FCC Form 470.
- Negotiate with prospective bidders.
- Run the competitive bidding process.

Fair and Open Competition

Applicants Cannot:

- Have a relationship with service providers that would **unfairly influence** the outcome of the competition.
 - Furnish service providers with inside competitive information.
 - Have ownership interest in a service provider's company competing for services.
 - Violate applicant's own ethical regulations policy.
 - Fail to describe the desired products and services with sufficient specificity to enable interested parties to bid.
 - Receive gifts or donations from service providers that violate FCC rules or seek to circumvent FCC rules.
 - Violate state and/or local procurement rules
-

Fair and Open Competition

Applicants and Service Providers Can:

- Have pre-bidding discussions.
 - Discuss new product offerings.
 - Teach applicants about new technologies.
 - Present product demonstrations.
- Provide or receive *de minimis* items.
 - Modest refreshments, not offered as a part of a meal.
 - Items with little intrinsic value such as certificates and plaques.

Requests for Proposal

- FCC rules refer to RFPs generically but they may have a variety of names (Request for Quotes, Scope of Work, Summary of Projects, Instructions to Bidders, etc).
- FCC rules do not require RFPs but State and local procurement rules may require RFPs. Must be available to bidders for at least 28 days.
 - Applicants must count 28 calendar days from whichever (FCC Form 470 or RFP) was posted or available last.
 - **Example:** RFP posted on December 1, FCC Form 470 posted on December 15; **December 15 starts the 28-day count**
 - If you issue an RFP, the RFP and all other supporting documents must be attached to the FCC Form 470 in EPC. EPC will require an RFP to be uploaded when you are requesting support for leased dark fiber or self-provisioned fiber.

FCC Form 470 and RFP Issues

Applicants must:

- Ensure that they post for the correct service type, Category One vs. Category Two
- Provide sufficient detail in FCC Form 470 to enable service providers to formulate bids.
 - Cannot provide **generic descriptions** (e.g., all eligible telecom services, Digital Transmission Services).
 - Cannot provide **laundry lists** of products and services.

Imposing Restrictions

- Cannot list specific make and model of services sought without also allowing equivalent products and/or services to be bid.
 - “XYZ manufacturer's router model 345J or equivalent”
- Applicants may set some eligible service requirements.
 - Applicants may require service providers to provide services that are compatible with one kind of system over another (e.g. Brand X compatible).
- Bidder disqualification criteria must be spelled out in FCC Form 470 and/or RFP and be available to all.

Bid Evaluation

- Retain all vendor selection documentation for at least **ten** years from the last date to receive service.
 - Winning and losing bids, correspondences, memos, bid evaluation documents, etc.
- Price of the eligible goods and services must be the primary factor or the most heavily weighted overall in any tier.
 - [USAC sample evaluation matrix](#) available
- Evaluation begins after 28-day waiting period.
- Service providers may not pay for applicant's termination charges incurred in breaking a contract.

Most Cost-Effective

- Selecting the winning bidder
 - Price of the **ELIGIBLE** goods and services must be the primary factor in the bid evaluation.
 - Other factors, including other price factors, can be considered as well; but they cannot be weighted equally or higher than cost of the eligible goods and services.
 - See [Construct An Evaluation](#) for weighting samples.

Cost-Effectiveness

- *Ysleta Order*, para. 54: Example: Routers priced at two or three times greater than the prices available from commercial vendors would not be cost-effective, absent extenuating circumstances.
- Receiving only one bid does not automatically make it cost-effective.

Cost-Effectiveness cont'd

- Applicants must be able to demonstrate why a solution with higher than average pricing is cost-effective.
- Applicants will need to CERTIFY on FCC Form 471 that all bids submitted were carefully considered, the most cost-effective bid was selected with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology goals.

Cost-Effectiveness

- Service providers may work with applicants to help them understand the technical needs for this expensive solution.
- When placing bids to offer E-rate supported services, service providers must offer E-rate applicants their lowest corresponding, and must charge E-rate applicants their lowest corresponding price.
- *E-rate Modernization Order* –Effective FY2015 and later, funding for individual data plans and air cards are generally not cost-effective unless applicants can demonstrate that the purchase of such services is the most cost-effective way to connect students and library patrons to the Internet.

Fair and Open Competition

Contracts

- Applicants must have a signed contract or ***other legally binding agreement*** in place prior to submitting their FCC Forms 471 to USAC.
- Applicant must not sign a contract before the Allowable Contract Award Date (ACD).
- Signed contracts constitute the best evidence that a legally binding agreement exists.
- A verbal offer and/or acceptance will not be considered evidence of the existence of a legally binding agreement.

Contracts

- During an FCC Form 471 review, when state and/or local contract law doesn't require signature and/or date, the applicant will be given the opportunity to complete a certification statement that affirms that the applicant is compliant with its state and/or local contract law.
- Tariffed or Month-to-Month service purchased under contract is contracted service.
- Purchase orders will not be considered valid unless they are considered a contract or legally binding agreement in the state in which you reside.
- Voluntary contract extensions are allowable only when the option is stated in the original provisions of the contract.
- Applicant must rebid the services (i.e., file a new Form 470) if contract extensions are not stated in the contract or RFP
- Applicants must create a contract record in their EPC profile for each contract and can upload a copy of the contract.

State Master Contracts

- A state master contract (SMC) is competitively bid and put in place by a state government for use by multiple entities in that state.
- **Single winner:** Single vendor wins the bid.
- **Multiple winners:** State awards contract to several bidders.
- **Multiple Award Schedule (MAS):** State awards contract for same goods and services to multiple vendors that can serve the same population.
 - Multiple winners always require vendor selection justification and applicants must conduct a mini-bid to award contract.

Lowest Corresponding Price

- Service providers are required to offer applicants their services at the lowest corresponding prices charged to other similarly situated customers throughout their geographic service area.
- Ensures schools and libraries in the E-rate program can receive and evaluate competing bids based on the lowest corresponding price available from vendors and are not charged more than similarly situated non-residential customers for the same services because of their E-rate participation.
- Exceptions can be made if the provider can show that they face significantly higher costs to serve this customer due to volume, mileage from facility, and/or length of contract.
- Applies to all service providers and for all service arrangements (tariff, month-to-month and contracted services).

Fair and Open Competition

Free Services

- Can't use E-rate to get free stuff (ineligible or eligible)
- Must deduct the value of the “free stuff”, discounts, trade-in etc, from the pre-discount amount in order get equal comparison between offerings
- Cost of eligible goods and services cannot be inflated to cover the “free” ineligible stuff

Gifts

- Receipt or solicitation of gifts by applicants from service providers (and vice versa) and potential service providers is a competitive bidding violation.
- Service providers may not offer or provide any gifts or thing of value to applicant personnel involved in E-rate.
- Gift prohibitions are always applicable, not just during the competitive bidding process.
- Must always follow FCC rules and any applicable state/local rules.

Gift Rule Exceptions and more

- Items worth \$20 or less, including meals, if the value of these items received by any individual does not exceed \$50 from one service provider per funding year.
- Gifts to family and friends when those gifts are made using personal funds of the donor and not related to a business transaction or relationship.
- Charitable donations not directly or indirectly related to an E-rate procurement, and not intended to circumvent any other FCC rule.
- Cure violations by promptly returning any item or paying the donor its market value.
- Prizes at conferences are subject to the \$20/\$50 rule.
- Counted per funding year.

Necessary Resources

- CERTIFICATION states: The entities listed on the FCC Form 471 application have secured access to all of the resources, including computers, training, software, maintenance, internal connections, and electrical connections, necessary to make effective use of the services purchased. The entities listed on the FCC Form 471 will pay the discounted charges for eligible services from funds to which access has been secured in the current funding year or, for entities that will make installment payments, they will ensure that they are able to make all required installment payments. The billed entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

Necessary Resources

- Does the applicant's E-rate-supported purchase of internal connections (i.e., number of drops) match the number/capacity of the computers it owns or has budgeted to purchase, e.g., within 2 years?
- Does it have (or has it budgeted to purchase) the software needed to utilize its computers?
- Is the applicant's staff trained to use its technology or have funds been budgeted to provide such training?
- Is there sufficient electrical capacity or a budget to secure it?
- Has the applicant budgeted enough funds to maintain all of the equipment?

Paying Non-Discount Share

- All E-rate applicants must pay their non-discount share.
- Service providers cannot give the money (directly or indirectly) to pay for the non-discount share.
 - Cannot be a charitable donation from the provider or an entity with which the selected service provider has a relationship.
 - Funds cannot come from the service provider or an entity controlled by the service provider.
 - Service provider bills can't be ignored or waived.
 - If applicant can't show proof of payment during invoice review, invoice may be denied.

Document Retention Timeframes

- 10 years from last date to receive service.
 - FY 2016: this is at least **June 30, 2027**
- Any document from a prior year that supports current year must be kept until 10 years from last date to receive service as well.
 - E.g., Contract from 2010 for recurring services, used to support FY 2016 FRNs, must be kept until at least **June 30, 2027**
- Documents may be retained in electronic format or paper and must be disclosed upon request.

Examples of Documentation to Retain

- Copies of bids.
- Contracts signed with service providers.
- Correspondence with service providers regarding bidding process.
- Copies of bid matrix or decision process for selecting winning bid.
- Proof of delivery of the service.
- Documentation of any service down time.
- Logs of maintenance performed.
- Documents that support cost allocation of funds for eligible services.



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Questions?



With questions, please contact us!

Phone: (888) 203-8100

Fax: (888) 276-8736

Website: www.usac.org/sl



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E-rate Program Applicant Training

Filing the FCC Form 470

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FCC Form 470

- Before you start
- Form section overview:
 - Basic Information
 - Service Requests
 - Technical Contact Information
 - Procurement Information
 - FCC Form 470 Review
 - Certifications & Signature

Log in to EPC

- Information from your profile is automatically populated in the appropriate place(s) on your form. Review your information and make any necessary corrections or updates.
 - Contact information (name, address, telephone)
 - Information on related entities (schools in your school district, library branches in your library system)
 - Consortium members (consortia should verify that they have a complete list on their profile)
- Prepare attachments (e.g., RFPs) for uploading

Basic Information

- From your landing page, click “FCC Form 470” at the top of the page.
 - Paperwork Reduction Act notice
 - *Billed entity information
 - Create application nickname
 - *Application type, recipients of service (number and list), consultant information
 - Identify main contact person

*Items marked with an asterisk are populated from the profile.

Service Requests

- Choose Category One and/or Category Two
- If you indicate that there is an RFP, upload it.
 - You can indicate that the RFP applies to all new services in the category, or apply it selectively when you enter them.
 - Add service requests for your desired services.
 - You must describe the desired products and services with enough specificity to enable interested parties to bid.

Service Requests (continued)

- Write a narrative to describe the services.
- Choose service type, function, quantity, etc. – if you are not sure, provide your best estimate.
- The system creates a table of your requests so you can review and edit them.
- Note: If you are looking for a specific manufacturer, the system will automatically add the text “or equivalent” to your choice, as you must consider equivalent alternatives in your bid evaluation.

Technical Contact Person

- If you have chosen someone other than the contact person to provide additional technical details or answer specific questions, provide that information here.
 - You can choose a user on your account or provide contact information for someone who does not have access to EPC.

Procurement Information

- Identify any state or local procurement requirements that are applicable to this procurement in the text box provided.

Certification

- The certifier must check each of the certifications.
- Read them carefully to be sure that you can truthfully certify to each of them.
- Within a few minutes after you click “Certify,” the system will generate your Receipt Notification Letter (RNL) and post it in your News feed.

RNL Modifications

- You can make the following changes to your form after it is certified:
 - Edit application nickname.
 - Add an RFP document.
 - Change main contact person.
 - Edit technical contact.
- To submit a change, access the form, choose “Related Actions,” and then choose the change you want to make.



QUESTIONS?



Thank you!

E-rate Program Applicant Training

Eligible Services

September – November 2016

- FY2017 Eligible Services List (ESL)
- Category One
 - Broadband
 - Voice Services
- Category Two
 - Internal Connections
 - Managed Internal Broadband Networks
 - Basic Maintenance of Internal Connections
- Miscellaneous
- Pricing Transparency



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Eligible Services

FY2017

Eligible Services List

FY2017 Eligible Services List Updates

- ESL released September 12, 2016 ([DA 16-1023](#))
 - Provides an explanation and definition of “campus” distinguishing between:
 - (1) connections between instructional buildings on a single school campus that are Category Two internal connections; and
 - (2) connections between instructional buildings of a single school that are on separate campuses and connections between different schools, both of which are considered part of a WAN and are Category One services.
-

Eligible Services

Category One

Eligible Data Transmission Services and Internet Access

- Fiber (Leased Lit and Leased Dark)
- OC-1, OC-3, OC-12, OC-n
- Wireless Service (e.g. microwave)
- Satellite Services
- DS-1, DS-2, DS-3
- Ethernet
- T-1, T-3, Fractional T-1
- Frame Relay
- SMDS
- Cable Modem
- DSL
- ATM
- Telephone Dialup
- Broadband over Power Lines
- Self-provisioned Broadband Networks

Voice Phasedown

- Voice phasedown is still in effect.
- For FY2017, the reduction to voice services is 60 percentage points.



Discount %	FY2015	FY2016	FY2017	FY2018	FY2019
	- 20	- 40	- 60	- 80	- 100
90	70	50	30	10	0
80	60	40	20	0	0
70	50	30	10	0	0
60	40	20	0	0	0
50	30	10	0	0	0
40	20	0	0	0	0
30	10	0	0	0	0
25	5	0	0	0	0
20	0	0	0	0	0

Voice Phasedown – More Information

- Circuits are subject to the voice phasedown if any portion of the circuit is dedicated to voice.
 - Circuits wholly dedicated to voice such as PRIs and SIP trunks are fully subject to the phasedown.
 - A T-1 used for voice is subject to the phasedown if any of the channels are dedicated to voice.
- If voice service is running over a data circuit with no portion of the circuit dedicated to voice, the circuit is not subject to the phasedown.

Eligible Voice Services Subject to Phasedown

- Local, long distance, 800 service
- POTS
- Interconnected VoIP
- Circuit capacity dedicated to providing voice service
- Centrex
- PRI/ISDN
- Radio Loop
- Satellite telephone service
- Shared telephone service
- Wireless telephone service including cellular voice
 - Data and text messaging must be cost allocated

Eligibility Limitations for Internet Access

- A firewall service that is a standard component of an Internet access service does not require cost allocation.
- A standalone firewall service either provided by a third party or priced out separately is only eligible as a Category Two internal connections component.
- Off-campus use, even if used for an educational purpose, is ineligible for support and must be cost allocated out of any funding request.

Eligibility Limitations for Data Plans for Portable Devices

- Since FY2015, data plans and air cards for mobile devices are eligible only where the school or library demonstrates that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices.
- Applicants need to compare the cost of data plans or air cards for mobile devices to the total cost of all components necessary to deliver connectivity to the end-user device (including the cost of Internet access and digital transmission service to the school or library).

Eligibility Limitations for Data Plans for Portable Devices

- Eligibility requirements:
 - Seeking support for data plans or air cards for mobile devices for use in a school or library with an existing broadband connection and WLAN implicates the E-rate program’s prohibition on requests for duplicative services.
 - Must be able to demonstrate either that installing a Wireless Local Area Network (WLAN) is not physically possible or
 - Must be able to provide a comparison of the costs to implement an individual data plan versus WLAN solution.
 - “The cost comparison may be established through the competitive bid process of seeking and comparing bids on both WLANs and individual data plans.”

Cost Comparisons for Data Plans for Portable Devices

- The comparison may include the recurring cost of current broadband connection.
- The comparison may not include likelihood of receiving Category Two support.
- Program rules require applicants to use the pre-discount cost of the service and not the post-discount cost when evaluating price as the primary factor.

Cost Allocations for Data Plans for Portable Devices

- Request must be for services that will be in use, must not be for duplicative services, and must cost allocate off-campus use.
- Per the 2014 Bundling Order ([DA 14-712](#)), must cost allocate ineligible non-ancillary components including, but not limited to, end user devices such as telephone and VoIP Handsets, computers, tablets, and smartphones.

Eligible Services

Category Two

Category Two Services

- Internal Connections
- Basic Maintenance of Internal Connections
- Managed Internal Broadband Services

Category Two services are subject to the Category Two five-year budget requirements.

Eligible Internal Connections

- Access points
- Cabling
- Caching
- Firewalls
- Switches
- Routers
- Racks
- UPS
- Wireless LAN Controllers
- Improvements, upgrades and software necessary to support eligible broadband internal connections components
- Functionalities listed here that can be virtualized in the cloud, and equipment that combines eligible functionalities are also eligible.

Managed Internal Broadband Services (e.g., Managed Wi-Fi)

- Services provided by a third party
 - Operation
 - Management
 - And/or monitoring of eligible broadband internal connection components
- The third party may manage the school's or library's equipment or provide the equipment as part of a lease.

Managed Internal Broadband Services (e.g., Managed Wi-Fi)

- Eligibility Limitations
 - Supports only the equipment functions listed as eligible as broadband internal connections components.
 - Upfront charges as part of the contract are eligible.
 - Any ineligible internal connections components (e.g. tablets) must be cost-allocated out.

Basic Maintenance of Internal Connections

- Support for basic maintenance of eligible internal connections such as:
 - Repair and upkeep of hardware
 - Wire and cable maintenance
 - Basic tech support
 - Configuration changes
- Support for BMIC is limited to actual work performed under the contract.

Basic Maintenance of Internal Connections

- Basic maintenance does not include:
 - Services that maintain ineligible equipment
 - Upfront estimates that cover the full cost of every piece of eligible equipment
 - Services that enhance the utility of equipment
 - Network management services, including 24-hr network monitoring
 - On-site technical support
 - Unbundled warranties
- Note: Operations and management of eligible equipment is not supported as BMIC, but is eligible as Managed Internal Broadband Services.

Miscellaneous

- Eligible Charges
 - Taxes, surcharges and other similar reasonable charges
 - Lease fees to rent or lease eligible components
 - Shipping charges
 - Training
 - Installation and configuration
 - Installation may be provided by a third party



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Eligible Services

Pricing Transparency

Increasing Pricing Transparency

- Transparency requirements for both E-rate recipients and service providers began in FY2015.
- Provides greater visibility into pricing and technology choices.
- Improves analyses performed by the FCC, state coordinators and third parties regarding the program's effectiveness and potential improvement of cost-efficient purchasing.
- Help identify best practices for purchasing and reducing waste.

Increasing Pricing Transparency

- In order to create pricing transparency, “Item 21” information entered in the FCC Form 471 is publicly available through two tools: [View/Download FCC Form 471 for FY2016](#) and [Download FCC Form 471 Information \(FY2015\)](#).
- Contracts executed after 9/18/2014 may not contain any restriction barring publication of this pricing data.
- Applicants may opt out of this public disclosure requirement only if a specific state law or statute, local rule, or other restriction, such as a court order or pre-existing contract, bars publication of the purchasing price data.



Questions?



Thank you!



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E-rate Program Applicant Training

Filing the FCC Form 471

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FCC Form 471

- Before you start
- Form section overview:
 - Basic Information
 - Entity Information
 - Funding Requests
 - Connectivity Information
 - Certify

Log in to EPC

- Information from your profile is automatically populated in the appropriate place(s) on your form. Review your information and make any necessary updates.
 - Contact information (name, address, telephone)
 - Information on related entities – e.g., student counts for school(s), library square footage for library branch(es), school or library attributes (e.g., public, private, tribal)
 - Consortium members (consortia should verify that they have a complete list of members on their profile).

Log in to EPC (continued)

- Contracts - Create a contract record for any new contracts and can upload the contract in EPC.
 - Contract records from past years are available in your profile.
- Connectivity Questions - Answer connectivity questions about current broadband connections and barriers to obtaining faster connections. Update ONLY if there are changes from previous year.
- All of this information must be completed in your profile prior to applying for funding or you will be stopped during the process of completing your FCC Form 471 and asked to return to your EPC profile to provide it.

Basic Information

- From your landing page, click “FCC Form 471” at the top of the page.
 - Paperwork Reduction Act notice
 - *Billed entity information
 - Create application nickname
 - *Consultant information
 - Identify main contact person
 - Enter holiday/summer contact information (optional)
 - Choose Category One or Category Two

*Items marked with an asterisk are populated from the profile.

Entity Information

- *List of entities (schools in the district or libraries in the system) and discount calculations based on the information featured in those entity profiles.
 - If any of this information is incorrect, you must correct it in your profile or the profiles of your entities.
 - Consortia – the discount calculated for the services on this application depends on the discounts of the consortium members you identified as sharing the services. The calculated discount can change from form to form but not within a form.
 - Choose Category One or Category Two
- *Items marked with an asterisk are populated from the profile.

Funding Requests

- Create one or more funding requests (Funding Request Numbers or FRNs). Funding requests are specific to a service type and SPIN. For each FRN:
 - Create a nickname.
 - Identify the contract record if there is a contract.
 - Indicate if this is a fiber request. (We will cover the options for fiber requests in detail later today.)
 - For each FRN, create one or more FRN line items to provide detailed information for all the services and costs featured on the FRN.

Funding Requests (continued)

- Provide additional information requested on the form, for example:
 - Identify the FCC Form 470 number or the specific exemption for high-speed low-cost Internet access.
 - Provide the number of vendors who submitted bids.
 - If there is a pricing restriction, describe it and its source.
 - Indicate whether the applicant has entered into an installment payment plan for the non-discount portion of a special construction charge.

Connectivity Questions

- *Connectivity information and barriers to high-speed connectivity for school districts or library systems as a whole and also for their individual schools or library branches.
 - If you have already completed/updated this information in your profile, it will display in this section.
 - If this information is missing or incorrect, you must return to your EPC profile to provide or correct it.
- *Items marked with an asterisk are populated from the profile.

Review FCC Form 471

- After the Connectivity Questions section, the system will create a PDF of the form with the information you have provided, and a task in your Task menu to review the form.
 - You can review the PDF and either return to the form to certify it yourself (if you have full rights) or send it for certification (if you don't have full rights or if you want someone else in your organization to certify it).
- If you send the form for certification, all full-rights users will receive a task to certify the form.

Certification

- The person certifying the form should also review the PDF version of the form. That person can continue with the certification process or reassign the form to other user groups for revisions.
- Once the review is complete, the person certifying the form must return to the form and check all of the certifications.
- Read them carefully to be sure that you can truthfully certify to each of them.

Certification (continued)

- The certifier will receive an immediate confirmation on the screen that that form has been successfully certified.
- Within a few minutes after the certifier clicks “Certify,” the system will generate your Receipt Acknowledgment Letter (RAL) and post it in your News feed.
- Review your letter and the form. (There is a link to the form at the bottom of the RAL.)
- If information is incorrect, you can submit a RAL modification.

RAL Modifications

- To submit RAL modifications, navigate to the form in EPC, choose “Related Actions,” then choose “Submit Modification Request (RAL).”
 - Click the “Application” button to modify application details or funding request details.
 - Click the “Entity” button to modify information on the billed entity or the related entities.
- NOTE: RAL modifications are incorporated into the PIA review process. They will not show up in the original view of the FCC Form 471.



QUESTIONS?



Thank you!



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E-rate Program Applicant Training

Invoicing 2016

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Agenda

- FCC Form 498
- FCC Form 472 (BEAR)
- PIN
- Invoice Review Issues
- Deadlines



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Invoicing 2016

FCC Form 498

FCC Form 498: Purpose and What You Need

- Purpose: FCC Form 498 used to collect contact and banking information that USAC will use to deposit BEAR reimbursements to applicants that receive universal service support
- What you need for the FCC Form 498
 - Contact information
 - Applicant identification numbers
 - Banking information

What You Need: Contact Information

- Two types of contacts for financial information
 - (1) School or Library Official
 - Someone who occupies a position of authority for the school, library, district or county, or consortium applicants, and would typically be a Superintendent, Assistant Superintendent, Principal or Assistant Principal, Library Director, County or District Administrator, or state education department or state library leads
 - Must be authorized to certify that the data set forth in the FCC Form 498 is true, accurate, and complete
 - Note: This CANNOT be a consultant

What You Need: Contact Information

- Two types of contacts for financial information (cont.)

(2) General Financial Contact

- Someone authorized to retrieve the FCC Form 498 information on file with USAC and access EPC
- This person will also be able to create and edit these forms, but cannot certify updates (School or Library Official must certify)

What You Need: Applicant Identification Numbers

You will need three identification numbers:

(1) Federal Employer Identification Number (EIN/Tax ID)

- Note: This EIN/Tax ID must match information on file with FCC (FRN)

(2) DUNS Number

(3) FCC Registration Number (FRN) or (CORES ID)

What You Need: Applicant Identification Numbers

- DUNS Number
 - **DUNS** (Data Universal Numbering System or D-U-N-S), is a proprietary system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a "DUNS number," to a single business entity upon request.
 - D&B will issue a DUNS number for FREE to any business required to register with the federal government for contracts or grants
 - Before applying, check to see if your organization already has a DUNS number. You can search for your organization in D&B's online database:
<https://iupdate.dnb.com/iUpdate/companylookup.html> or call (866) 705-5711

What You Need: Obtaining a DUNS Number

- DUNS number (cont.):
 - To obtain a DUNS number, you can apply online through D&B's website:
<http://www.dnb.com/get-a-duns-number.html>
 - You will need:
 - Name & address of organization
 - Name of the chief executive officer (CEO) or organization owner
 - Legal structure of the organization (e.g., corporation, partnership, proprietorship)
 - Year the organization started
 - Primary type of business
 - Total number of employees (full and part-time)

Applicant Identification Section

(3) FCC Registration Number (FRN) or (CORES ID)

- An FCC Registration Number is required by all entities that do business with the FCC. If you have filed an FCC Form 471 in the last several years, you already have one because you have been required to provide it on the form.
- If you do not yet have an one, you can apply on the FCC’s CORES website: <https://apps.fcc.gov/coresWeb/publicHome.do>
- Note: It should not be confused with the “Funding Request Numbers” (FRNs) that USAC assigns to each funding request on FCC Form 471 applications.


What You Need: Bank Information

- Bank Information
 - Bank Name
 - Account Number
 - Routing Number (nine-digit number)
 - (Note the order of the fields!)
- Note: This cannot be a consultant's bank account.

What You Need: Bank Information Section


- Associated Billed Entities
 - Billed Entity Number (BEN)
 - Billed Entity Name
- Enter any BENs that will be reimbursed using this bank account number


How to Access the FCC Form 498: My Landing Page

News Tasks (11) Records **Reports** Actions  Sam IndependentLibrary1 - Appiar

My Landing Page

Funding Request Report | FCC Form 470 | FCC Form 471 | FCC Form 486 | Appeal | Manage Users | Manage Organizations | USAC Website | Contact Us | Help



Welcome, **USAC Independent Library 1!**  Click name

Notifications

Notification Type: Status: All Generated Not Generated


Funding Year:

Notification	Description	Issued Date	Generated By	Generated On
No items available				

My Entities

Click on “Related Actions”





Records / Applicant Entities

#1601000019

- USAC Independent Library 1

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[Create a New User](#) [Add or Remove Existing...](#) [Manage User Permissions](#) [...](#)

Organization Details

Name	USAC Independent Library 1	Applicant Type	Library
Entity Number	1601000019	Status	Active
FCC Registration Number	4548548545		

Contact Information

Physical Address	4280 PEMBERLEY CT WOODBRIDGE, VA 22193	Phone Number	111-111-1111
Mailing Address	4280 PEMBERLEY CT WOODBRIDGE, VA 22193	Email	ind@libr.com
		Website URL	

Account Administrator







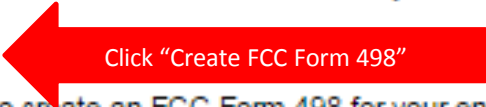
Name	Sam Independentlibrary1
------	-------------------------

Summary ▾

- News
- Related Actions**
- Customer Service
- Additional Information
- Discount Rate
- Category Two Budget
- Contracts
- FCC Forms
- FRN Appeals



Select “Create FCC Form 498”

-  **Manage General Contact**
This function allows you to designate the general contact for your entity.
-  **Manage Annexes**
This function allows you to designate an annex for an individual school or library.
-  **Manage Organization Relationships**
Process to relate an Organization to another Organization
-  **Create FCC Form 470**
This function allows you to create an FCC Form 470 for your entity.
-  **Create FCC Form 471**
This function allows you to create an FCC Form 471 for your entity.
-  **Create FCC Form 498**  Click “Create FCC Form 498”
This function allows you to create an FCC Form 498 for your entity.



Enter Form Information



- Summary
- News
- Related Actions ▶**
- Customer Service
- Additional Information
- Discount Rate
- Category Two Budget
- Contracts
- FCC Forms
- FRN Appeals

Create a FCC Form 498

In the E-rate Program, the FCC Form 498 is used by applicants who select the direct (BEAR) invoicing process. This form establishes your bank account with USAC by collecting banking and remittance information for the organization. All BENs associated with this organization and banking/remittance information should be included on this form. Submission requires School or Library Official certification.

USAC Independent Library 1 - -

Basic Information	General Financial Contact	Organization Numbers	Remittance Information	Associated BENs	Principal Communication Types	School or Library Official Certification
-------------------	---------------------------	----------------------	------------------------	-----------------	-------------------------------	--

Application Nickname

Please enter an application nickname here *

Organization Information

Name

USAC Independent Library 1

Name Company is Doing Business As (DBA) or Formerly Known As (FKA)

Holding Company Name

Mailing Address

4280 PEMBERLEY CT
WOODBIDGE, VA 22193

Federal EIN, or TAX ID Number of Holding Company

How to Modify an FCC Form 498

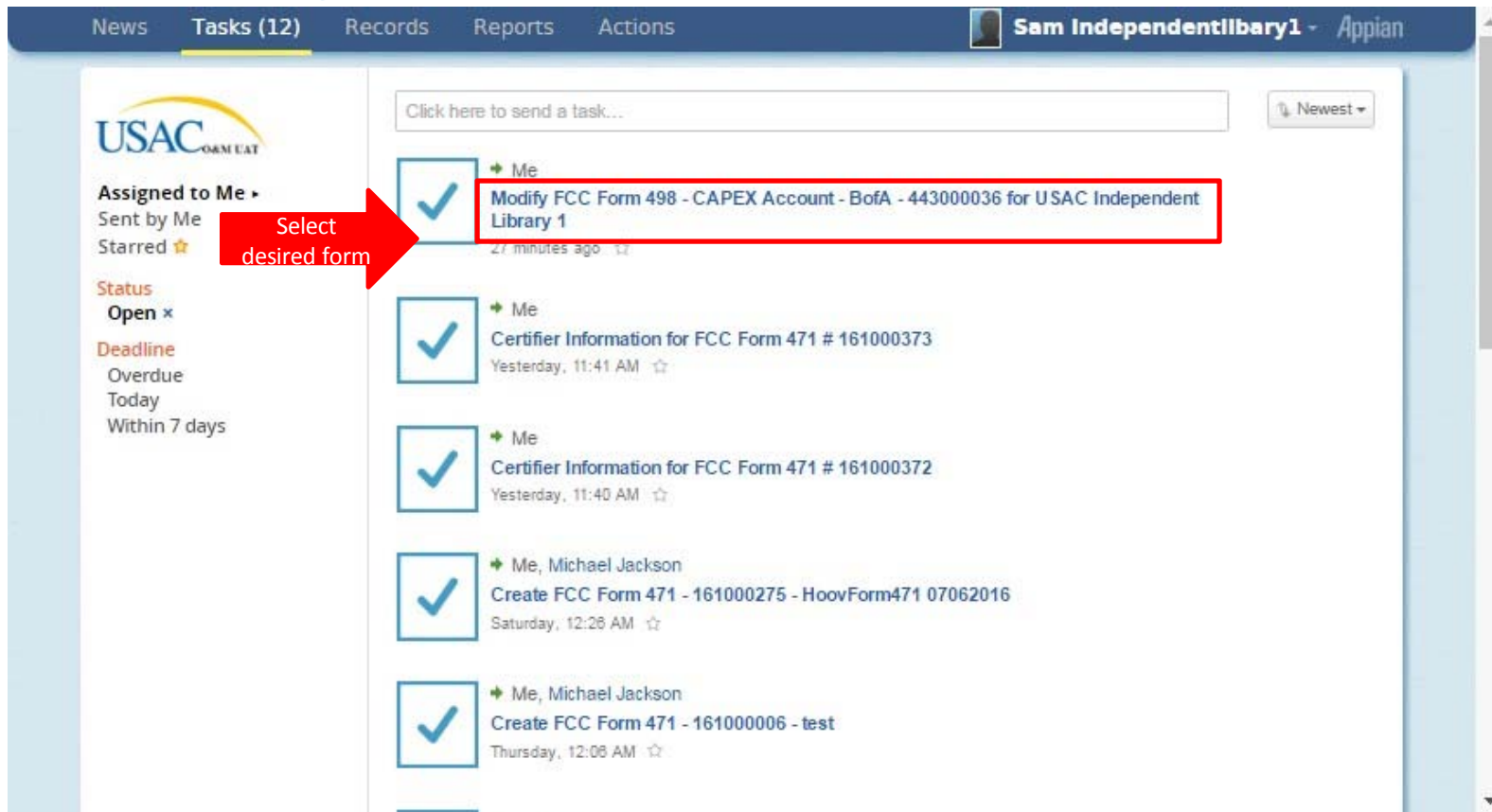


The screenshot shows a web application interface. At the top, there is a navigation bar with three tabs: 'Records', 'Reports', and 'Actions'. The 'Records' tab is highlighted with a red box. Below the navigation bar, a dropdown menu is open, listing several options. The first option, 'FCC Forms 498', is also highlighted with a red box. The other options are 'FRN Cases', 'Funding Requests', 'Knowledge Base Center', 'Service Providers', 'Users', and 'Whistleblower Cases'. Each option has a small icon to its left.

- Records
- Reports
- Actions

- FCC Forms 498
List of FCC Forms 498
- FRN Cases
Cases created for Committed Funding Requests
- Funding Requests
A list of all Funding Request Numbers (FRNs)
- Knowledge Base Center
E-rate help with FAQs, guidance documents, and videos
- Service Providers
List of Service Providers
- Users
Directory of users
- Whistleblower Cases
List of Whistleblower Cases


How to Modify an FCC Form 498: Select desired form



The screenshot displays the Appian interface for a user named Sam Independentlibrary1. The navigation bar includes 'News', 'Tasks (12)', 'Records', 'Reports', and 'Actions'. The left sidebar shows the USAC logo and filters for 'Assigned to Me', 'Sent by Me', 'Starred', 'Status', 'Open', and 'Deadline'. The main content area shows a list of tasks with checkboxes and a search bar. The first task is highlighted with a red box and a red arrow pointing to it from the text 'Select desired form'.

Task Title	Assignee	Time
Modify FCC Form 498 - CAPEX Account - BofA - 443000036 for USAC Independent Library 1	Me	27 minutes ago
Certifier Information for FCC Form 471 # 161000373	Me	Yesterday, 11:41 AM
Certifier Information for FCC Form 471 # 161000372	Me	Yesterday, 11:40 AM
Create FCC Form 471 - 161000275 - HoovForm471 07062016	Me, Michael Jackson	Saturday, 12:28 AM
Create FCC Form 471 - 161000006 - test	Me, Michael Jackson	Thursday, 12:08 AM

Select “Modify FCC Form 498”



Summary ▾
News
Related Actions
Generated Documents


Records / FCC Forms 498

CAPEX Account - BofA - #443000036

[Follow](#)

Deactivate FCC Form 498

Modify FCC Form 498



Select to Modify

Application Information

Nickname CAPEX Account - BofA	Created Date 11/5/2015 8:30 AM EST
Form Number 443000036	Created By ind1@mailinator.com
Status Certified	Certified Date 11/5/2015 8:36 AM EST
	Certified By ind1@mailinator.com
	Last Modified Date 11/5/2015 8:36 AM EST
	Last Modified By ind1@mailinator.com

General Information

Form Nickname CAPEX Account - BofA	DBA or FKA Name
Organization Name USAC Independent Library 1	Holding Company Name
Mailing Address 4280 PEMBERLEY CT WOODBRIDGE, VA 22183	Federal EIN 3256349878
	FCC Registration Number 4548548545



Edit form as needed.

Modify an Existing FCC Form 498

In the E-rate Program, the FCC Form 498 is used by applicants who select the direct (BEAR) invoicing process. This form establishes your bank account with USAC by collecting banking and remittance information for the organization. All BENs associated with this organization and banking/remittance information should be included on this form. Submission requires School or Library Official certification.

USAC Independent Library 1 - CAPEX Account - BofA - 443000036

Basic Information	General Financial Contact	Organization Numbers	Remittance Information	Associated BENs	Principal Communication Types	School or Library Official Certification
-------------------	---------------------------	----------------------	------------------------	-----------------	-------------------------------	--

Application Nickname

Please enter an application nickname here*

Organization Information

Name

USAC Independent Library 1

Name Company is Doing Business As (DBA) or Formerly Known As (FKA)

Holding Company Name

Mailing Address

4280 PEMBERLEY CT
WOODBIDGE, VA 22193

Federal EIN, or TAX ID Number of Holding Company

What happens next?

- Form reviewed by USAC
 - Requests for supporting documentation sent by email (M/W/F)
 - Banking data can be verified by a bank statement or voided check
- Form approved by USAC
 - Confirmation of approval emailed to the General Financial Contact on FCC Form 498
 - Immediate access in online BEAR

Other Information

- Who may file FCC Form 498?
 - The Billed Entity or controlling authority. The controlling authority for a school or library may be the town or county.
 - Can I use **multiple bank accounts**?
 - Yes, but you must file an FCC Form 498 for each account
 - What if **multiple BENs** are using the same bank account?
 - List all associated BENs on the FCC Form 498
 - What if **information changes** after the FCC Form 498 has already been filed?
 - Changes must be certified – please notify USAC
-



Universal Service
Administrative Co.

Invoicing 2016

FCC Form 472

FCC Form 472: Billed Entity Applicant Reimbursement

- Purpose of FCC Form 472 (BEAR)
 - Applicants file to request reimbursement for the discount amount on eligible services that have already been billed by the service provider and paid in full by the applicant to the service provider
- Recent Changes
 - Online Only (Paper BEAR was discontinued July 1, 2016)
 - No longer requires Service Provider certification
 - May require some information during invoice review
 - Applicants paid directly via electronic transfer

Direct Payment

- Payments scheduled twice a week when invoice approved – no longer two-week delay for Service Provider notification
- BEAR payments only via electronic transfer to applicant
- Billed Entities will be paid directly to bank account
- BEAR Notification Letters still issued
- Remittance Statement sent to General Financial Contact when paid

Getting a PIN

- A PIN is needed to enter the online BEAR.
- A PIN is issued automatically for contacts on FRN
- Call the Customer Service Center or submit a case in EPC to request a PIN if not automatically issued
 - Request must provide the following information :
 - BEN , Billed Entity Name, Full Name, Employer Name, Date of Request
 - Street Address, City, State, Zip Code, Zip+4
 - Email address
 - Note: Must be a user on the Billed Entity's profile. If not, contact the Account Administrator for the BEN to be added as a user

Getting a PIN

- Case will indicate when PIN has been issued
- Mailers are run and printed once a week
- May take one to two weeks
- Call Customer Support if a PIN is needed sooner

FCC Form 472 Applicant Process

- Provide service provider identification number (SPIN)
- Provide FCC Form 471 Application Number, Funding Request Numbers, Dates, Amounts for that SPIN
- Review, certify, and submit information
 - Again, no service provider certification required




FCC Form 472 – Login Screen



Applicant Login:	
BEN:	<input type="text"/>
PIN:	<input type="text"/>
Email:	<input type="text"/>
Last Name:	<input type="text"/>
<input type="button" value="Login"/>	

[Terms and Conditions of PIN Usage](#)

FCC Form 472 – Line Item View



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[New BEAR Form](#)
[Track Form](#)
[Bulk Download](#)
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[Logout](#)

Billed Entity Applicant Home Page

Incomplete Invoices associated with this PIN:


BEAR:

Invoice ID	Applicant Form Identifier	SPIN	Status	Reimbursement Amount	Contact Name	Authorized By	Date Created	Edit
1512395	tester 7/19/11	143005231	INCOMPLETE	\$1953.6	LINDA GADOMSKI	DWAYNE ALTON	7/19/2011 11:54:23 AM	Edit

BEAR Line Items:

Application Number	Funding Request Number	Total (Undiscounted) Amount for Service	Total Discount Amount Billed to SLC	Line item Status
517294	1423507	999.00	799.20	AWAITING CERTIFICATION
517294	1423359	888.00	710.40	AWAITING CERTIFICATION
517294	1423382	555.00	444.00	AWAITING CERTIFICATION

FCC Form 472 – Block One



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[Track Form](#)
[Bulk Download](#)
[Terms and Conditions](#)
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Add BEAR Invoice

Applicant Form Identifier

Block 1: Header Information [Need Help?](#)

<p>1. Billed Entity Name LEE COUNTY SCHOOL DISTRICT</p>	<p>2. Billed Entity Number 127832</p>	<p>3. Service Provider Identification Number (SPIN) 143001192</p>	<p>Service Provider Name AT&T Corp.</p>
--	--	--	--

Applicant FCC Form 438 ID

4. Contact Name

5. Contact Telephone Phone () - ext.

Contact Fax () -

Contact Email

6. Total Reimbursement Amount
(total from Block 2, Column 14)
\$ 0.00

FCC Form 472 – Block Two

Block 2: Line Item Information Per Funding Request Number

[Need Help?](#)

7. FCC Form 471 Application Number (from Funding Commitment Decision Letter)	8. Funding Request Number (FRN) (from Funding Commitment Decision Letter)	9. Bill Frequency	10. Customer Billed Date	11. Shipping date to Customer or Last Day of Work Performed (mm/dd/yyyy)	12. Total (Undiscounted) Amount for Service	13. Discount Rate	14. Discount Amount Billed to USAC (Column 12 multiplied by Column 13)
1)		<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>

[Add Line Item](#)



FCC Form 472 - Certification

Block 3: Billed Entity Certification

[Need Help?](#)

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to submit this Billed Entity Applicant Reimbursement Form on behalf of the eligible schools, libraries, or consortia of those entities represented on this Form, and I certify to the best of my knowledge, information and belief, as follows:

- A. The discount amounts listed in this Billed Entity Applicant Reimbursement Form represent charges for eligible services and/or equipment delivered to and used by eligible schools, libraries, or consortia of those entities for educational purposes, on or after the service start date reported on the associated FCC Form 486.
- B. The discount amounts listed in this Billed Entity Applicant Reimbursement Form were already billed by the Service Provider and paid for by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities.
- C. The discount amounts listed in this Billed Entity Applicant Reimbursement Form are for eligible services and/or equipment approved by the Fund Administrator pursuant to a Funding Commitment Decision Letter (FCDL).
- D. I acknowledge that I may be audited pursuant to this application and will retain for at least 10 years (or whatever retention period is required by the rules in effect at the time of this certification), after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request any and all records that I rely upon to complete this form.
- E. I certify that, in addition to the foregoing, this Billed Entity Applicant is in compliance with the rules and orders governing the schools and libraries universal service support program, and I acknowledge that failure to be in compliance and remain in compliance with those rules and orders may result in the denial of discount funding and/or cancellation of funding commitments. I acknowledge that failure to comply with the rules and orders governing the schools and libraries universal service support program could result in civil or criminal prosecution by law enforcement authorities.



FCC Form 472 - Signature

Contact Information for Billed Entity Authorized Person:

15. Signature

By logging into your account using your PIN, checking this box, and clicking the "certify" button at the end of the form, you have electronically signed the form. You are reminded that an electronic signature is the same as a handwritten signature on the form.

To see a copy of the Terms and Conditions to which you previously agreed, please click on the "Terms and Conditions" menu above.

16. Date 8/24/2016

17. Name DWAYNE ALTON

18. Title/Position DIRECTOR OF ITS

20. Address 1 2055 CENTRAL AVENU

Address 2

City FORT MYERS

State FL

Zip Code 33901 -

19. Phone Number () - ext.

19a. Fax Number () - ext.

19b. Email DWAYNEA@LEE.K12.FL.US

19c. Name of Authorized Person's Employer

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Clear Save Certify and Submit

OMB Number 3080 - 0856 Form 472



Universal Service
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Invoicing 2016

Invoice Review Issues

Common Invoicing Issues

- Services must be delivered
- Services must be eligible
- Services must be delivered by service provider approved on FCDL
- Services must be billed to party on FCC Form 471
- Services must be listed on application line item (Item 21)
- Services must be delivered within funding year
- Services must be delivered to location on FCC Form 471

Common Invoicing Issues (continued)

- Service provider FCC Form 473 not on file
- Customer bill does not identify services
- Items on customer bill not specified on committed funding request
- Services delivered outside contract dates
- Name on bill does not match FCC Form 471
- Applicant has not returned service certification during invoice review.

Common Invoicing Issues (continued)

- Other service certification issues
 - Certification returned by provider and not confirmed by applicant
 - Date to install is outside funding year
 - Date to install not completed for products delivered
 - Signature not provided
 - Form not dated

Common Invoicing Issues (continued)

- Payment of beneficiary portion
 - Proof of payment not returned when requested
 - Check does not demonstrate clearing bank
 - Check already shows payment for another invoice
 - Documents not from bank website

Invoicing 2016

Deadlines

Invoice Extension

- Invoice Filing Deadline
 - Invoices must be submitted to USAC by
 - (1) 120 days after the last day to receive service, or
 - (2) 120 days after the date of the FCC Form 486 Notification Letter, whichever is later – **47 CFR § 54.514**

Invoice Deadline Extension

- Invoice Deadline Extension
 - Service providers or billed entities may request a one-time 120-day extension of the invoicing deadline
 - Note: The request **MUST** be made in advance of the deadline

Invoice Extension

- Invoice Deadline Extension
 - If an invoice is timely filed but was rejected or reduced for a ministerial or clerical error, an appeal to USAC can be requested to correct the error.
 - Must be requested within 60 days of BEAR notification letter

Service Delivery Extension for Non-Recurring Services

- An extension is automatic (Extends until Sept. 30 of the following year) if:
 - (1) FCDL issued after March 1
 - (2) SPIN Changes, Service Substitutions after March 1
- Applicants or service providers may request an extension (when service provider unable to complete implementation for reasons beyond its control)
 - Must be filed on FCC Form 500
 - Provide new contract end date too
 - Must provide a reason
 - Must file by service delivery deadline (typically Sept. 30 following the funding year).



QUESTIONS?



Thank you!



2016 Applicant Training

Audit Compliance

September – November 2016

Washington DC • Orlando • Houston • Philadelphia • Minneapolis • St. Louis • Seattle • Los Angeles

Overview

- USAC Audit Program
 - Payment Quality Assurance (PQA) Program
 - Beneficiary and Contributor Audit Program (BCAP)
- Audit Documents
- Common Audit Findings
- Document Retention

Audit Compliance

USAC Audit Program

Payment Quality Assurance (PQA)

- PQA assessments support the Improper Payments Improvement Act of 2002 (IPIA) and the Improper Payments Elimination and Recovery Act of 2010 (IPERA) requirements.
- PQA assessments are conducted to calculate improper payments. USAC assesses specific payments made to applicants and determines if the payments were made in accordance with Federal Communications Commission (FCC) rules.
- Improper payment rate is reported to the FCC annually.

Beneficiary and Contributors Audit Program (BCAP)

- The primary purpose of audits is to ensure compliance with FCC rules and program requirements.
- “Schools, libraries, and service providers shall be subject to audits and other investigations to evaluate their compliance with the statutory and regulatory requirements for the schools and libraries universal service support mechanism, including those requirements pertaining to what services and products are purchased, what services and products are delivered, and how services and products are being used.” (§ 47 CFR 54.516)
- BCAP audits are based upon agreed-upon procedures approved by the FCC.



USAC Audit Program

	PQA	BCAP
Who Is Reviewed?	<ul style="list-style-type: none"> Beneficiaries are randomly selected from disbursements made in the prior calendar year. The Beneficiary's service providers is asked to certify compliance with lowest corresponding price (LCP). 	<ul style="list-style-type: none"> Beneficiary or service Provider prior funding year disbursements are reviewed. Most audits are limited in scope.
What Should You Expect?	<ul style="list-style-type: none"> Applicants are emailed questions. Responses are reviewed by PQA assessors. Applicants have 10 business days to submit responses 	<ul style="list-style-type: none"> An announcement letter requesting the documents to be reviewed to ensure compliance. Applicants will receive a questionnaire about the service provider's process (e.g., were services delivered timely) - Service Provider Audits ONLY
Will You Have A Site Visit?	<ul style="list-style-type: none"> Majority do not require a site visit. Some applicants are selected for a site visit. USAC's Internal Auditors will verify equipment installation and use. 	<ul style="list-style-type: none"> A site visit may be performed.



USAC Audit Program

	PQA	BCAP
Who Will Perform the Review?	<ul style="list-style-type: none"> USAC’s Internal Audit Division 	<ul style="list-style-type: none"> USAC’s Internal Audit Division and outside audit firms.
What Happens If I Fail To Demonstrate Program Compliance?	<ul style="list-style-type: none"> It will be noted as an Exception. 	<ul style="list-style-type: none"> It will be noted in the audit report. USAC will determine, based on FCC guidance, whether recovery is warranted. You may provide a response to the audit. Your response shall be included in the final audit report.
Can I Appeal A Finding?	<ul style="list-style-type: none"> The Exception is not an appealable event. You can appeal a COMAD or RIDF decision that cites the violation identified in the audit. 	<ul style="list-style-type: none"> The audit report is not an appealable event. You can appeal a COMAD or RIDF decision that cites the violation identified in the audit.

Audit Documents

PQA and BCAP

Documents Requested

Auditors will request documents to support:

- Competitive bidding compliance, contracts
- Applicants paid their non-discounted share
- CIPA compliance
- Maintenance was conducted on equipment (if applicable)
- Services and/or products were delivered and installed
- Invoices were submitted for only eligible services and products
- Only eligible entities received services

Auditors may select samples of documents provided

Lowest Corresponding Price

Service Provider's Obligation

- The lowest corresponding price (LCP) was offered.
 - 47 CFR § 54.511(b) *Lowest corresponding price*. Providers of eligible services shall not charge schools, school districts, libraries, library consortia, or consortia including any of these entities a price above the lowest corresponding price for supported services, unless the Commission, with respect to interstate services or the state commission with respect to intrastate services, finds that the lowest corresponding price is not compensatory.

Lowest Corresponding Price

Who should complete the LCP certification?

- Service providers are required to complete LCP certification for PQA assessment
- The certification is completed and signed by a company officer.
- Return the certification within the 10 business day response period.
- Service providers do not have to submit supporting documentation (i.e., price list, customer bills, etc.) with the certification.

What happens if the certification is incomplete or not returned?

- This could result in a PQA exception – this is a service provider violation.

Lowest Corresponding Price

PQA Certification

Payment Quality Assurance Program

SPIN: 123456789; SERVICE PROVIDER: ABC of Texas Inc.

Case ID	Applicant Name	BEN	FY	FRN	Disbursement	Invoice #	Date	Yes	No
01-Case-027	CDE INDEP SCHOOL DISTRICT	123456	2012	9876543	\$1,000.13	1223344	1/10/2013	<input type="checkbox"/>	<input type="checkbox"/>

Complete the entire form

I am a duly authorized officer of the company that supplied the goods and/or services and by signing below am certifying compliance with the aforementioned rules.

Service Provider: _____ SPIN: _____

Printed name of the person completing this form: _____

Signature: _____

Title: _____ Date: _____

Make sure to check the appropriate box.



Complete the entire form

Audit Compliance

Common Audit Findings

Competitive Bidding and Contracts

- **State and local procurement rules not followed.** Applicants must follow E-rate and state and local procurement rules when conducting the competitive bidding process.
- **Most cost effective solution not selected.** Applicants should select the most cost effective solution with price being the primary factor when conducting competitive bid evaluation. Documenting the bid evaluation will help demonstrate how your vendor selection was conducted.
- **Not restarting the 28 day waiting period.** Applicants should restart the 28 day waiting period when a cardinal change to the RFP or similar document is made. Applicants should not start to evaluate bids until the final 28 day waiting period ends.

Common Audit Findings

Competitive Bidding and Contracts cont'd

- **RFP or similar document not shared with all potential bidders.** Applicants must conduct a fair and open competitive bid process. Information should be available to all potential bidders.
- **Contract was signed prior to the 28 day waiting period.** Applicants should not award or select the vendor prior to the 28 day waiting period.

Invoicing Errors

- **Overbilling.** Applicants should review service provider bills for errors prior to paying the bill to ensure overbilling does not occur.
- **Submitting invoicing to the cap.** Applicants should submit invoices for services they received.
- **Services not approved.** Applicants should only submit invoices for services approved in the Funding Commitment Decision Letter (FCDL). Compare your FCDL to the services you requested on your FCC Form 471 or Item 21 attachment.
- **Ineligible entities.** Applicants should include eligible entities approved in the FCDL. Remove ineligible entities and associated costs from invoice.

Invoicing Errors cont'd

- **Invoiced for recurring services delivered beyond service deadline.** Recurring services must be delivered during the fund year requested. Applicants should not invoice for services beyond the delivery deadline.
- **Invoice beyond the invoice deadline.** Submit invoices timely. Request an invoice deadline extension if needed.
- **Services delivered or installed are not at the correct physical location.** Applicants should ensure equipment is installed at the correct location. Update your address with USAC if the location has changed.

Common Audit Findings

Service and Equipment Delivery

- **Products not delivered and/or installed.** Applicants should not invoice for items prior to the delivery or installation. Do invoice once items are delivered and/or installed. Retain delivery and installation records.
- **BMIC not supported by actual services performed.** Applicants should not use generic blanket terms that do not differentiate between eligible and ineligible services. Do maintain documentation that demonstrates the amounts and services actually delivered.

Audit Compliance

Document Retention

- Documentation must be retained for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request. Documents can be in electronic format or paper as stated in the E-rate Modernization Order (FCC 14-99).
- Applicants and service providers must retain ALL documentation that shows compliance with all FCC rules.
- Any document from a **prior year** that supports current year activities must be kept for a period of 10 years after the last day of service delivered.
 - E.g., contract from 2005, used to support FY2016 recurring service FRNs, must be kept until at least June 30, 2027.

Required documents to retain

This list is for illustrative purposes. Service providers and applicants must retain pursuant to recordkeeping requirement, as applicable.

- RFPs or similar documents
 - All bid responses and correspondence
 - Contracts, service agreements, addendums, etc.
 - Purchase requisitions, POs, packing slips, customer bills
 - Delivery and installation records
 - Maintenance logs
 - Payments (canceled checks, credit card receipts, ACH transactions)
 - USAC-approved SPIN changes and/or service substitutions (request, supporting documentation, and approval)
 - USAC-approved invoice deadline extension, service delivery and service substitution (request, supporting documentation, and approval)
 - Documents used to prepare forms
 - FCC forms and letters received from USAC (e.g., FCC Forms 498, 474)
 - Service provider price listings
-



Questions?



Thank you!

FY2016 Public Search Tools

Tool	Function	New Features
View 470	View and download form PDF & RFP documents for certified forms	- Form and document URLs can be forwarded and downloaded from anywhere
Download 470	Download 470 data for certified forms	
View & Download 471	View PDF of 471 + download 471 data	- Form URLs can be forwarded and downloaded from anywhere
Search Commitments	View and download wave and commitment data	- FRN, congressional district and contact data provided - FY2015 and previous data no longer double counts

FY2016 Public Search Tools (cont'd)

Tool	Function	New Features
FRN Status Tool – Standard Report (FY2016 & forward)	<ul style="list-style-type: none"> • Similar functionality to the Funding Request Data Retrieval Tool (DRT) • All fields in the existing DRT standard report will be included in the new FRN Status Tool 	<ul style="list-style-type: none"> • Search by Consulting Firm Registration Number (CRN) • New fields include: 471 Review Status, FRN Status, Billed Entity Name, SP Name, CRN
FRN Status Tool – Detailed Report (FY2016 & forward)	<ul style="list-style-type: none"> • Similar functionality to the current DRT • Available in October 2016 • All fields in the existing DRT detailed report will be included in the new FRN Status Tool 	<ul style="list-style-type: none"> • Many new fields (next slide)



New FRN Status Tool Fields for Detailed Report

- FRN Nickname
- 471 Nickname
- 471 Review Status
- 471 Contact Name & Email
- BEN Urban/Rural Status
- BEN Account Administrator & Email
- School State LEA Code
- School State Code
- Library Locale Code
- Library FSCS Key
- Library Square Footage
- Library FSCS SEQ
- CRN & Consulting Firm Name
- SPAC Filed for SPIN? (FY)
- Remaining Contract Extensions
- Applicant 498 Status

FRN Status Tool FY2016



SCHOOLS AND LIBRARIES (E-RATE)

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FRN STATUS TOOL

To obtain funding request data for 2016, you must select State, BEN, CRN and/or SPIN. Click on "Create Report" button to retrieve report.

To obtain funding request data for funding year 1998-2015, [Click Here](#)

You can find additional assistance on the [FRN Status Tool Instruction Page](#)

Step 1 : Please enter the search criteria

I. Required Criteria

Funding Year

Please enter one or more of the following:

State

BEN

CRN

SPIN [\(Go to SPIN Search\)](#):





FRN Status Tool FY2016

Standard Report Data Fields

471 Application Number	471 Review Status	FRN	FRN Status	BEN	Billed Entity Name	Type of 471 Application	FRN Service Type	Applicant State
161000037	15 Day Expired	1699000038	Pending	107842	NOTRE DAME HIGH SCHOOL	School	Data Transmission and/or Internet Ac	CA
161000123	Assigned to IR	1699000079	Pending	143505	EAST WHITTIER CITY ELEM S D	School District	Internal Connections	CA
161000123	Assigned to IR	1699000110	Pending	143505	EAST WHITTIER CITY ELEM S D	School District	Internal Connections	CA
161000123	Assigned to IR	1699000155	Pending	143505	EAST WHITTIER CITY ELEM S D	School District	Internal Connections	CA
161000243	FCDL Issued	1699000156	Funded	143751	HEMET UNIFIED SCHOOL DISTRICT	School District	Voice	CA
161000264	FCDL Issued	1699000176	Funded	102914	CAMPBELL HALL EPISCOPAL SCH	School	Data Transmission and/or Internet Ac	CA
161000123	Assigned to IR	1699000212	Pending	143505	EAST WHITTIER CITY ELEM S D	School District	Internal Connections	CA
161000264	FCDL Issued	1699000238	Funded	102914	CAMPBELL HALL EPISCOPAL SCH	School	Data Transmission and/or Internet Ac	CA
161000264	FCDL Issued	1699000244	Funded	102914	CAMPBELL HALL EPISCOPAL SCH	School	Data Transmission and/or Internet Ac	CA
161000308	FCDL Issued	1699000245	Funded	110910	EEL RIVER CHARTER SCHOOL	School	Voice	CA
161000329	FCDL Issued	1699000246	Funded	102914	CAMPBELL HALL EPISCOPAL SCH	School	Internal Connections	CA
161000350	FCDL Issued	1699000273	Funded	110910	EEL RIVER CHARTER SCHOOL	School	Voice	CA
161000356	FCDL Issued	1699000298	Funded	100447	CATHEDRAL HIGH SCHOOL	School	Internal Connections	CA



FRN Status Tool FY2016

Standard Report Data Fields

471 Application Number	471 Review Status	FRN	FRN Status	BEN	Billed Entity Name
161000037	15 Day Expired	1699000038	Pending	107842	NOTRE DAME HIGH SCHOOL
161000123	Assigned to IR	1699000079	Pending	143505	EAST WHITTIER CITY ELEM S D
161000123	Assigned to IR	1699000110	Pending	143505	EAST WHITTIER CITY ELEM S D
161000123	Assigned to IR	1699000155	Pending	143505	EAST WHITTIER CITY ELEM S D
161000243	FCDL Issued	1699000156	Funded	143751	HEMET UNIFIED SCHOOL DISTRICT
161000264	FCDL Issued	1699000176	Funded	102914	CAMPBELL HALL EPISCOPAL SCHOOL
161000123	Assigned to IR	1699000212	Pending	143505	EAST WHITTIER CITY ELEM S D
161000264	FCDL Issued	1699000238	Funded	102914	CAMPBELL HALL EPISCOPAL SCHOOL
161000264	FCDL Issued	1699000244	Funded	102914	CAMPBELL HALL EPISCOPAL SCHOOL
161000308	FCDL Issued	1699000245	Funded	110910	EEL RIVER CHARTER SCHOOL
161000329	FCDL Issued	1699000246	Funded	102914	CAMPBELL HALL EPISCOPAL SCHOOL
161000350	FCDL Issued	1699000273	Funded	110910	EEL RIVER CHARTER SCHOOL



FRN Status Tool FY2016

Standard Report Data Fields

SPIN	Service Provider Name	CRN	486 Service Start Date	Fund Year	Wave Number	Appeal Wave	Original Requested	Committed Amount	Total Disbursement
143025258	Cogent Communications, Inc.			2016			\$7,200.00		
143026138	Cache Valley Electric	16043564		2016			\$18,659.25		
143026138	Cache Valley Electric	16043564		2016			\$41,196.37		
143026138	Cache Valley Electric	16043564		2016			\$101,017.15		
143004769	Verizon California Inc.	16043564	7/1/2016	2016	8		\$96,290.88	\$96,290.88	
143048275	Time Warner Cable Business LLC	16048791	7/1/2016	2016	3		\$893.52	\$893.52	
143026138	Cache Valley Electric	16043564		2016			\$45,142.69		
143036041	Fireline Network Solutions Inc	16048791	7/1/2016	2016	3		\$23,952.00	\$23,952.00	\$3,992.00
143048275	Time Warner Cable Business LLC	16048791	7/1/2016	2016	3		\$11,908.85	\$11,908.85	
143004769	Frontier California Inc.		7/1/2016	2016	2		\$1,800.00	\$1,800.00	
143005588	CDW Government LLC	16048791	7/1/2016	2016	2		\$19,491.38	\$19,491.38	
143030795	Verizon Long Distance LLC		7/1/2016	2016	2		\$390.00	\$390.00	
143027209	GIGAKOM	16043605		2016	11		\$90,371.51	\$90,371.51	
143026138	Cache Valley Electric	16043564		2016			\$82,423.42		
143002665	Pacific Bell Telephone Company	16043564	7/1/2016	2016	7		\$849.12	\$849.12	



FRN Status Tool FY2016

Standard Report Data Fields

Service Provider Name	CRN	486 Service Start Date	Fund Year	Wave Number	Appeal Wave	Original Requested
Cogent Communications, Inc.			2016			\$7,200.00
Cache Valley Electric	16043564		2016			\$18,659.25
Cache Valley Electric	16043564		2016			\$41,196.37
Cache Valley Electric	16043564		2016			\$101,017.15
Verizon California Inc.	16043564	7/1/2016	2016	8		\$96,290.88
Time Warner Cable Business LLC	16048791	7/1/2016	2016	3		\$893.52
Cache Valley Electric	16043564		2016			\$45,142.69
Fireline Network Solutions Inc	16048791	7/1/2016	2016	3		\$23,952.00
Time Warner Cable Business LLC	16048791	7/1/2016	2016	3		\$11,908.85
Frontier California Inc.		7/1/2016	2016	2		\$1,800.00
CDW Government LLC	16048791	7/1/2016	2016	2		\$19,491.38
Verizon Long Distance LLC		7/1/2016	2016	2		\$390.00
GIGAKOM	16043605		2016	11		\$90,371.51
Cache Valley Electric	16043564		2016			\$82,423.42
Pacific Bell Telephone Company	16043564	7/1/2016	2016	7		\$849.12



Schools & Libraries

Successful Program Participation

SECA Meeting

September 28, 2016

Primary Questions:

- Describe the new BCAP audit plan and how it differs from the previous audit plan?
- Discuss how BCAP audits are selected for an inside or outside audit?
- Provide information regarding the number of BCAP audits/PQA reviews and the timing of such audits and reviews?

Audit Plan Comparison

Attribute	Former Plans	Current Plan
Audit Period	<ul style="list-style-type: none"> Historical 	<ul style="list-style-type: none"> Current Commitments or disbursements (Funding Year 2015 or 2016)
Audit Scope	<ul style="list-style-type: none"> Full scope audits 	<ul style="list-style-type: none"> Full Scope and Limited Scope Audits (shorter audit duration)
Analyzing Results	<ul style="list-style-type: none"> High-level common audit findings 	<ul style="list-style-type: none"> Robust trending of audit findings Using beneficiary feedback for audit process improvement
Beneficiary Engagement	<ul style="list-style-type: none"> “One-size fits all” approach 	<ul style="list-style-type: none"> Less burden on smaller applicants Use of E-rate Productivity Center (EPC)

- Large volume based audit plan is not a model for conducting existing audit plan
- Audits of entities are not performed in consecutive years
- Working with a manageable number of audit firms

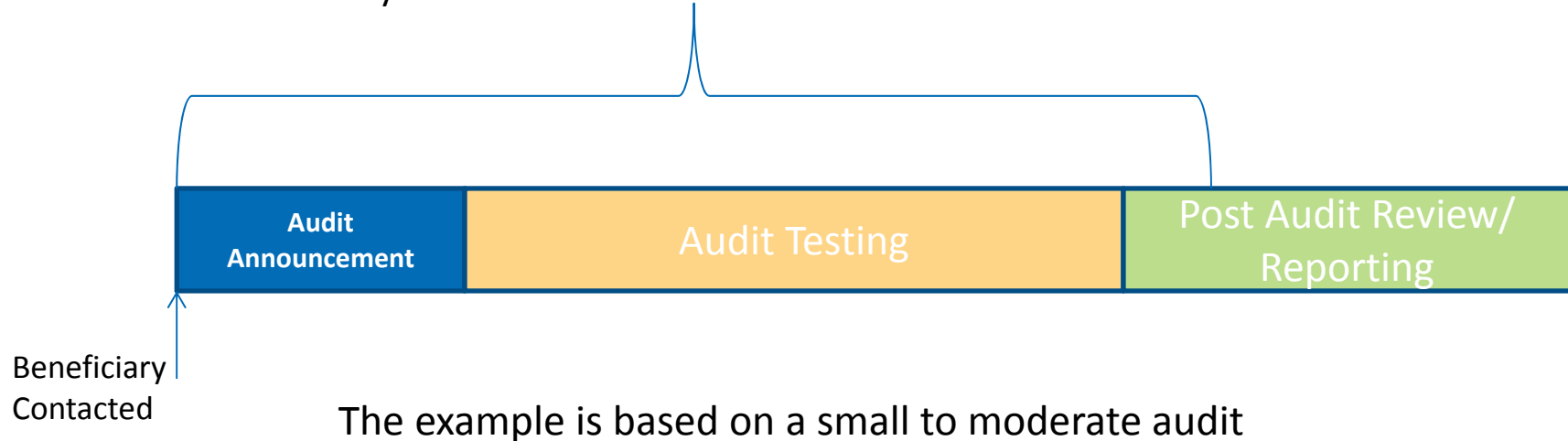
Areas of Focus

- Pre-disbursement*
 - Competitive Bidding
 - Discount Calculation
 - Category 2 Budgets (if requested and received)
- Post-disbursement (early selections)
 - Invoicing
 - Inventory

* CIPA and Eligibility - Consortia, Libraries, Individual and non-traditional schools

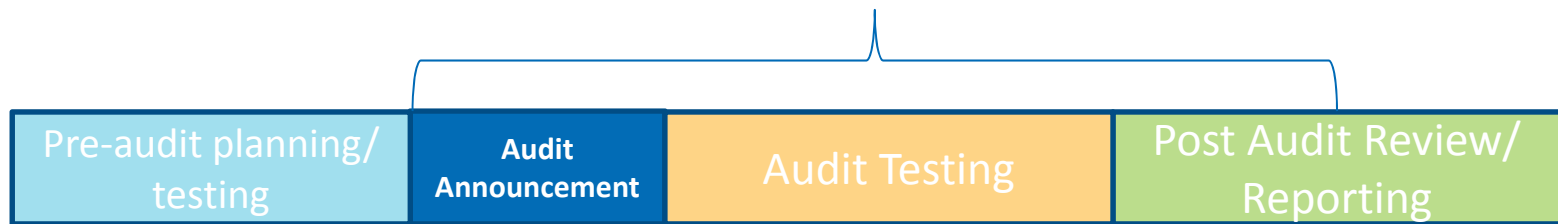
Traditional Audit Approach

Beneficiary audit involvement = 6 month duration



New Audit Approach

Beneficiary audit involvement = 3 month duration



- Use of documents on file w/ USAC
- Documents available on public internet
- Audit team meetings

Beneficiary Contacted

Benefits of New Strategy

- Assuming a normal, small to moderate size audit, the Beneficiary audit “burden” would be reduced from six months to three months
 - Audit is announced at least two weeks **AFTER** the start of the audit
- The auditors obtain a more thorough understanding of the beneficiary prior to announcing the audit, which increases the effectiveness and efficiency of the inquiries made with the beneficiary at the beginning of the audit and creates more informed requests for documentation
- Audit team at the time of the audit announcement is already fully engaged, minimizing the possibility that the beneficiary perceives delays at the beginning of the audit
 - Beneficiary observes auditors immediately dedicated to their audit

BCAP & PQA Selection Process

BCAP	PQA
<ul style="list-style-type: none"> • Risk Assessments <ul style="list-style-type: none"> ✓ Use of data analytics: <ul style="list-style-type: none"> ➤ Analyze significant changes in data from prior submissions ➤ Prior audit/ PQA results ➤ Unintentional noncompliance 	<ul style="list-style-type: none"> • Random <ul style="list-style-type: none"> ✓ Dollar stratification ✓ Sample methodology is determined by statistician
<ul style="list-style-type: none"> • Complex audits assigned to USAC IAD staff 	<ul style="list-style-type: none"> • Performed internally by IAD
<ul style="list-style-type: none"> • Limited scope audits are focused on areas of challenge 	<ul style="list-style-type: none"> • Key program principles
<ul style="list-style-type: none"> • Referrals from USAC management or FCC 	

Number of audits and PQA assessments year

Work Stream	2014/ 2015	2016	2017	Timing
BCAP	145	73	TBD	Ongoing
PQA	766/672	493	TBD	Nov. - July

Notes:

- We schedule audit and PQA work sensitive to window filing periods
- Sensitive to statewide testing (April/ May)
- Make efforts to be flexible with due dates
- BCAP: Audits are reported on a fiscal year calendar (October – September)

Thank you!