FY2017 Applicant Training
Libraries
• 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
Where am I in the process?

• Some applicants may still be settling up invoices for FY2015 (services that started July 1, 2015 and ran through June 30, 2016) The Invoice Deadline for FY2015 recurring services was Oct. 28, 2016

• Many applicants are still in the PIA review process and waiting on FCDLs for FY2016 (services that started July 1, 2016 and run through June 30, 2017)

• Many applicants are making plans for FY2017 and may be ready to post a Form 470 (services that will start July 1, 2017 and run through June 30, 2018)
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

FY2017 Eligible Services List
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
## E-rate Discounts

### Discount Matrix

<table>
<thead>
<tr>
<th>INCOME % of students eligible for NSLP</th>
<th>Category One Discount Levels</th>
<th>Category Two Discount Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>URBAN DISCOUNT</td>
<td>RURAL DISCOUNT</td>
</tr>
<tr>
<td>Less than 1%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>1% to 19%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>20% to 34%</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>35% to 49%</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>50% to 74%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>75% to 100%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>
## FY2017 Voice Phasedown

<table>
<thead>
<tr>
<th>If Your Entity’s Discount is:</th>
<th>Voice Discount Will Be:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2015</td>
</tr>
<tr>
<td>20%</td>
<td>No Funding</td>
</tr>
<tr>
<td>25%</td>
<td>5%</td>
</tr>
<tr>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>70%</td>
<td>50%</td>
</tr>
<tr>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td>90%</td>
<td>70%</td>
</tr>
</tbody>
</table>
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)
Navigating EPC – How to find the important stuff

- What’s on your Landing Page?
  - Adding/changing users
- Click on your BEN to see the important stuff

My Landing Page

Click here
• **Library budget** = $2.30 per sqft. ($5.00 for urban libraries) with a building minimum of $9200, over a rolling 5-years

• 5 years begins in first year an entity is committed C2 funding

• Money is allocated per library

• Money must be spent during funding year
  – Cannot apply for full budget and spend down over multiple years

• Can use entire budget in a single year or can spread money out multiple years
C2 Budgets for NIFs

- Non-Instructional Facilities (NIFs) don’t have C2 budgets because there is no student population.
- If equipment is located in the NIF and serves other eligible entities, those entities' budgets can be used to fund the equipment.
  - Allocation is up to the applicant to decide (how much to take from each school’s C2 budget).
  - Just have a reasonable methodology.
• Access Points
• Structured Cabling
• Caching Servers *new*
• Firewalls
• Network Switches
• Routers
• Racks and UPSs
  – That support eligible equipment only

• Wireless LAN Controllers
• Improvements, upgrades and software necessary to support eligible broadband internal connections components
• Basic Maintenance Services for eligible equipment
  – Repair of equipment, cable maintenance, basic tech support, configuration changes
• Cloud-based functionality of this equipment
Eligible for C2

- Installation and configuration are eligible
  - Do not have to be provided by the same vendor (new)
- Also eligible:
  - Taxes, surcharges and other similar reasonable charges
  - Shipping charges
  - Training on how to use eligible equipment
- Multi-year licenses are eligible and can be requested in full in first year
- Eligible equipment may be purchased and/or installed on or after April 1 prior to the beginning of the funding year
  - Must be purchased/installed before September 30 of the following year
Returning $ to your C2 Budget

- Any funding commitments that include a school or library as a recipient of service in that funding year will count against the pre-discount budget for that entity.
- If not all committed funding is spent, you must file a Form 500 to “un-commit” the remaining unused money.
- USAC does not process Form 500s quickly.
- Form 500 Instructions
You are here

COMPETITIVE BIDDING
- Request services by submitting FCC Form 470 for bids
- Evaluate bids received
- Wait at least 28 days: The competitive bidding process must be open for at least 28 days
- Select a service provider: Sign a contract or arrange for tiered or month-to-month services

APPLYING FOR DISCOUNTS
- Report services ordered by submitting FCC Form 471 within the filing window
- Determine invoice method: During this time, work together to choose an invoicing method: BEAR or SPI
- Program Integrity Assurance (PIA) review
- Receive funding commitment: Receive Funding Commitment Letter (FCDL) from USAC

SERVICES START
- Confirm to USAC that services have started and report CIPA status by submitting FCC Form 486

INVOICING
- Method #1:
  - If requesting reimbursement from USAC for services paid in full, submit FCC Form 472 (BEAR)
  - OR
  - Complete invoice review: Correct errors and resubmit forms if necessary
- Receive BEAR reimbursement from service provider
Competitive Bidding

- Proposals must be accepted for a minimum of 28 calendar days, but applicants may accept proposals after this date.
- Vendors will contact you if they need additional information.
- When contacted by a vendor, you must indicate your willingness to receive a proposal for services listed on Form 470.
- You are not required to meet w/ vendors or respond to generic/spam emails from vendors.
Competitive Bidding Rules

• **You are allowed to....**
  • change your mind and not purchase a service that is listed on Form 470
  • have pre-Form 470 discussions with vendors as long as that doesn’t lead to one bidder having “inside” information
  • attend product demonstrations
  • encourage and seek vendors to bid
  • do research to determine what cost-effective solutions are available

• **You are not allowed to...**
  • Have a relationship with service providers that would *unfairly influence* the outcome of the competition
  • Furnish service providers with inside competitive information
  • Provide information to only some bidders
  • Have ownership interest in a service provider’s company competing for services
  • Violate gifts rules
Service Providers Can...

• Answer general questions about the products and services they sell in response to applicant inquiries
• Provide information to applicants to assist with responding to USAC questions regarding their application
• Provide assistance with post-commitment activities
Service Providers Cannot...

- Help prepare the Form 470
- Help write or provide a RFP to applicant
- Be a contact person on Form 470
- Sign any applicant forms
- Be involved with bid evaluation in any way
- Provide funding for the applicant's non-discount portion or waive the applicant's non-discount portion
- Coerce or pressure the applicant to use a specific service provider
- Provide gifts to applicants that violate the gift restrictions
Bid Evaluation

• After 470 is posted for at least 28 days, billed entity must review all bids received for all services
  • Keep documentation of criteria used to select vendor
  • Keep all winning and losing bids
  • Keep bid evaluation matrix
  • Retain all correspondence between applicant and all vendors (winning and losing)

• Price of eligible services/equipment MUST be the most heavily weighted factor during bid evaluation
## Sample Bid Evaluation Matrix

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

• List extensions and expiration date in contract (cannot be open-ended)
  • For example, 3-year contract, with two 1-year renewals is ok and will not require new 470 until the end of 5 years
  • 3 year contract that automatically renews is not ok and will require new 470 at the end of 3 years
• Include out-clauses if you can’t pay without E-rate
• C1 contracts run July 1 - June 30, 20XX to coincide with E-rate funding year
• C2 contracts run April 1 - September 30, 20XX to coincide with the C2 funding year allowable installation dates (April 1 start date if you want to install early)
Contracts

• All C2 requests must have signed contracts
• All contracts must be uploaded into EPC prior to completing the Form 471
  • All contract related information (470 #, contract signing dates, expiration dates, vendor, spin, etc.) will be done outside of 471 in EPC
  • 471 will ask to “associate a contract”
  • Contract can be as simple as a vendor quote that is signed by the school. Be sure to include: the contract signing date - which must be before 471 filing date
• Must be filed EVERY year

• Identifies the service providers and eligible services you have chosen on funding requests

• Identifies the eligible schools and libraries that will receive services (“recipients of service”)

• Calculates how much $$$ 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 about 75 days)
• 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
• USAC processes allowable corrections during the review of your application
Let’s take a break

Questions?
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
FY2016 PIA Review

- All PIA correspondence is now in EPC
- The contact person listed on your Form 471 should receive an email notification
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.

The 471 contact should also receive an email notification.

How to find your FY2016 FCDLs
FCC Form 486

- Notifies USAC that your eligible services have started or been delivered and invoices for those services can be processed and paid
- 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
- FCC Form 486 Instructions
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.
- If you miss the Form 486 Deadline, all partial and full rights users in EPC should receive an “Urgent Reminder” notification to file the Form 486.
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.
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)

• Deadlines Tool
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

• Two methods for requesting Invoice Deadline Extension Requests
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
If you plan to use the BEAR invoicing method, a new form is required for applicants – FCC Form 498

Filing the 498 is a three step process and may take several weeks to be completed

Applicants cannot file BEARs without an approved 498 on file

Form 498 Filing Guide
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

• **USAC Client Service Bureau (CSB)**
  – 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**

• **Ga E-rate Team**
  – (844) 423-7283
  – Gae-rate@usg.edu

• **Ga E-rate Website**