

IMPORTANT REMINDERS & DEADLINES

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

PROGRAM COMPLIANCE - Although this Form 486 has been fully data entered, the SLD will continue to review this Form 486 for compliance with program rules. If the SLD discovers that program rules have been violated, invoices featuring the affected FRNs will not be processed.

FORM 473 - Invoices for Funding Years 2002 and later will not be paid unless the SLD has an FCC Form 473, Service Provider Annual Certification (SPAC), on file for the funding year associated with the invoice.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and/or services have been delivered and billed, and (for BEAR Forms) the provider has been paid. Once established, the selected invoicing method - Forms 474 (SPIs) or Forms 472 (BEARs) - must be used for the entire Funding Year.

REVIEW OF INVOICES FOR COMPLIANCE WITH PROGRAM RULES - Once an invoice is in the SLD system, it is reviewed - electronically and, in some cases, manually - for compliance with program rules. This review may include requests from our Program Integrity Assurance team to provide information in support of the invoice. Timely processing of invoices depends on prompt responses to requests for information. Invoices that feature services different from those requested on the Form 471 may delay the review and approval of invoices.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program.

"FREE" INELIGIBLE SERVICES - Applicants and service providers are prohibited from using E-rate discounts to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled.

RETAIN DOCUMENTATION - Applicants must retain documentation including, but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for five years.

Complete program information is posted to the Schools and Libraries Division (SLD) web site at www.sl.universalservice.org. You may also "Submit a Question" using the link on the SLD web site, or contact the SLD Client Service Bureau by fax at 1-888-276-8736 or by phone at 1-888-203-8100.



FORM 486 NOTIFICATION LETTER
(Funding Year xxxx: 07/01/xxxx – 06/30/xxxx)

Date

Applicant Name
Contact Name
Address
City, State Zip

Re: Form 486 Application Number:
Applicant's Form 486 Identifier:
Security Code:

This letter is to notify you that the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has received and accepted an FCC Form 486, Receipt of Service Confirmation Form, from you. This notification is to confirm the information that you provided. This information is being shared with the service provider whose SPIN you identified on each Funding Request Number (FRN).

NEXT STEPS

Beginning with Funding Year 2004, FCC rules require your service provider offer you the option of paying the bills in full and requesting reimbursement at a later date, or of requesting discounts on bills. We recommend that you discuss your preference with your service provider.

- Invoice the SLD -
 - applicant invoice is BEAR Form (FCC Form 472) for reimbursements
 - service provider invoice is SPI Form (FCC Form 474) for discounts
- Pay non-discount portion, as stated in program rules
- Maintain ALL documentation, as stated in program rules.

You may be receiving this letter to revise or correct a previous Form 486 Notification Letter. The information contained in this letter supersedes any previous notification you may have received, including, but not limited to, a previously adjusted Service Start Date or previously reduced funding commitment.

SECURITY CODE

We are providing you with the Security Code assigned to this Form 486. This Security Code, along with the Form 486 Application Number and your Billed Entity Number (from Block 1, Item 2 of this Form 486), can be used to request a Personal Identification Number (PIN) from the SLD. A PIN allows the authorized person to electronically certify forms submitted to the SLD online. E-certification provides immediate dated notification that the submission was successful.

NOTICE ON SERVICE START DATE

There may be some situations where one or more Service Start Dates as reflected on this letter have been changed from what you indicated on the Form 486. Such changes are made by the SLD to be in compliance with program rules. You will know that a change has been made if there is an asterisk next to the Service Start Date. If the SLD changed the Service Start Date, this change may have triggered a reduction in the funding commitment. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD will disburse funds only on eligible, approved products and/or services actually delivered and installed on or after the Service Start Date reported in the attached Funding Commitment Report.

TO APPEAL THE SERVICE START DATE/FUNDING COMMITMENT CHANGE DECISION

If you wish to appeal the Service Start Date change(s) and/or funding commitment adjustment(s) indicated in this letter, your appeal must be received or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which FRN Service Start Date change or Funding Commitment adjustment you are appealing. Indicate the relevant funding year and the date of this Form 486 Notification Letter. Your letter of appeal must also include the relevant Funding Request Number(s), the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from your Form 486.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of the electronic filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the

FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

A GUIDE TO THE FORM 486 NOTIFICATION LETTER FUNDING COMMITMENT REPORT

A report for each FRN for which you have notified us of a Service Start Date is attached to this letter. We are providing the following definitions for the items in that report.

Funding Request Number (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been data entered. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

Form 471 Application Number: A unique identifier assigned to a Form 471 application by the SLD.

Service Provider Name: The name of the service provider that you identified as providing the service included in this FRN.

Service Provider Identification Number: The unique number assigned by USAC to the service provider you identified as providing the service included in this FRN.

Billing Account Number: The account number that you have established with your service provider for billing purposes. This will be present only if a Billing Account Number was provided on the Form 471.

Service Start Date: The Service Start Date (SSD) as indicated on the Form 486. If this date is marked with an asterisk, it was changed by the SLD to be in compliance with program rules and an explanation for the change has been provided. This date as shown is controlling and USAC will not reimburse discounts on products and/or services delivered or installed prior to this date.

Service Start Date Change Explanation (SHOWN ONLY IF RELEVANT): If the Service Start Date is marked with an asterisk, this field will explain why the SLD changed the date. One of the following explanations may apply:

AVSCD: The Service Start Date may not be before the Allowable Vendor Selection/Contract Date (AVSCD) from the Form 470 cited for this FRN on the Form 471. If you indicated an earlier SSD on the Form 486, the SLD changed the SSD to the AVSCD.

120-DAY 486 DEADLINE: Forms 486 must be postmarked no later than the 120-day deadline, as stated in the Form 486 Instructions. If the Form 486 is postmarked after the deadline, the SLD changed the SSD to the date 120 days before the Form 486 postmark date. That date will become the start date for discounted services. You are advised to keep proof of the date of mailing of your form(s).

CIPA COMPLIANCE: Program rules require compliance with CIPA on or before the SSD reported on the Form 486. If the CIPA certifications on the Form 486

were incorrect as of the SSD, the SLD changed the SSD to the date that recipients of service became compliant with CIPA requirements.

TECHNOLOGY PLAN APPROVER: Program rules require a technology plan for services other than basic local and/or long distance telephone service (wireline or wireless) and require that the technology plan be approved by an SLD certified technology plan approver. The name of the technology plan approver in Block 4, Item 8, was not provided or was not SLD certified. The SLD changed the SSD to the date that your technology plan was approved by an SLD certified technology plan approver.

Adjusted Funding Commitment (SHOWN ONLY IF RELEVANT): This represents the total amount of funding that the SLD has reserved to reimburse service providers for the approved discounts for this service for this funding year. If the SLD changed the Service Start Date, this change may have triggered a reduction in the funding commitment. This field will only appear if there is a reduction to the funding commitment amount.

FORM 486 NOTIFICATION LETTER
FUNDING COMMITMENT REPORT
(Funding Year #)

Funding Request Number:
Form 471 Application Number:
Service Provider Name:
Service Provider Identification Number:
Billing Account Number:
Service Start Date:
Service Start Date Change Explanation (SHOWN ONLY IF RELEVANT):
Adjusted Funding Commitment (SHOWN ONLY IF RELEVANT):