Schools and Libraries Service Provider Conference Call – February 6, 2013

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
2. FY2013 Filing Window Update
3. Spring Service Provider Training Dates and Locations
4. DBA Column Added to SPIN Search Tool
5. Invoicing Update
6. Other
7. General Questions Received by Email

MINUTES

1. **Funding Commitments for FY2012, FY2011, and FY2010**

   For FY2012, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denying for cap at 89 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
026	1/15/2013	$12.7 M
027	1/23/2013	$35.1 M
028	1/29/2013	$33.5 M
029	2/5/2013	$29.7 M

   For FY2011, USAC is funding approved Priority 2 requests at 88 percent and above and denying for cap at 87 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
076	1/16/2013	$4.4 M
077	1/24/2013	$4.8 M
078	1/30/2013	$5.1 M
079	2/6/2013	$4.7 M

For FY2010, USAC is funding approved Priority 2 requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
107	1/25/2013	$0.7 M

2. **FY2013 Filing Window Update**

The FCC Form 471 application filing window for FY2013 opened at noon EST on Wednesday, December 12, 2012 and will close at 11:59 PM EDT on Thursday, March 14, 2013.

FCC Forms 470 must be posted to the USAC website on or before February 14, 2013, for applicants to be able to wait the required 28 days, select a service provider, sign a contract (if applicable), and submit and certify their FCC Forms 471 by the close of the filing window. Applicants filing on paper are encouraged to submit their forms in time for USAC to receive them by February 7. This allows USAC to reach out to the applicant for any necessary information or corrections in time for the form to be posted to the website by the deadline.

Reminder: Starting with FY2013, applicants filing FCC Forms 470 can list Priority 1 services in either Telecommunications Services or Internet Access. If you provide Priority 1 services, be sure to check postings in both of these categories of service, not just the category of service that will be featured on the FCC Form 471.

3. **Spring Service Provider Training Dates and Locations**

Each year, USAC conducts two training sessions in the spring targeted for service providers and eight training sessions in the fall targeted for applicants. The two spring 2013 service provider trainings will be held on the following dates and locations:

- Tuesday, May 7 at the Renaissance Concourse Atlanta Airport Hotel, Atlanta, Georgia.
- Thursday, May 9 at the Westin Los Angeles Airport Hotel, Los Angeles, California.

To register for the training and to find information on hotel reservations, refer to the Training Sessions and Presentations page on the USAC website.

4. **DBA Column Added to SPIN Search Tool**

The Search for SPIN Information tool now has a column labeled "Doing Business As" which features the information from Block 1, Item 2 (Name Company is Doing Business As (DBA) or Formerly Known As (FKA)) from the service provider's FCC Form 498.

In case of a merger, acquisition, or other change, applicants will now be able to recognize that they are using the correct SPIN when filing an FCC Form 471.

5. **Invoicing Update**

   Payments for the month of January totaled $159,363,969.23 against requests for $221.0 M. In total, 12,646 invoices were processed for 1,700 service providers. This represented 46,582 lines in January with 96 percent being completed within 30 days.

   There were 1,761 lines in process as of February 6.

   Invoice rejections

   In the past month, the most common reasons for invoices being rejected were:

   - The invoice is or appears to be a duplicate.
   - The invoice was submitted after the deadline.
   - The entire commitment amount was already paid.
   - The billed date was outside of the funding year.
   - Payments cannot be released due to an issue with the service provider's FCC Form 498.

   Invoice deadline extension requests. Applicants and service providers had until January 28, 2013 to submit invoices for FY2011 services. If you missed this deadline, you can request an invoice deadline extension. **Note**: The approvals for invoice deadline extensions are generally sent by email if the request is submitted close to the time of an invoice deadline.

   Passing BEAR payments to applicants. You have 20 business days from your receipt of a BEAR payment to pass the funds along to the applicant. Remember that the 20-day clock starts when the funds are received, and funds are now transferred to your bank account electronically.

   Email notifications for electronic transfers. USAC has resolved a problem with the email notification that goes out to a service provider when an ACH transfer occurs. Unfortunately, we cannot recreate the emails that should have been generated during the time period when the problem occurred.

   Banking information on FCC Form 498. Be sure to verify the banking information on your FCC Form 498. Because all payments are now made electronically, we cannot make a payment if the banking information we have on file is incorrect.

6. **Other**

   No items.

7. **General Questions Received by Email**

Q1. I was unable to join the conference call last week. Can you send me the response on the question that was submitted - or is there a reference area for past service provider calls? – Thanks.

A1. Click on the [Trainings & Outreach](#) link in the left-hand column of any Schools and Libraries webpage and then click on the link to the [Service Provider Conference Call](#). The conference call agenda for each upcoming call is posted in advance of the call, and is later replaced by the call minutes.

Q2. An applicant would like to obtain a circuit connecting their HS to a University (ineligible site) for educational purposes. Is this circuit eligible for discounts?

A2. The circuit is eligible if the high school is using it for educational purposes, e.g., to allow a college professor to teach an AP course at the high school. The circuit would not be eligible if the university is using it to receive Internet service for the university.

Q3. We have heard that USAC provided some information about web hosting to certain constituents during a January conference call. Please describe what was discussed, what the concerns are, and provide an update or clarification about how USAC or the FCC may address such issues.

A3. No new information was provided on the call in question and no existing information has changed.

Q4. According to USAC Applicant/Service Provider Trainings, these PQA's (Program Quality Assurance) are meant to "assess the rate of improper E-rate disbursements for: (1) the eligibility of program beneficiaries, (2) the calculation of support performed by USAC, and (3) the beneficiary documentation supporting the funding disbursed.

"Payments to be assessed are selected on a line item basis, therefore a beneficiary may be selected for more than one assessment throughout the program year.

Recent payments are selected and USAC verifies that each payment was made properly. A statistical sample of payments (meeting IPERA standards) is obtained within the population of payments. There is not a *de minimis* amount for the payment selected."

When looking at the number of service provider invoices we've submitted and the number of PQA requests we've been under, for the last two funding years (Fund Year 2011 and Fund Year 2012) we have been asked to submit extra documentation for 96% and 99% of our requests respectively.

For Funding Year 2011: we submitted SPI Forms 474 for 189 applicants and were asked to submit invoices, copies of contracts showing the applicant's street address, worksheet certification forms, send and retrieve certification forms from applicants for 182 of those we filed.

For Funding Year 2012: We have submitted, so far, SPI Form 474 for 257 applicants and were asked to submit invoices, copies of contracts, bank statement backup and copies of check payments from applicants for 254 of those we filed.

All of this is also requested to be returned to USAC within 7 days (not 7 business days, 7 calendar days). We do not have an E-rate department or any person designated for the sole purpose of handling E-rate. This has become extremely cumbersome and time consuming, especially for this last review when we had to look up when we received checks from each applicant, then pull the deposit backup from numerous different dates, pull the corresponding bank statement and figure out which individual check was included on the total days backup and then send it all in a readable/understandable format for our reviewer. We understand the purpose for these reviews, however, E-rate is a program for the applicant's benefit. Should we expect this review every time we file?

A4. This question is not about Payment Quality Assurance (PQA) but rather about the invoice review process. PQA is a program that asks applicants to provide documentation related to a specific payment in order for USAC to verify that the payment was made correctly.

Invoice reviews can occur for a variety of reasons. The reason or reasons for a particular review dictate the type of documentation requested, and the documentation must provide evidence for program rule compliance specific to the invoice submitted. For example:

- USAC may request customer bills to verify what was delivered, where it was delivered, when it was delivered, and what amounts were billed to the applicant.
- USAC may request copies of contracts to support specific information related to invoices, such as contract end date, up-front payments, progress payments, and other program- or payment-related terms.
- USAC may request proof of payment to verify that the customer has paid its share of the cost of the service as required by program rules.

Documentation requests may also vary based on details related to the specific services requested on the FRN as well as the frequency and/or timing of invoice submissions. Service providers should keep in mind that they can ask for more time to prepare their responses if needed.

REMINDER: Please send your questions for the next Service Provider Conference Call by following the instructions outlined on the Conference Call webpage of the USAC website.

Also, please watch the USAC website for other program updates.