



## E-Rate News Brief

June 27, 2024

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### E-RATE TIPS:

- **Category Two (C2) Budget Guide Update.** Last month, we provided a guide to help you manage your C2 budget for the current C2 budget cycle (FY2021 to FY2025). We updated the [E-Rate FRN Invoice Deadline Tool](#) to include a new filter and column to the export called "**C2 Expired Pre-Discount \$ FY2021+.**" The filter makes it easier to find "expired" C2 Funding Request Numbers (FRNs) that can be returned to your budget by entering your Billed Entity Number (BEN) in the BEN filter and selecting a value for the new filter. Any resulting expired funding can be made available for FY2025 by submitting an [FCC Form 500](#) to reduce those FRNs' commitment amounts. View the [updated guide](#).
- **E-Rate Program Audits.** USAC has several resources that can help you through a program audit if you get selected. The [Common Audit Findings: E-Rate Program](#) page provides a list of some of the most common problem areas identified during [Beneficiary and Contributor Audit Program](#) (BCAP) audits and [Payment Quality Assurance](#) (PQA) reviews. View the E-Rate [BCAP documentation list](#) and the [PQA document list](#) to see the types of documents you will need to provide should you receive an audit letter.
- **FY2024 Invoicing Begins on July 1.** After USAC has processed your FY2024 FCC Form 486, you or your service provider can begin the process of invoicing USAC for the discounted share of costs for the approved eligible equipment and services. The service provider(s) must have an FY2024 FCC Form 473 on file before any invoices can be submitted (see the [FCC Form 473 article](#) below). View the November 9, 2023 [webinar slides](#) to learn more about the invoicing process and for key reminders.
- **Reminder: The Summer Deferral period**, which applies to USAC's processing of program forms and requests, **started Friday, May 24 and ends on Friday, September 6.** If our first attempt to contact you about a program form or request is on or after May 24, and we do not receive a response to our questions, we will put your application or request on a deferred status and will continue the review after September 6. You can always contact your reviewer or respond to our pending questions to restart

the review, or you can designate someone to answer questions in your absence.

- **Invoicing Mode Changes Now in EPC.** There are two “modes” of invoicing in the E-Rate Program: FCC Form 472/BEAR (Billed Entity Applicant Reimbursement) and FCC Form 474/SPI (Service Provider Invoice). The **applicant decides which mode to use** on a particular FRN. Applicants who need to make a mode change - BEAR to SPI or SPI to BEAR - **can now request it in EPC** instead of submitting a customer service case. To make a mode change, go to [EPC](#) > **Records** > **Funding Requests** > Enter the **FRN** to search for it. Click the FRN hyperlink and then go to **Related Actions** > **Manage Invoice Mode Change**.

- **July Monthly Tribal Teleconference.** USAC's July Tribal Teleconference will provide an **overview of the Schools and Libraries Cybersecurity Pilot Program**, explain how potential applicants can prepare for the application window, and offer time for questions and answers. Please join the teleconference on **Tuesday, July 9, 2024**, at 4 p.m. ET – [Register](#).

- **FY2025 FCC Form 470 Availability Delayed.** On June 27, the FCC announced its tentative agenda for the [July 18, 2024 open meeting](#) where it will consider a report and order that would **permit eligible schools and libraries to receive E-Rate support for Wi-Fi hotspots and wireless Internet services that can be used off-premises** by students, school staff, and library patrons. The availability of the FY2025 FCC Form 470 will be delayed while the FCC considers making these items eligible under the E-Rate program. Delayed implementation will allow USAC to include the newly eligible items, if approved by the FCC, on the form so applicants can consider these in their competitive bidding processes. USAC will announce the availability of the FY2025 FCC Form 470 as soon as it becomes available on its website and via the [E-Rate News Brief](#).

## Commitments for Funding Year (FY) 2024

**FY2024.** USAC released FY2024 Wave 9 Funding Commitment Decision Letters (FCDLs) on June 20. As of June 26, FY2024 commitments total over \$1.51 billion.

On the date that FCDLs are issued, you can access your FCDL notification from the **Notifications** section of your landing page in the E-Rate Productivity Center (EPC).

You can use the [E-Rate Search Commitments Tool](#) to look up prior-year commitment data.

## Selective Review Overview

Each year, some applicants undergo a selective review as part of USAC's review of their FCC Form 471. [Selective review](#) is a separate component of the application review process and can run concurrently with a Program Integrity Assurance (PIA) review. In general, the purpose of selective review is to verify that the applicant followed the required competitive bidding process and that it has the necessary resources to make effective use of the requested services. However, selective review may also verify compliance with other program rules.

Selective reviews take place at the billed entity level. If you as the billed entity are chosen for a selective review, we will review all the FCC Forms 471 that you certified for the funding year.

Below we will cover the process of receiving the selective review notification and the deadline for responding.

### **1. USAC issues the selective review questions.**

If your billed entity is chosen for a selective review, the contact person on your forms will receive an email from [portal@usac.org](mailto:portal@usac.org) notifying them that a Selective Review Information Request (SRIR) is available in EPC. The subject line will include the FCC Form 471 application number(s) and the words "E-Rate Review Information."

You can access the SRIR by clicking the link provided in the email. After you log into EPC, you will be able to access the SRIR.

### **2. Confirm receipt of the SRIR.**

The reviewer will confirm with the applicant contact person that the SRIR was received. You can confirm receipt by calling or emailing the reviewer using the reviewer's contact information featured on the email notification.

### **3. Respond to the SRIR and provide the appropriate documentation.**

You can enter answers to the selective review questions in the fields provided in the SRIR in EPC. The questions asked are generally the same for all selective reviews.

For answers that also require documentation, you can upload documents or files by clicking the **Choose File** link or the **+Add Document** link and following the instructions.

If USAC has additional questions, we will contact you with another inquiry through EPC detailing the information needed.

### **4. Request an extension if needed.**

As with other reviews, you can request an extension of time to respond by choosing the appropriate extension option in the SRIR. Your first request is granted automatically for an additional seven days. The contact person can ask for a second extension, but that extension must be approved by USAC.

## **Request a Service Delivery Deadline Extension by June 30, 2024**

To be eligible for E-Rate program discounts for special construction charges, special construction must be completed in time for the fiber to be lit or to be in use by the end of the relevant funding year (i.e., June 30, 2024 for FY2023). This applies to leased lit fiber, leased dark fiber, or a self-provisioned network involving another technology. If this June 30 deadline is not met and you have not received an extension, the special construction charges will not be eligible for support under program rules and a waiver will be needed from the FCC.

If you sought support for special construction related to leased lit fiber, leased dark fiber, or self-provisioned networks for FY2023, you may request a one-year extension of the June 30 deadline by demonstrating that construction was unavoidably delayed due to weather or other reasons, or by the late issuance of an FCDL. You must demonstrate that the reason or reasons have unavoidably delayed special construction in a manner that prevents the fiber from being lit (or a self-provisioned network using another technology to be in use) by the June 30 deadline.

**Applicants must file an [FCC Form 500](#) by June 30, 2024 to request this one-year extension.** Go to [FAQS: Eligible Fiber Services](#) for additional information regarding deadlines and extensions in relation to non-recurring special construction charges.

If you have not received your FCDL and you need to request an extension of this deadline, file a customer service case in EPC and attach a completed [FY2022 Special Construction Deadline Extension Request](#) (SCDER) to the case **on or before June 30, 2024**.

If you need assistance, you can open a customer service case in EPC or call the Customer Service Center at (888) 203-8100.

### **Service Providers: File the Invoicing FCC Form 473**

Service providers file an FCC Form 473 (Service Provider Annual Certification (SPAC) Form) to certify their compliance with E-Rate program rules. Service providers **must complete a SPAC form for each Service Provider Identification Number (SPIN) and for every funding year** they participate in the E-Rate program. This step is required so that invoicing can begin.

The SPAC form **is now located in EPC**. Only users with **Full Rights** permissions can complete the SPAC and submit it for certification in EPC. **Partial Rights** users can enter data on the SPAC but cannot certify and submit it in EPC. If you do not see the link to file the SPAC, you may have **View Only** permissions. Only the Account Administrator (AA) can manage user permissions for users associated with the service provider in EPC. Please contact your AA to update your permissions. Go to **Module 2: File an FCC Form 473** in the [Service Provider Course 1: Submitting and Certifying Invoices in EPC](#) learning module to learn how to submit an FCC Form 473.

Applicants can use the [E-Rate FRN Status Tool FY2016+](#) to see if their service provider has submitted a SPAC for the current funding year so that invoicing can begin. In order to participate in the E-Rate program, service providers must be compliant with program rules and submit this annual certification.

### **Get Ready for Invoicing**

After USAC has processed your [FCC Form 486](#) (Receipt of Service Confirmation and Children's Internet Protection Act Certification Form), you or your service provider can begin the process of invoicing USAC for the discount share of costs for of the approved eligible equipment and services (see [Filing the FY2024 FCC Form 486](#) in May's News Brief). USAC can process invoices from either the applicant or the service provider after the following have occurred:

- USAC has issued a Funding Commitment Decision Letter (FCDL) with a positive funding commitment.
- Services have started or the equipment has been delivered (USAC can process invoices for payments after review of the contract if it includes a specific payment schedule).
- The applicant has submitted, and USAC has successfully processed, an FCC Form 486.
- The service provider has filed an [FCC Form 473](#) (Service Provider Annual Certification (SPAC) Form) for the relevant funding year.

There are two methods that can be used to invoice USAC. Once USAC has processed an invoice for a Funding Request Number (FRN), that method of invoicing must be used for that FRN for the remainder of the invoicing process.

#### **Invoicing Method #1 – FCC Form 472**

Applicants file the [FCC Form 472](#) (Billed Entity Applicant Reimbursement (BEAR) Form) if they have paid the service provider in full for the equipment and services and want to be reimbursed for the discount amount. For BEAR invoices, the **applicant must have paid the service provider in full** for the received equipment and services before the applicant can invoice USAC.

Applicants [file BEAR forms online](#) in the E-Rate Productivity Center (EPC). Billed entities will receive payment directly to their bank account. In order to begin direct BEAR payments, the applicant must have completed an FCC Form 498 to [obtain an applicant 498 ID](#).

### **Invoicing Method #2 – FCC Form 474**

The service provider files the [FCC Form 474](#) (Service Provider Invoice (SPI) Form) if they have billed the applicant for the non-discount amount (the applicant's share of the cost) and want to be reimbursed for the discount amount. For SPI invoices, **the applicant must pay the service provider their non-discounted portion** share of costs for the received equipment and services before the service provider can invoice USAC.

USAC will review the SPI Form and disburse the payment to the service provider if payment is approved. The applicant is always required to pay the non-discounted portion of the costs for the equipment and services.

There are two options for completing and submitting the SPI Form:

- Service providers can [file online](#), or
- Service providers can [file electronically](#). USAC will set up electronic invoicing upon request and then service providers can submit invoicing information to USAC in a comma-delimited file.

### **Invoice Filing Deadlines**

Invoices must be submitted no later than 120 days after the last day to receive service; 120 days after the FCC Form 486 Notification Letter date; or 120 days after the date of a revised Funding Commitment Decision Letter approving a post-commitment request made by the applicant or service provider, or a successful appeal of a previously denied or reduced funding request, whichever is later. Generally, the deadline is October 28 for recurring services and January 28 for non-recurring services based on the last day to receive service.

Applicants and service providers may request and automatically receive a single, one-time 120-day extension of the deadline to submit an invoice using the BEAR or SPI form. [Invoice deadline extension](#) requests must be submitted on or before the invoice filing deadline for the request to be considered timely filed. If the deadline to file an invoice or to request an invoice filing deadline extension is missed, a [request for waiver](#) of the invoice filing deadline must be filed with the FCC and approved before any additional payments can be made.

### **Invoicing Reminders**

Below are some reminders to help ensure you submit successful invoices. Please see the [Invoicing Requirements Guide](#) for more details.

- **Invoice USAC only for your FCC Form 471 approved eligible equipment and services**, in the correct quantity and rates, and delivered only to the approved Recipients of Service (ROS).
- Invoiced amount **must be for actual charges**, up to the amount committed through the E-Rate program. **Billed rates must not exceed the contracted rates**. USAC will only pay up to the contracted rate.
- Manual calculations for prorated amounts must be accurate.
- Make sure that **all equipment purchased is installed and in use** before the Service Delivery Date.
- Establish a process to **prevent duplicate invoice submission**.

- Invoices can be submitted until the invoice filing deadline.
- All FRNs have the option of a one-time, 120-day invoice deadline extension, even if you do not anticipate needing one, **before an FRN's invoice filing deadline.**
- **Remove ineligible items** (equipment and services not approved on FCC Form 471, for FY and ROS).
- **Retain your supporting documentation** and bills for all invoices for at least 10 years.

USAC's website has [video tutorials](#) on how to submit the FCC Form 472 or the FCC Form 474, a [webinar recording](#) and [slides](#) from the 2023 E-Rate Fall Invoice Training, and webpages for the [FCC Form 472](#) and [FCC Form 474](#) to help you navigate the invoicing process.

### **FCC Establishes E-Rate Cybersecurity Pilot Program**

The FCC released a Report and Order June 11 ([FCC 24-63](#)) establishing the Schools and Libraries Cybersecurity Pilot Program (Pilot Program), a three-year program that will provide up to \$200 million in Universal Service Fund (USF) support to participating eligible schools and libraries to defray the costs of eligible cybersecurity services and equipment.

The Pilot Program aims to address cybersecurity threats faced by schools and libraries including being targeted by malicious actors who seek to steal personal information, compromise online accounts, cause online harm or embarrassment, or otherwise disable/disrupt critical networks that provide broadband connectivity. The program will also gather the data needed to better understand whether and how USF funds could be used to support the cybersecurity needs of schools and libraries in the future.

To learn more about the Pilot Program, including its timeline and trainings, visit USAC's [Cybersecurity Pilot Program](#) page and sign up for [Pilot Program emails](#).

### **2024 Training and Outreach**

USAC is coming to an event near you in 2024. Below are some events we will attend in the next few months. Visit the [In-Person E-Rate Training Events](#) page to learn more about the events we'll be attending where we can answer your E-Rate questions.

#### **Webinars**

- **FCC Form 470/Competitive Bidding Webinar on August 1, 2024** from 2 p.m. to 3 p.m. Eastern Time (ET). This webinar will provide E-Rate participants with information on how to file the FCC Form 470 and about the E-Rate competitive bidding process. This webinar is for applicants and service providers of all levels of E-Rate experience, with emphasis towards beginner level participants. [Register](#).

#### **Conferences**

- Visit USAC at the **American Library Association (ALA) Annual Conference June 27-July 2, 2024** in San Diego. [Event Link](#).
- Visit USAC at the **Southeastern Library Association (SELA) Annual Conference July 14-16, 2024** in Huntsville, Alabama. [Event Link](#).

- Visit us at the **Association for Rural & Small Libraries 2024 Conference September 11-14, 2024** in Springfield, Massachusetts. [Event Link](#).

### **2024 In-Person Training**

E-Rate experts will provide training and discuss program updates. There will be time at the end of the sessions for USAC to answer questions from both new and experienced participants. Each session will cover the E-Rate program lifecycle beginning with the opening of the EPC Administrative Window, running a competitive bidding process, applying for funding, and invoicing for approved equipment and services.

Registration **opened on April 23 at 3 p.m. Eastern Time** (ET). Register for a training by selecting a link below.

- **E-Rate Training:** September 17, 2024 from 9:30 a.m. to 5:30 p.m. Central Time in **Dallas, Texas**. [Register](#).
- **E-Rate Training:** October 7, 2024 from 9 a.m. to 4 p.m. Eastern Time in **Washington, D.C.** [Register](#).
- **E-Rate Training:** October 29, 2024 from 9:30 a.m. to 5:30 p.m. Central Time in **Fayetteville, Arkansas**. [Register](#).
- **Tribal-Focused E-Rate Training:** November 12, 2024 in **Palm Springs, California**. This Tribal-focused training will be held in conjunction with the Association of Tribal Archives, Libraries, & Museums' (ATALM) annual conference. To attend the E-Rate program training, you must be registered for the conference. [Event link](#).

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