In-Person E-Rate Training
September 9, 2025

Access Today's Training Materials

Nearby Lunch/Coffee Options

Housekeeping:

- Beverages are allowed in the meeting room

- Restrooms are across the hall

- Our first break will be at approximately 10:30 a.m.

Universal Service
Administrative Co.

Today's Agenda: Part 1

Topic	Presenter	Time*	Details
Introduction	Catherine Willis	9:00-9:05	Welcome and house-keeping items
Program Overview and FY2025 Program Updates	Catherine Willis and Allison Kahan	9:05-9:30	E-Rate program summary and updates for the new Category Two (C2) budget cycle, and reminders concerning the SPAC and transitioning services.
Eligible Services	Bernie Manns	9:30-10:25	Eligible services list review, types of eligible service, BMIC details, advance installation and basic fiber concepts.
Break		10:25-10:35	
Competitive Bidding (FCC Form 470)	Shawn Jensen	10:35-11:20	CB and FCC Form 470 overview, SP role, contracts, RFPs, Vendor communications, requirements for leased dark fiber and self-provisioned networks, evaluation matrix, CB exemptions.
FCC Form 471	Bernie Manns	11:20-12:00	FCC Form 471 application overview and requesting funding, application review process, and funding commitments.
Lunch		12:00-1:25	

Today's Agenda: Part 2

|			
Improving E-Rate	E-Rate Staff	1:25-2:10	A listening session for attendees to share what's going well, how E-Rate can improve program administration, and answer your questions.
AAD	Rashonda Ward	2:10-2:50	Audit overview, what happens during an audit, what will be asked of the program participant, general timeline.
Break		2:50-3:00	
Invoicing	Pam Lloyd	3:00-3:55	Invoicing overview, preparing to Invoice, filing an FCC Form 498, filing an invoice, invoice reviews, record retention and Open Data, and key takeaways.
Closing Remarks	Catherine Willis	3:55-4:00	Thank you for joining us!

Getting to Know You
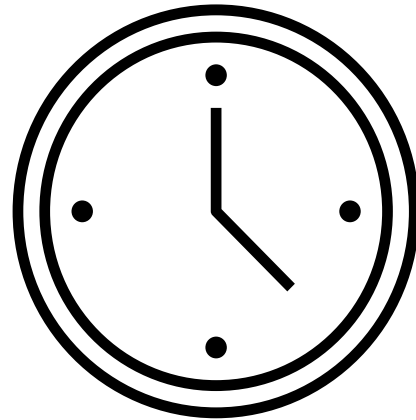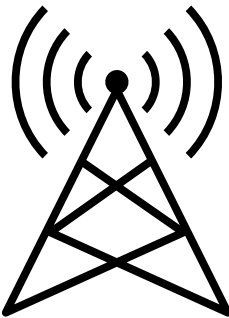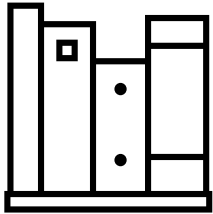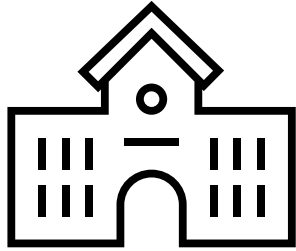
Program Overview and Updates

Agenda

- Program Overview

- E-Rate Tools and Resources

- Funding Year 2026: Updates and Reminders

- E-Rate Process and Program Compliance
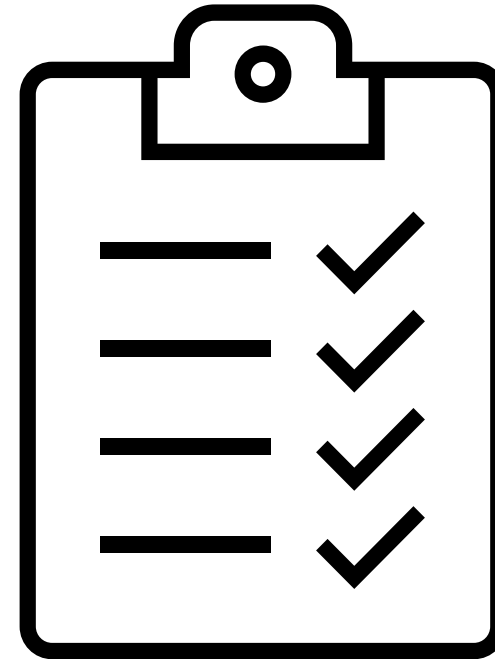
Program Overview

# Who We Are: Universal Service Administrative Company

- The Universal Service Administrative Company (USAC) is an independent, not-for-profit organization designated by the Federal Communications Commission (FCC) as the permanent administrator of the USF and its four programs.

- The Universal Service Fund (USF): Exists to ensure that all people in the United States have access to quality, affordable connectivity service.

Lifeline Program
Discounted phone and internet service to eligible low-income consumers.

High Cost Program
Reduced rates for telecom and broadband services in eligible high-cost areas.

E-Rate Program
Funding for broadband services in eligible schools and libraries.

Rural Health Care Program
Funding for telecom and broadband services for eligible rural health care providers.

Who Makes the Rules?

- Congress enacted the Telecommunications Act of 1996, which directed the FCC to establish the E-Rate program and the other USF programs.

- The FCC sets rules and policies for the program and gives direction to USAC.

- USAC is responsible for the day-to-day administration of the E-Rate program.

Congress

FCC

USAC
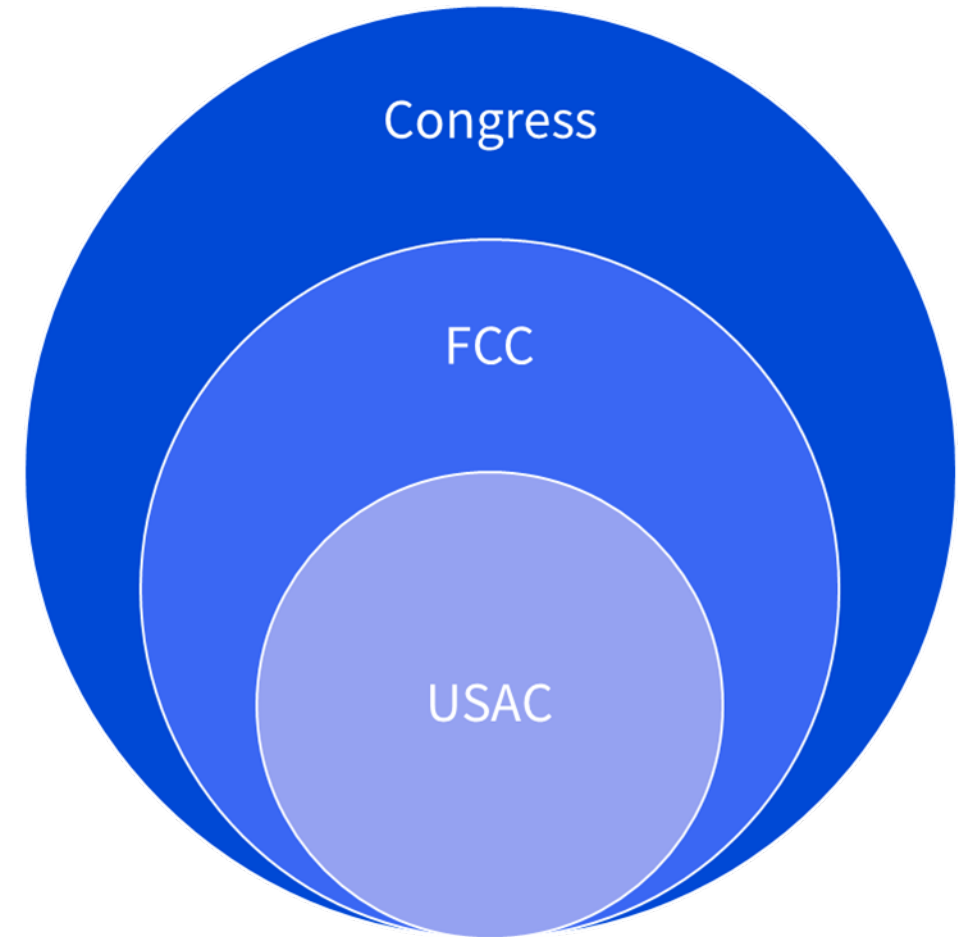
What is E-Rate?

The E-Rate program provides support to schools and libraries across the nation to obtain affordable, high-speed broadband services and internal connections to connect students and library patrons with learning opportunities and services.

Available for Public Use
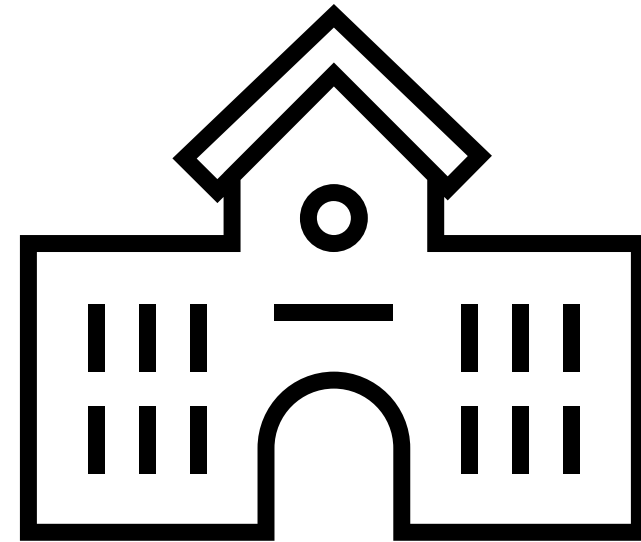
How is This Accomplished Through E-Rate?

- The E-Rate Program provides **discounts of up to 90 percent** to eligible schools (K-12), libraries, and groups of schools and libraries (e.g., consortia, districts, systems) for eligible internet access, data transmission services, and internal connections (e.g., Wi-Fi equipment, cabling, and basic maintenance services) that are competitively bid and approved on the application (FCC Form 471).

- These discounts result in a reduction in the costs of the equipment and services to the schools or libraries requesting funding through the E-Rate program.

- For example: A library with a 90 percent discount rate purchasing $1,000 in eligible broadband services would pay its 10 percent non-discount share of costs (i.e., $100) to the service provider. The **E-Rate program would pay the remaining 90 percent (i.e., $900)**.

11

E-Rate Program Overview

Provides funding to help schools and libraries obtain affordable telecommunications and internet access.

FY2025 Program Cap $5.06B

Eligible Applicants
Public and private schools (K-12), libraries, and groups of schools and libraries (e.g. consortia, school districts, library systems), as well as Tribal schools, libraries, and Tribal college and university (TCU) libraries that also serve as a public library

Eligible Services
Schools and libraries are eligible for discounts between 20% and 90% of the costs of eligible equipment and services. The applicant pays the remaining share (e.g.., a 90% applicant pays $100 on a $1,000 request). *Discount varies based on the school or library's level of poverty, urban/rural status, and the type of service.

Category 1
Services that support connectivity to schools and libraries. For example, data transmission and Internet access service, including special construction services for network builds.

Category 2
Services that support connectivity within schools and libraries. This includes internal connections (e.g., routers, cabling, or other equipment needed for a Wi-Fi network); managed internal broadband services (MIBS), and basic maintenance of internal connections (BMIC).
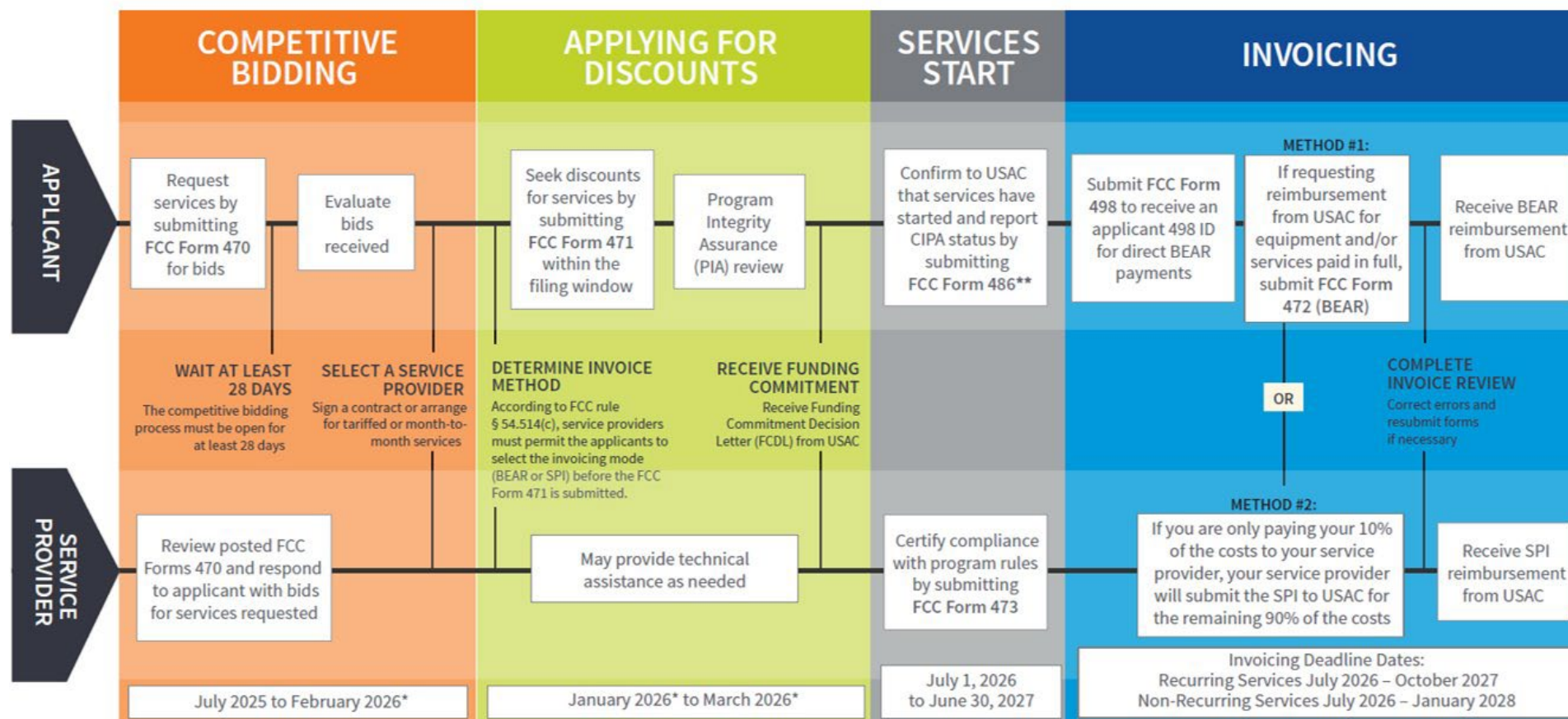
Top C1 Purchases:
- Leased lit fiber
- Internet access provided over fiber or copper
- Commercially available internet access
- Cable provider internet
- Satellite internet

Top C2 Purchases:
- Internal Connections (IC): Cabling, routers, switches, modems, wireless access points, right to use licenses
- Basic Maintenance of Internal Connections: Repair and upkeep of eligible IC
- Managed Internal Broadband Services: Managed Wi-Fi agreements

12

The E-Rate Application Process: FY2026

E-Rate Tools and Resources
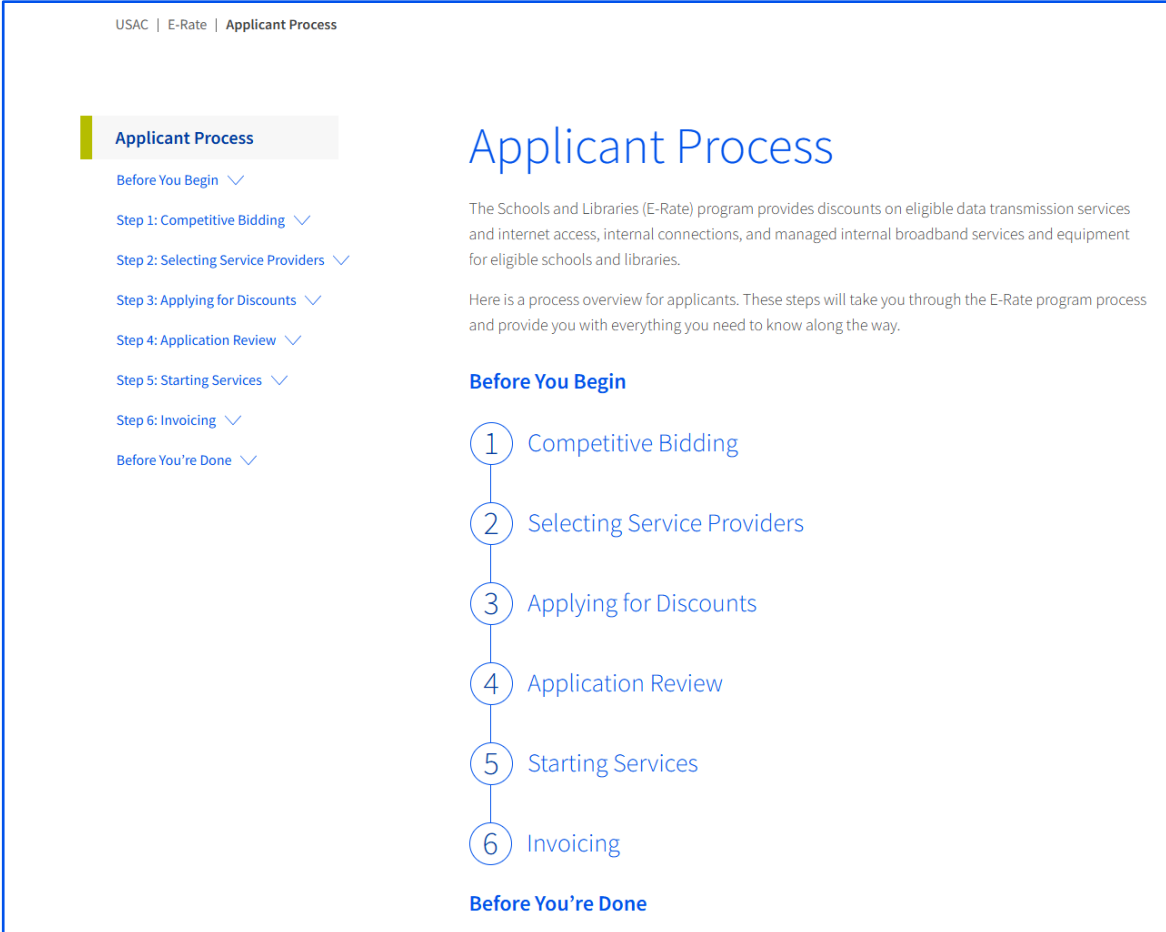
E-Rate Tools and Resources: Website

- Step-by-step articles covering the entire application process for applicants and service providers

- [Announcements](#)

- [FAQs](#)

- [Interactive User Guides](#)

- [Videos](#)

- [Webinars](#)

- Infographics
    - [FCC Form 470](#), [Invoicing](#), etc.

- The E-Rate website is accessible [here](#).

15

E-Rate Tools and Resources: Interactive User Guides/eLMs

- Interactive User Guide/eLearning Module (eLM) Features
  - Interactive modules incorporating multiple learning styles.
  - Self-paced EPC walk throughs.
  - Review of E-Rate program rules and processes.
  - Links to resources on the E-Rate website.
- Interactive User Guides for the pre and post commitment processes: Admin Window, FCC Forms 470, 471, 472, and 473/474.
- New Interactive User Guide for Open Data, Open Data Basics: Tools.
- Accessible on the videos page of E-Rate's website and each respective form's webpage (linked above).

E-Rate Tools and Resources: Webinars

- Online training

- Opportunities for Q&A

- Recordings available on the Webinar page of E-Rate's website.

- Hosted throughout the year.

- The Webinars page is accessible here.

E-Rate Tools and Resources: News Brief

- Provides reminders, updates, tips and tricks.

- Sent monthly via email.

- Subscribe here.

Funding Year 2026 Program Updates and Reminders

FY 2026– 2030 Category Two (C2) Budget Management

FY 2026 will be the first year of the FY 2026-2030 funding cycle.

- Unused funds from the FY 2021 – 2025 Category Two (C2) budget will not roll over to the FY 2026 – 2030 funding cycle.

- The E-Rate C2 Budget Tool FY2021+ provides data on the FY 2021-2025 C2 budget cycle. It is available on the Tools page along with a video on how to use the tool and a glossary of terms.

  - The tool will be updated to show C2 budget forecast data for the FY 2026-2030 C2 budget cycle.

- Applicants will be required to validate their student counts or library square footage in the first year they apply for C2 support during the FY2026-2030 cycle.

20

FY2026-2030 C2 Budget Cycle Updates

FY2021-2025 C2 Budget Cycle	FY 2026-2030 C2 Budget Cycle

Libraries
 	
• $4.50/square foot
 	
• $25,000 funding floor
 	
• Tribal libraries were eligible for up to $55,000
 	
Schools
 	
• $167/student
 	
• $25,000 funding floor
	Libraries
	
	• $5.43/square foot
	
	• $30,175 funding floor
	    • This means a library with less than 5,558 square feet ($5.43/square foot * 5,557 square feet = $30,174.51) receives the funding floor of $30,175.
	
	• Tribal libraries are eligible for up to $66,385.
	    • This means a Tribal library with less than 12,226 square feet ($5.43/square foot * 12,225 square feet = $66,381.75) receives the Tribal library funding floor of $66,385.
	
	Schools
	
	• $201.57/student
	
	• $30,175.00 funding floor
	    • This means a school with fewer than 150 students ($201.57/student * 149 students = $30,033.93) receives the funding floor of $30,175.

Establishing Your C2 Budget for this Cycle

- Update your entity profile in EPC during the Administrative Window

    - This information determines your discount

    - For instructions, please see the [Admin Window eLM](#).

- **Forecast Budget**: Beginning in the FY2026-2030 budget cycle, all entities will have a Forecast budget status based on the information in their EPC profile. This means that any updates you make to the entity profile will automatically reflect in an updated budget amount, without the need to request a replacement budget.

22

Establishing Your C2 Budget for this Cycle (cont.)

- **Preliminary Budget:** The entity has **certified** a Form 471 application within the FY2026-2030 C2 budget cycle. This means that the entity has certified the accuracy of the budget data currently in the entity profile.

- **Confirmed Budget:** Program Integrity Assurance (PIA) review of FY2026-2030 C2 Form 471 application is **complete**. The C2 budget in the entity profile is now **fixed**. It can only be changed via an Appeal for the current FY. Beginning in FY2027, the entity can request a replacement C2 budget if the student count has increased for the next year.

Eligible Services List (ESL) FY2026

- The Eligible Services List (ESL) for each funding year provides guidance on the eligibility of products and services under the E-Rate program.

- Please monitor the FCC website for any updates on the FY 2026 ESL.

- Updates will also be included in the E-Rate News Brief.

- Prior funding year Eligible Services Lists can be found here.

24

FCC Form 473 Service Provider Annual Certification (SPAC) Form

- Service providers are required to file a SPAC Form to certify their compliance with E-Rate program rules.

- FCC rules require service providers to annually submit a SPAC Form for each Service Provider Identification Number (SPIN) for **every funding year** that they participate in the E-Rate program. *See* 47 C.F.R. § 54.504(f).

- **TIMING:** Service providers must file their SPAC Form before any FCC Forms 472 (BEAR) or FCC Forms 474 (SPI) invoices can be processed and paid by USAC.

- Service providers can file a SPAC Form in EPC after the FCC Form 471 application filing window opens for the upcoming funding year and should do so before the end of the applicable funding year (i.e., June 30th). Applicants should contact their service provider if the form has not been filed by the end of the funding year (i.e., June 30). Service providers who fail to file the SPAC form and prevent an applicant from timely filing their BEAR forms may be referred to the FCC EB for further action (see DA-25-394).

- If an applicant's service provider went out of business, you may be eligible for relief under order (see DA-25-394), please contact USAC's Customer Service Center (CSC) for assistance.

- To view the status of the SPAC for any given funding year, please use the E-Rate FRN Status Tool 2016+ in Open Data.

Transitioning Services

- Transition of Services is when an applicant changes from one service and/or one service provider, to another during a funding year. The actual cutover dates may occur during the middle of the funding year and may change from the original planned transition dates.

- **Notifying USAC & Updating your FCC Form 471:**
  - FCC Form 471 is in review: Applicant should submit a RAL Request
  - FCC Form 471 has been Processed: Applicant should submit a SPIN Change or Service Sub Request
    - Changing Service Providers: Processed through a SPIN Change Form.
    - Changing Services: Processed through the submission of a Service Substitution Form.

Transitioning Services

- **Program rules prohibit the funding of duplicative services** (including the same service to the same locations at the same time.)

  - The applicant can apply for funding related to services from the incumbent and the new provider that will be provided during the applicable funding year providing planned cutover dates for each provider.

  - Ensure that the two FRNs for the transitioning service do not request funding for a time period that exceeds 12 months (e.g., if one FRN requests funding for four months, then the other FRN should only request funding for eight months.) The **service period for these two FRNs cannot overlap** and the **total service period** of these two FRNs cannot **exceed 12 months**.

Transitioning Services

- **Scenario:** The cutover date is not at the start of the funding year or the applicant does not know when the new service provider will cut over, or the cutover date changes:
  - Work with the new provider to determine a realistic estimate of the cutover date.
    - The applicant should then request funding for services from the incumbent and the new provider on separate funding requests numbers (FRNs) on the same application (not to exceed 12 months combined).
  - If the cutover date changes, then the applicant can file a post-commit (SPIN and/or Service Sub) request to address this change.
    - If necessary, the original FRN can be split into an additional FRN by USAC during the post-commitment process but the total funding for the related FRNs is limited to the original commitment amount and cannot exceed 12 months of service.

Transitioning Services: Circuits Example

Cutover on the **Same** Date

- Submit two FRNs on the same FCC Form 471 application for all of the circuits.
  - One FRN for the existing service.
  - One FRN for the new service.
  - The cutover date that the applicant previously established with the service provider(s) will inform the service start and end dates for these FRNs.

Cutover on **Different** Dates

- The applicant should take into account the various transition dates for each circuit when determining how many FRNs they will submit, grouping those with a similar transition date together on the same FRN.

- Submit two FRNs for each circuit.
  - One for the existing service.
  - One for the new service.
  - The cutover date that the applicant previously established with the service provider(s) will inform the service start and end dates for these FRNs.

Transitioning Services: Filing SPIN and/or Service Substitution

- **Narrative**: Explain that due to a Transition of Service issue, the applicant seeks to alter the service start and end dates for specific FRNs. The narrative should include the existing service FRN(s), and new service FRN(s), in addition to the specific changes the applicant would like made to the service start and end dates (i.e., cutover dates). An example narratives:

  - *Service Provider Name1 (SPIN1) will provide Ethernet at 3G starting on 7/1/2026 and ending on 11/30/2026. Service Provider Name2 (SPIN2) will provide Ethernet at 20G starting on 12/1/2026 to 6/30/2027.*

- Submit forms as soon as the cutover date is verified so that USAC can make the necessary adjustments to the affected FRNs.

- SPIN EPC Change User

- EPC User Guide: Service Substitutions

Program Compliance

Document Retention

- Applicants and service providers are required to [retain documentation](#) that demonstrates compliance with the statutory or regulatory requirements for all E-Rate program purchases of equipment and services **for a period of 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.

- Winning service providers must retain records related to the purchase and delivery of E-Rate eligible equipment, signed and executed contracts, bidding information, invoices, provision of services, and other matters relating to equipment and services.

- For example, for recurring internet access service for FY2023, both the applicant and the service provider must retain all records until **at least** June 30, 2034.

Document Retention (cont.)

- Keep all records such as:
  - Request for Proposal documents
  - Winning and losing bids
  - Vendor correspondence
  - Evaluation matrices
  - Documentation and memos of zero or one bid received (if applicable)
  - Other competitive bidding documentation
  - Asset and Service Inventories

- Records can be kept electronically: Use file names and folder names that are specific and descriptive to help you locate them more easily.

- The Document Retention List is available in the Resources section of the USAC website.

Protecting the USF and E-Rate Program

As we focus on preventing fraud, waste, and abuse, it is **extremely important** to take document retention seriously, ensure compliance with program rules, and avoid the appearance of fraudulent activity.

Beneficiaries must comply with program rules and provide USAC, as well as the FCC, with full and correct information, upon request.

- E-Rate is a federal program established by the FCC under 47 C.F.R. Part 54

- Violations of E-Rate program rules, certifications, and/or the United States Code (U.S.C.) are subject to criminal prosecution and financial recovery.

In our role as stewards of the E-Rate program, USAC must:

- Process and evaluate information received from program participants and universal service fund contributors.

- Conduct audits to ensure that funds are being used properly.

- Support investigations by law enforcement for E-Rate and USF.

34
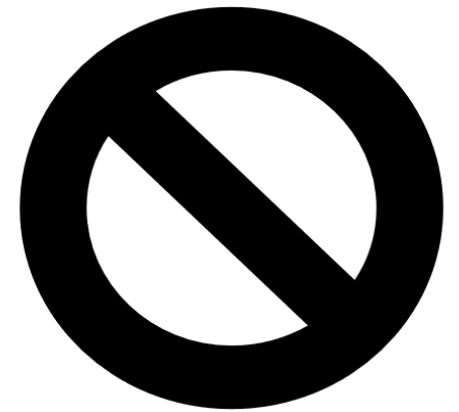
Questions?

Eligible Services

Agenda

- Eligible Services List

- Types of Eligible Service

- BMIC Details

- More on Eligible Services

- Advance Installation

- Basic Fiber Concepts

Eligible Services List

The Eligible Services List (ESL)

- Each year, before the opening of the **FCC Form 471 filing** window, the FCC releases a list containing general guidance on the equipment and services that are E-Rate eligible for the upcoming funding year.

- The ESL also provides helpful information such as **eligibility conditions** for each category of service for the funding year.

- Applicants can only receive funding for eligible equipment and services that are being used for **educational purposes**.

39

Eligible Services List (ESL)

- The Eligible Services List will be posted on E-Rate's <u>Eligible Services List</u> webpage when it is released.

- The ESL Order has five sections, with the actual Eligible Service List posted last.

  - Introduction – A preface to the contents of the Order.

  - Background – Discusses the FCC's seeking of comments, and related actions, prior to issuing the Order.

  - Discussion – Detailed discussion of scope of modifications in the Eligible Services List.

  - Appendix A – List of Commenters.

  - Appendix B – FY2026 Eligible Service List.

Types of Eligible Services

Categories of Service

- Category 1 Services are services needed to support broadband connectivity **to** eligible schools and/or libraries.

- Category 2 Services are:

  - Services needed for broadband connectivity **within** schools and/or libraries, and

  - Services needed to bring broadband **into** and provide it **throughout** schools and libraries.

Equipment and services may be fully or only partially eligible for E-Rate Support.

Categories of Service

- **Category One (C1)**

  - Data Transmission and/or Internet Access

  - Visit the <u>Eligible Services List</u> on our website

- **Category Two (C2)**

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

  - Applicant has a budget or limit on how much funding can be requested

  - Budget covers a five-year period (FY2026-2030)

  - See <u>Category Two Budgets</u> page

Category One Services – Service to the Entity Examples

- Leased lit fiber or leased dark fiber

- Internet access

- Satellite service

- DS-1 (T-1), DS-3 (T-3), etc.

- DSL

- Broadband over power lines

Category One Services – Service to the Entity – Eligible Costs

- Eligible costs associated with Category One services:
  - Monthly charges
  - Special construction
  - Installation and activation charges
  - Software
  - Modulating electronics/equipment necessary to make an eligible Category One broadband service functional
  - Maintenance and operations charges, including costs of for software needed for the operation of or maintenance of network equipment
  - The FY2024 Eligible Services List clarified that the software necessary to operate or maintain Category One equipment is eligible.

Types of Category Two Service

- **Internal Connections (IC)** – The equipment and services used to bring broadband into, and provide it throughout, schools and libraries.

- **Basic Maintenance of Internal Connections (BMIC)** – Basic maintenance and technical support appropriate to maintain reliable operation for eligible broadband internal connections.

- **Managed Internal Broadband Services (MIBS)** – Third-party operation, management, and monitoring of eligible broadband internal connections (owned or leased equipment).

Category 2 services have a five-year budget based on student count (schools) or square footage (libraries).

The type of Category 2 service you select must be consistent between your FCC Form 470 and FCC Form 471.

Category Two Service Type Examples

- Internal Connections
  - Cabling, routers, switches, and modems
  - Right-to-use software or Client Access Licenses

- Basic Maintenance of Internal Connections (BMIC)
  - The repair and upkeep of eligible cabling, routers, switches and modems
  - Multi-year maintenance service subscriptions
    - Note: Only maintenance services **provided in the applicable funding year** are eligible in that year (i.e., one year of a 3-year subscription should be requested on a current year funding request and invoiced a year at a time over the 3-year period).

- Managed Internal Broadband Services (MIBS)
  - Managed Wi-Fi agreement

Basic Maintenance of Internal Connections (BMIC) Detail

Basic Maintenance of Internal Connections Types

- Basic Maintenance of Internal Connections is the **repair and upkeep of eligible internal connections**.

- The two types of Basic Maintenance Internal Connections are:

  - **In-Person Services**, which include on-site repairs (Time and Material Contracts)

  - **Remote Services**, which include Maintenance Support Services (such as basic technical support, configuration changes, bug fixes, patches, software upgrades, support service subscription licenses, technical support licenses)

- The equipment being maintained must be eligible in order for the maintenance to be eligible for E-Rate support.

  - If repair or replacement work is performed under a maintenance contract, USAC only reimburses for the **actual work performed**.

- The Eligible Services List issued by the FCC defines eligible BMIC services each year.

49

Examples of Basic Maintenance of Internal Connections

- Repair and upkeep of eligible hardware (**In-Person Services**/Time and Materials)

- Wire and cable maintenance (**In-Person Services**/Time and Materials)

- Configuration changes (**Remote Services**/Maintenance Support Services)

- Basic technical support including online and telephone-based technical support (**Remote Services**/Maintenance Support Services)

- Software upgrades and patches including bug fixes and security patches (**Remote Services**/Maintenance Support Services)

Any license that provides **maintenance functionality** should be requested under **BMIC** on the FCC Form 470/471 (not client access or right to use licenses).

BMIC Services Exclusions

- Actual equipment being maintained (e.g., cabling, access points, switches)

  - These are eligible under **Internal Connections.**

- Unbundled warranties (Not Eligible for E-Rate Funding)

- Network management services, including 24-hour network monitoring (Eligible under **Managed Internal Broadband Services** (MIBS))

- The management, operation, and monitoring of eligible broadband internal connections (Eligible under **Managed Internal Broadband Services** (MIBS))

- Maintenance on ineligible equipment (Not Eligible for E-Rate Funding)

- Internal connections software (including Right to Use and Client Access Licenses to make equipment functional): Internal connections software allows the equipment to function and distribute high-speed broadband. They do **not** provide support or maintenance and are therefore ineligible as BMIC. Such software is eligible as **Internal Connections**.

Mixed Functionality

Some equipment has **mixed** BMIC & Internal Connections (IC) functionality.

- Some vendor licenses may include both BMIC and IC functionality such as Right-to-Use (RTU) and Maintenance Services on the **same** license.

- Split the license based on functionality (i.e., RTU and maintenance) into separate FRNs for BMIC and IC

  - Contact the manufacturer or USAC's Customer Service Center (CSC) to obtain the breakdown for specific functionality that is included in a specific mixed services license

Tip: During your competitive bidding process, if you are seeking bids for Right-To-Use functionality and maintenance subscription services, be sure to post for all applicable service types on the FCC Form 470. (i.e., IC and BMIC)

Changing Service Types After Submitting FCC Form 471

All services must be properly bid during the FCC Form 470 process.

- Be sure to confirm that you are posting for all service categories for which you are requesting bid responses on the FCC Form 470.

- FCC Forms 470 with the correct service type are required for corrections to be made on the FCC Form 471.

- To request changes identified **after** the FCC Form 471 is certified and **before** the FCDL is issued:
    - Submit a Receipt Acknowledgement Letter (RAL) modification request

- To request changes identified **after** the FCDL is issued:
    - Submit a Service Substitution request with a detailed narrative

        - Background information
        - Calculation for changes (single vs. multi-year)
        - Reason for the correction

Multi-Year Maintenance Support Services

These are preventive and remedial services that physically repair or optimize hardware, including maintenance under contract and per-incident repair

- Services are only eligible for **one funding year** at a time.

- You must apply for funding for each year separately.

    - Example: A 3-year maintenance contact for $12,000 can be submitted for reimbursement for each funding year associated for a maximum of $4,000 per funding year.

    - Prorate the cost of the service for one year and only invoice after the services are received **for the applicable funding year**.

    - If services extend outside the funding year window, the invoice will be modified to only pay the current funding year services.

    - Inform the reviewer which year of the **multi-year** contract you are invoicing for.

        - Example: 3-year maintenance contract for **FY2023–2025**. When submitting your request for your 2nd year, indicate that fact to the reviewer.

More on Eligible Services

Budgeting By Category

- **Category One (C1)** services are generally not limited in cost as long as they are cost effective.

- **Category Two (C2)** services are limited by a pre-discount cost ceiling (the "Category Two budget")

  - Budget period is five years
  - Budget is calculated based on:
    - Schools: Number of full-time students in the school
    - Libraries: Square footage of the library branch

Recurring Services

- Services that are billed **monthly** – (e.g., broadband internet access service.)

- Must be received during the relevant funding year to be eligible for E-Rate funding.

  - For FY2026, this means that recurring services must be **received** between July 1, 2026 and June 30, 2027.

57

Non-Recurring Services

- **One-time charges** for equipment and services that are delivered and installed (e.g., wiring, other cabling or wireless installations and equipment).

- Applicants and service providers have until September 30 following the close of the funding year to deliver and install non-recurring C2 services.

- For FY2026, this means **non-recurring C2** services can be delivered from July 1, 2026 through September 30, 2027.

- This service delivery deadline can be extended under certain circumstances.

Advance Installation

What is Advance Installation?

- Some **Category One** non-recurring equipment can be installed as early as January 1, prior to the July 1 start of the funding year, if certain conditions are met. See [Advance Installation](#) for more information.

- **Category Two** non-recurring services can be installed beginning April 1 before the start of the funding year.
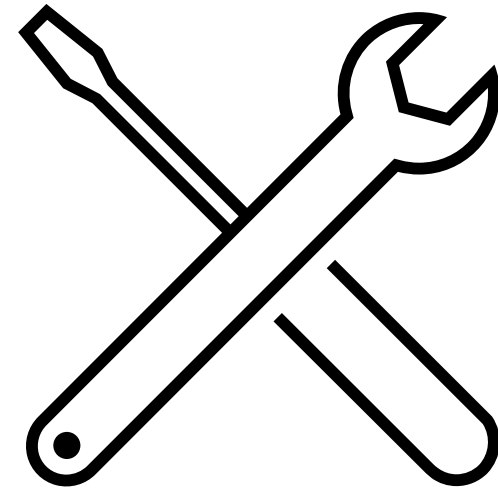
Advance Installation – Category One

Advanced installation for non-recurring **Category One** equipment and services can occur provided the following conditions are met:

- The construction begins after selection of the service provider;

- The service provider must be selected pursuant to an FCC Form 470 posting;

- A Category One recurring service must depend on the installation of the infrastructure;

- The Category One recurring service's actual start date is on or after July 1 of the funding year.

Advance Installation – Category Two

- Advanced installation of non-recurring Category Two equipment and services:
  - Services cannot start until after the **28-day competitive bidding process** is completed and the service provider is selected.
  - Funding is not guaranteed until USAC issues a Funding Commitment Decision Letter.

Advance Installation Reminders

- Funding is not guaranteed until USAC issues a Funding Commitment Decision Letter (FCDL).

- Invoices FCC Form 472 or FCC Form 474 cannot be dated before July 1 of the funding year.

Basic Fiber Concepts

Introduction to Fiber – Types of Eligible Fiber

1. **Leased lit fiber**

The applicant pays a monthly fee to the service provider who provides the fiber, the connections, the network equipment, and the data transport and/or internet access service. The service provider also manages and maintains the network.

2. **Leased dark fiber**

The applicant leases a portion of a fiber network owned by a service provider and pays separately for the network equipment, maintenance and operations, and data transport and/or internet access service over that fiber.

65

Introduction to Fiber – Types of Eligible Fiber

3. **Self-provisioned network:** Applicant ownership of a high-speed broadband network

- The applicant hires a vendor to construct the network or a portion of the network and thereafter completely or partially owns and maintains that network or portion.

- An E-Rate eligible entity may share the services and equipment used to construct and/or operate a self-provisioned network supported by E-Rate funding with an ineligible third-party entity so long as the ineligible third-party entity pays its fair share of the costs, i.e., its pro-rata portion of the undiscounted costs of the network.

Note: Although included as a fiber option, a self-provisioned network may utilize technologies other than fiber. The applicant owns the network that it hires a service provider to construct. The applicant must pay for the network equipment, pay to maintain the network, and pay for any data transport and/or internet access services separately.

Introduction to Fiber – Types of Eligible Fiber

3. **Self-provisioned network cont.**

   - Self-provisioned networks are a technology-neutral eligible service.

     - Applicants may self-provision a fiber network, but applicants may also self-provision networks using other technologies (i.e., fixed microwave) or a mix of fiber and other technologies.

     - In light of this, the FCC adopted a technology-neutral competitive bidding standard for self-provisioned networks – service provided over third-party networks.

Note: If an applicant specifies a requested bandwidth that other providers can supply, the technology-neutral competitive bidding standard expands the competitive bidding pool and helps to ensure that applicants requesting E-Rate support for self-provisioned networks only do so when it is the most cost-effective service option to meet their connectivity needs. It is possible that based on the applicant's bandwidth specifications that fiber may be the only option for receiving the requested bandwidth.

Fiber – What is Network Equipment?

- A single piece of Network Equipment (also called basic terminating equipment) is eligible under **Category One**.
  - The single piece must be located at the demarcation – the point at which the service provider would start to check if service were interrupted.
- Other pieces of Network Equipment can be eligible as **Category Two** Internal Connections.
- Network Equipment includes the electronics and equipment necessary to make a Category One fiber service functional.

Resources

- Eligible Services Overview Webpage

- Eligible Services List

- Eligible Services List (ESL) Glossary

- Fiber – Summary Overview

- Fiber Frequently Asked Questions

Questions?

FCC Form 470 and Competitive Bidding

Universal Service
Administrative Co.

Agenda

- Competitive Bidding Overview

- Get Ready to Request Bids

- File and Certify an FCC Form 470

- Ensure an Open and Fair Process

- Wait at Least 28 Days

- Select a Service Provider

- Additional Information

- The Service Provider's Role

- Resources

- Questions and Answers
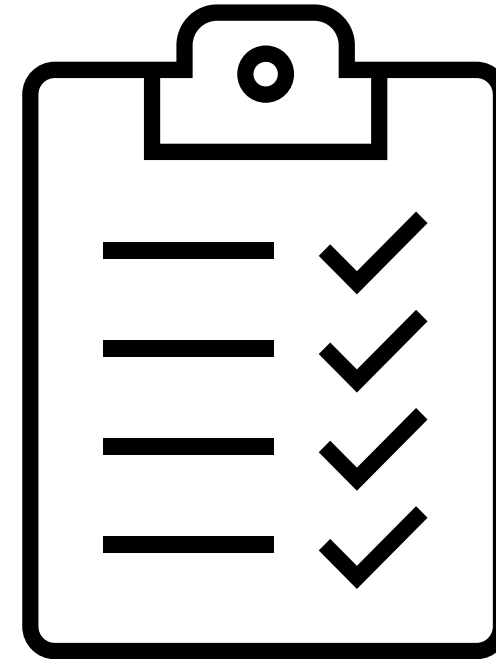
Competitive Bidding Overview

What is Competitive Bidding?

- Competitive bidding is the formal process for applicants to choose the service providers who will provide the requested equipment and services.

- Service providers review the applicant's FCC Form 470 for requested equipment and services, any procurement requirements, and then submit bids.

The E-Rate Application Process
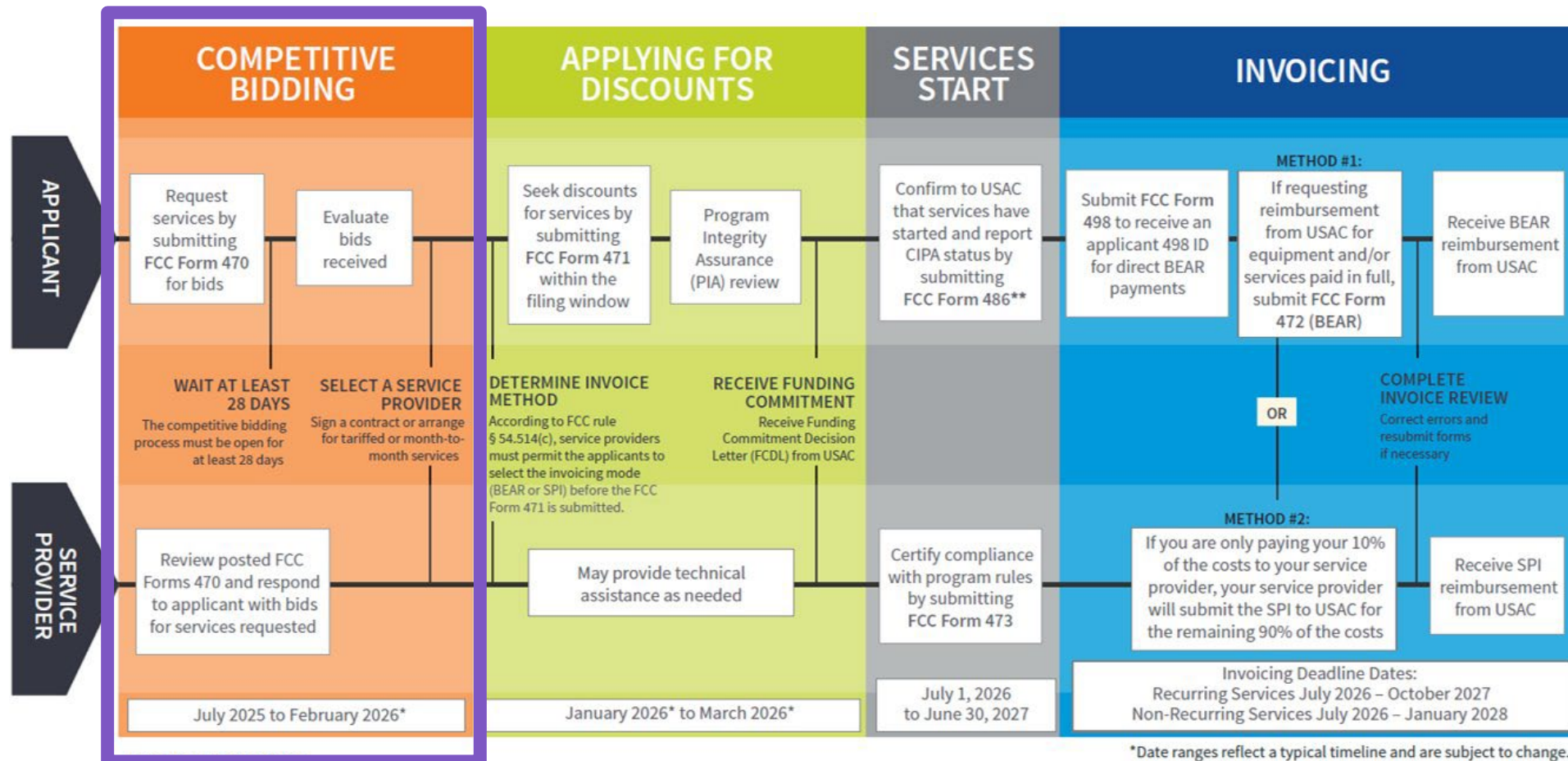
Applicant Forms and Important Dates Reminder

Competitive Bidding ➡ **Apply for Discounts** ➡ **Start Services** ➡ **Invoice USAC**

FY2024:
July 2023 - February 28, 2024

FY2025:
July 2024 - February 26, 2025

FY2026:
July 2025 - February 2026*

FY2024:
January 17, 2024 - March 27, 2024

FY2025:
January 15, 2025 - March 26, 2025

FY2026:
January 2026 - March 2026*

FY2024:
July 1, 2024 - June 30, 2025

FY2025:
July 1, 2025 - June 30, 2026

FY2026:
July 1, 2026 - June 30, 2027

Recurring Services
FY2024: July 2024 – October 2025
FY2025: July 2025 – October 2026
FY2026: July 2026 – October 2027

Non-recurring Services
FY2024: July 2024 – January 2026
FY2025: July 2025 – January 2027
FY2026: July 2026 – January 2028

470   **471**   **486**

472 (BEAR)
OR
474 (SPI)

* Date ranges shown reflect a typical timeline but are subject to change.*

Competitive Bidding Steps

| Get Ready to Request Bids | File an FCC Form 470 | Ensure an Open and Fair Process | Wait At Least 28 Days | Select a Service Provider |

THE COMPETITIVE BIDDING PROCESS

allows applicants to identify and request products and/or services so that potential service providers can review those requests and submit bids for them.

The process consists of five steps:

1 Get Ready to File
- Perform a needs assessment
- Review your state and local procurement rules
- Review the Eligible Services List

2 File and certify an FCC Form 470
- Provide sufficient information for potential vendors to provide a comprehensive bid (e.g., for managed internal broadband services specify the exact equipment/services to be managed)
- Potential bidders (service providers) cannot help you file FCC Form 470
- You have the option to submit a Request for Proposals (RFP) with your form
- There are competitive bidding exemptions for certain Category 1 and Category 2 (libraries only) equipment/services
- After you certify your FCC Form 470, USAC issues a Receipt Notification Letter (RNL) with your Allowable Contract Date (ACD) – the earliest date you can enter into an agreement or sign a contract

3 Ensure an open and fair process
- Provide any FCC Form 470, RFP and other information/updates in EPC for all potential bidders for at least 28 days
- "Open" means there are no secrets in the process and that all bidders know what is required of them
- "Fair" means that all bidders are treated the same and that no bidder has project information others do not
- Abide by the Gift Rules

4 Wait **at least** 28 days before selecting a service provider
- The ACD (included on your RNL) is 28 days after the FCC Form 470 is **certified**
- The day you **certify** the FCC Form 470 is day 1 If the FCC Form 470 is certified on the 1st of the month, you may select a service provider **on or after** the 29th of the month
  - If you later **change the information** needed to respond to the bid, you must restart the 28 days
  - If you issue an RFP on a later date, you must restart the 28 days
- * State or Local procurement rules may require a longer waiting period

5 Select a service provider
- Select a service provider after your ACD and before certifying the FCC Form 471
- Consider all responsive bids
  - Use a Bid Evaluation Matrix
  - Ensure price is the primary evaluation factor (highest weighted factor). Only the costs of eligible goods/services should be evaluated in this criterion
- Enter into a legally binding agreement and document selection date (after the minimum 28-day waiting period)
- Upload your legally binding agreements and contracts to EPC
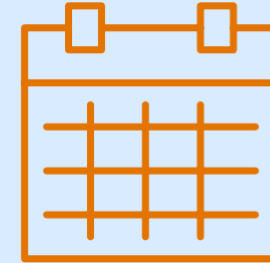
Retain all **competitive bidding documentation,** including the Bid Evaluation Matrix, for ten years after the last day you receive services or the end of that funding year, using whichever date is later.

Link to Competitive Bidding Infographic:
https://www.usac.org/wp-content/uploads/e-rate/documents/resources/Competitive-Bidding-Infographic-08.27.2024.pdf

Universal Service Administrative Co.

Get Ready to Request Bids

Plan Your Project

Plan the scope of your project and the equipment and services needed.

- Review any state or local competitive bidding and procurement (purchasing) requirements that apply to you.

- Review the FCC Form 470 Guiding Statements Table to assist with determining the services needed and being requested.

- Understand concepts of Entity Eligibility and Service Eligibility

    - Review the Eligible Services List (ESL) for the current funding year to see what equipment and services are eligible for E-Rate program funding.

Be Aware Of "Mixed Eligibility" Products/Services

- **Mixed eligibility** refers to equipment and services for which only a portion is eligible for discounts under the E-Rate program.

- In general, a [cost allocation](#), separating the eligible and ineligible costs, is required if an equipment or service:

  - Contains both eligible and ineligible components — for example, a data T1 circuit (eligible) that also has channels on the circuit dedicated to voice services (ineligible);

  - Is utilized for eligible and ineligible uses — for example, a server that is used for both caching (eligible) and video distribution (ineligible); or

  - Is delivered to both [eligible and ineligible locations](#) — for example, broadband service delivered to a school run by a church (eligible) and to the church office (ineligible).

- There is no single approved method to allocate eligible and ineligible costs. Your method must use tangible criteria that result in a reasonable allocation.

File and Certify an FCC Form 470

File an FCC Form 470

- The applicant must file and certify an **FCC Form 470** to initiate the competitive bidding process.
  - Describe your desired services and requirements with sufficient specificity for service providers to be able to submit responsive bids.
  - No generic descriptions (e.g., all Digital Transmission Services).
  - You may also include additional bidding documentation such as a Request for Proposals (RFP) with your FCC Form 470.
    - RFP generically refers to any bidding document that describes the applicant's project and requested equipment and services in more detail.
  - Services requested on the FCC Form 470 and RFP **must** match.

When to File the FCC Form 470

- The FCC Form 470 must be filed every year for services provided under tariff, on a month-to-month basis, or for those seeking new services under contract.

- It must be filed **at least** 28 days before filing FCC Form 471.
    - Multi-year contracts: You **do not** need to file a new FCC Form 470 if the contract is still in effect and the costs/services are still within the terms of the establishing FCC Form 470 (but you do still need to file a new FCC Form 471 requesting E-Rate support each funding year).
    - After the contract's initial term is over, you will need to recompete the contract.

- Competitive Bidding Exemptions:
    - Category One: Low-Cost High-Speed Internet Access
    - Category Two: Low Cost Internal Connections (Libraries only)

Receipt Notification Letter (RNL)

- After posting FCC Form 470, USAC issues a Receipt Notification Letter (RNL) in your EPC News feed.

- Review your submitted FCC Form 470 carefully. If you need to make corrections, do the following:

  - For minor changes (see the Ministerial and Clerical Errors page on the E-Rate website), locate the form in EPC, and choose "Related Actions" to submit allowable corrections.

  - For significant changes to your form, you must file a **new** FCC Form 470 or restart your 28-day waiting period.

- The Receipt Notification Letter contains your Allowable Contract Date, which is 28 days after the certification date of your FCC Form 470.

Keep Equipment and Service Requests General

- Do not list the specific make and model of equipment and services sought without also considering equivalent alternatives.
    - Example: "XYZ manufacturer's router model 345J **or equivalent**"
    - EPC will automatically add the "**or equivalent**" language in the FCC Form 470 unless the applicant selects "Other" for the Manufacturer Description. In this case, the applicant will manually write in "or equivalent" when entering their description.
    - Remember to double check your RFP if using one.

Disqualification Factors

- You can disqualify bids if they don't meet the requirements. Bidder disqualification criteria must:
  - Be spelled out in FCC Form 470 and/or RFP, and
  - Be available to **all** potential bidders.

- The following items are examples of bid disqualification reasons:
  - Service provider not registered with the state procurement office.
  - Service provider does not have a Service Provider Identification Number (SPIN), also known as the service provider's 498 ID.
  - Service provider must have an FCC RN.
  - Service provider is not bonded.
  - Service provider's bid must directly address requested equipment and services.

Competitive Bidding Tip

When unsure whether a service falls under one of two service types, you are allowed to request bids for **both** service types.

For example, if you are unsure whether a piece of equipment or a service falls under Internal Connections or BMIC, you have the option to seek bids for both.

Ensure an Open and Fair Process

Open and Fair

- **Open** = there are no secrets in the process; information shared with one bidder must be shared with all.

- **Fair** = all bidders are treated the same, fairly, and equally.

See the Open & Fair Process page on our website for more information.

Open and Fair Guidelines

- All applicants must comply with all E-Rate, state, and local procurement requirements.

- Applicants cannot have a relationship with service providers that would unfairly influence the outcome of the competitive bidding process.

- Applicants cannot give anyone inside competitive information.

- Applicants cannot have ownership interest in the company of a service provider that is competing for services.

- Applicants **must** describe the desired equipment and services with sufficient specificity to enable interested parties to bid.

- Applicants cannot receive gifts or donations from service providers that violate or seek to circumvent FCC rules.

- Applicants **are not** required to show "proof" of E-Rate participation or share their bid evaluation information with any service provider.

91

Create A Bid Evaluation Matrix

- To evaluate incoming bids, create a **bid evaluation matrix** or similar document.

- Develop evaluation criteria or factors to assess the bids.
  - You can have one or multiple factors.
  - You may also have disqualifying factors.

- Assign each evaluation factor a point value or percentage.
  - The price of the **eligible equipment and services** must be the most heavily weighted factor.
  - Other factors can be considered, but they must be weighted less than the price of eligible equipment and services.

Sample Bid Evaluation Matrix

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the eligible products and services	50*	20	50	40
Prior experience with the vendor	25	25	0	25
Prices for ineligible services, products, and fees	15	10	5	15
Local or in-state vendor	10	10	0	0
Total	**100**	**65**	**55**	**80**

*This number must be higher than all other numbers in the same column.

93

Abide by the Gift Rules

- Receipt or solicitation of gifts by applicants from service providers (and vice versa) 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.

- Exceptions for gifts – limited to items worth $20 or less, including meals or prizes, and cannot exceed $50 from one service provider to each individual per funding year.

- Watch our Gift Rules video for more details on the gift rules.

Wait at Least 28 Days

28-Day Waiting Period Review and Reminders

Applicants must wait at least 28 days after certifying their FCC Form 470 before selecting a service provider, executing any contracts for contracted services, or signing and submitting an FCC Form 471. The allowable contract date is the earliest date on which an applicant can select a service provider. See your Receipt Notification Letter.

Your state or local procurement regulations may require a longer waiting period or impose additional requirements.

Frequently Asked Questions (FAQs) on the 28-day waiting period:

- **When does the waiting period start?** *The calendar day **after** you certify your FCC Form 470, the day you certify is day one. For example, if you certify on 1/1/2025, the waiting period starts on 1/1/2025, and your Allowable Contract Date is 1/29/2024. If you add a Request for Proposals after certifying the FCC Form 470, you may be required to restart the 28-day waiting period.*

- **Do weekends count as a part of the 28 days?** *Yes, the 28-day period is based on calendar days.*

- **When can you select a vendor?** *After the 28-day waiting period (unless your FCC Form 470 lists a later bid deadline.)*

- **When's the last day you can select a vendor?** *You must select the most cost-effective service offering before you submit the FCC Form 471.*

- **When can you stop receiving bids?** *You may set a bid deadline and include it to your narrative or RFP. This deadline must be at least 28 days after verifying your FCC Form 470 or longer depending on state rules. If you **do not add a deadline to your narrative or RFP**, you must accept bids up until you evaluate bids and make a vendor selection. These deadlines should be memorialized in your records.*

96

Universal Service Administrative Co.

Allowable Contract Date (ACD) Infographic

CALENDAR

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	**Certified FCC Form 470** 1 Day 1	2 Day 2	3 Day 3	4 Day 4
5 Day 5	6 Day 6	7 Day 7	8 Day 8	9 Day 9	10 Day 10	11 Day 11
12 Day 12	13 Day 13	14 Day 14	15 Day 15	16 Day 16	17 Day 17	18 Day 18
19 Day 19	20 Day 20	21 Day 21	22 Day 22	23 Day 23	24 Day 24	25 Day 25
26 Day 26	27 Day 27	28 Day 28	**Allowable Contract Date** 29 Day 29	30	1	2

•**This is the earliest you can select a vendor.**[1]
•**You can wait up until you certify FCC Form 471 to select a vendor.**[2]

Remember

If the 470 narrative or RFP does not include a bid submission deadline
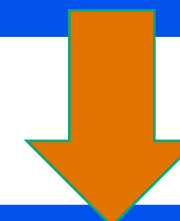
then applicants are **required** to accept all bids up until they conduct their evaluation.

[1] This may vary based on state and local procurement rules.
[2] You must select a vendor before the filing window closes.

https://www.usac.org/e-rate/applicant-process/competitive-bidding/28-day-waiting-period/

FCC Form 470: Allowable Contract Date Changes

- RFP Upload
  - Allow users to upload an RFP document to any non-cancelled Form 470, even if that Form 470 did not originally have an RFP.

- Substantial Change Question/New Layout to RFP Upload Screen
  - New Yes/No question: Does this new RFP constitute a substantial change to your FCC Form 470?

Allowable Contract Date (ACD) Changes (cont.)

- ACD Automatic Reset
  - When "Yes" is selected for substantial change question, the allowable contract date will automatically update to extend by 28 days.
  - Day of modification/new RFP is day ONE. ACD on Summary screen will change to reflect new date.

- ACD Automatic Reset Validations
  - ACD cannot be reset if the FCC Form 470 is referenced on an FRN which is not cancelled. Error message will appear.
  - Form 471 cannot be certified if an FRN is citing an FCC Form 470 whose ACD is in the future. Error message will appear.
    - If the offending FCC Form 470 is removed from the application, the app can be certified.

While You Wait

- After applicants file and certify their FCC Form 470, they must wait a minimum of 28 days before selecting a service provider.

- Use the 28-day waiting period to:

  - Receive bids.

  - Respond to service provider inquiries regarding your project.

    - Be sure that any information provided to one service provider is provided to all bidders.

- Evaluate the bids using your factors and bid evaluation matrix.

Next Steps After the 28-Day Waiting Period

1.

2.

3.

Choose your service provider(s)

Notify the winning service provider(s)

Sign a contract or legally binding agreement

On or after the Allowable Contract Date (ACD)

File the next form (FCC Form 471)

Wait for the filing window to open

What If You Receive No Bids?

- If applicants receive no bids or only one bid, they can:
  - Proactively solicit bids after waiting 28 days.
  - Ask their current provider to submit a bid.
  - Accept the one bid, if it is cost effective.
- Be sure to create a memo for your E-Rate files to document the situation.
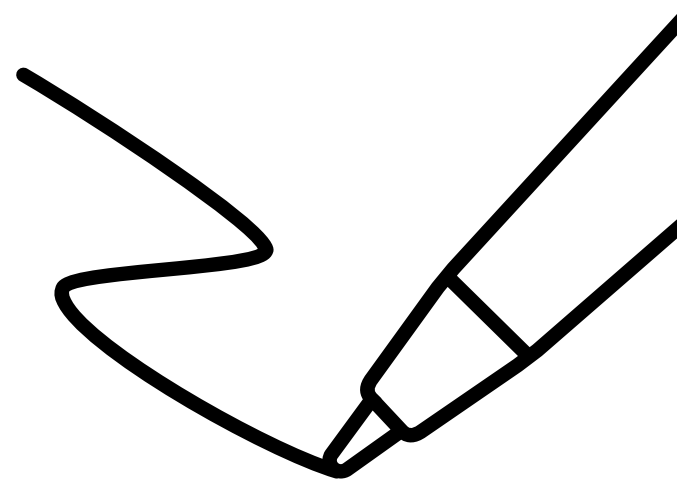
Select a Service Provider

Allowable Contract Date

- Wait 28 days

- Evaluate all bids

- Select the service provider(s)

Reminder: Your Allowable Contract Date is printed on your Receipt Notification Letter.
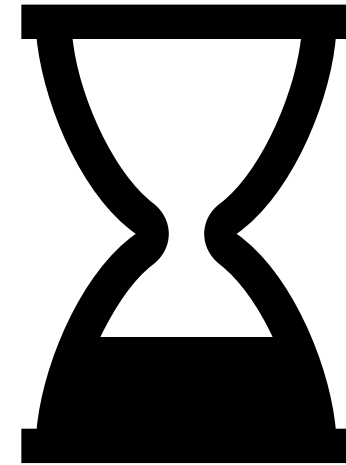
Enter Into a Legally Binding Agreement

- After selecting a service provider, legally enter into a binding agreement with them.

- Sign something (a contract, purchase order, etc.) requesting the services from the provider(s).

- Upload the evidence to your Contract Profile in EPC.
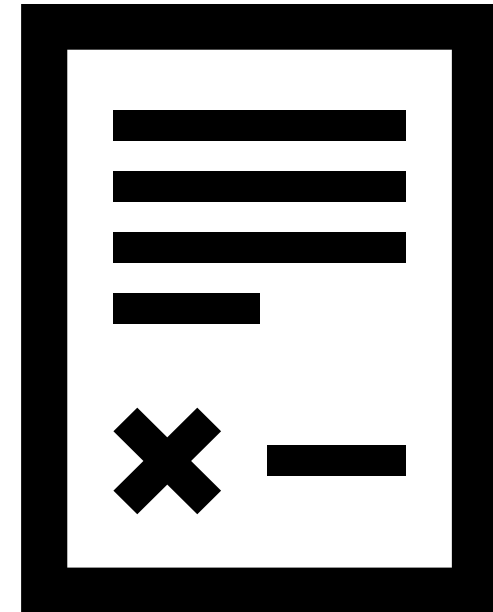
Additional Information

USAC Does Not Pay for Duplicative Services

- **Duplicative services** are services that provide the same functionality for the same population in the same location during the same period of time. USAC cannot fund duplicative services.

- **Backup services** are services sought to reduce reliance on any single service provider's network during an outage and are considered duplicative.

- Services that provide necessary bandwidth requirements, such as multiple T-1 lines when appropriate for the population served and the services to be received, may not be considered duplicative. However, the applicant must still evaluate and choose the most cost-effective option from the bids received.

State Master Contracts

- A [state master contract](#) (SMC) is competitively bid and put in place by a state government for use by entities in that state.

- If the state files an FCC Form 470:

  - The applicant cites the state's FCC Form 470 on its FCC Form 471.

  - The applicant is required to follow the applicable provisions of the state master contract and state and local procurement laws.

    - No separate bidding documents or contracts are required by the applicant citing the state's FCC Form 470, other than what is required by the state master contract and state and local procurement laws.

    - The signed state master contract between the state and the service provider must meet the FCC signed contract requirement.

Bid Awards

- **Single winner**: Single vendor wins the bid

- **Multiple Award Schedule:** State awards contract for same equipment and services to multiple vendors that can serve the same population.
  - If the state awards contracts to multiple service providers, the applicant must conduct a bid evaluation for all service providers able to provide services to the applicant under these contracts (a mini-bid process).
  - Justify vendor selection.
  - Remember to include in your mini-bid all contracts on the multiple award schedule that provide the services sought.

Common Missteps and Bidding Errors

- Failure to provide **complete and accurate** information on the FCC Form 470 and RFP, such as:

  - Correct category and service type.

  - Appropriate details on the project, deadlines, and other necessary requirements.

Common Missteps and Bidding Errors (cont.)

- Failure to retain all competitive bidding documents.
  - Retain the Bidding Matrix showing that:
    - Price was the most highly-weighted factor.
    - You carefully considered all bids received.
  - Retain winning and losing bids.
  - If you only received one bid, create a memo to document that fact for your files.

111

Common Missteps and Bidding Errors (cont.)

- Failure to wait **the full 28-day waiting period.**
  - Count from the date of certification on the FCC Form 470.
  - Be sure to select a service provider **on or after** the Allowable Contract Date.

Avoid Mistakes: Establish Your Contract Correctly

❑ The contract contains the applicant's signature and date of when the contract was executed.

❑ The legally binding agreement contains all the material terms and conditions and contains a written acceptance of the offer.

❑ The contract/legally binding agreement was negotiated on or after the Allowable Contract Date on the FCC Form 470.

❑ The contract/legally binding agreement was negotiated/executed on or before the submission of the FCC Form 471.

113
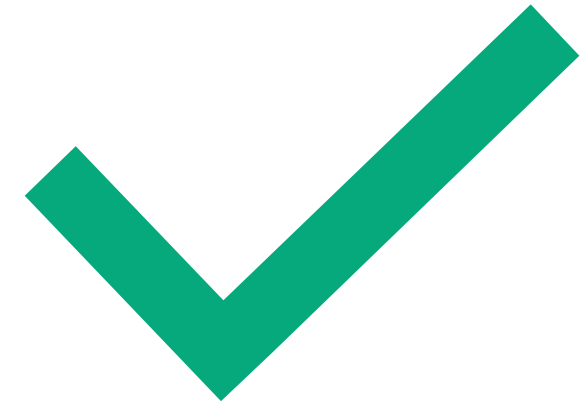
The Service Provider's Role

Know Your Role in the E-Rate Process

Applicants	Service Providers
• Determine services needed, file FCC Form 470. • Conduct the competitive bidding process. • Select winning bidder with price of eligible equipment and services as primary factor. • Respond to Program Integrity Assurance (PIA) questions. • File other applicant forms (FCC Forms 471, 486, 472, 500, etc.). • Document compliance with FCC rules (ongoing). • Retain documentation for at least 10 years from last date of service delivery.	• Respond to FCC Form 470 and any RFP. • May assist with responding to PIA questions on technical services questions (but **not competitive bidding**). • File service provider forms (FCC Forms 473, 474, etc.). • Document your compliance with FCC rules (ongoing). • Retain documentation for at least 10 years from last date of service delivery.

Service Providers – Bid on Services

- The **applicant** starts the [competitive bidding process](#) by posting one or more FCC Forms 470 and Request(s) for Proposals (RFP) documents, if applicable, to the USAC website.

  - These documents may include specific requirements for service providers to follow during the competitive bidding process.

- **Service providers** [review the information and bid on the requested services](#).

  - Use [FCC Form 470 tools](#) to search and view FCC Form 470 service requests and RFPs.

  - The bid should include information on E-Rate eligibility percentage and category of service.

  - The bid should be responsive to the equipment and services being requested.

Open and Fair – Service Providers

To help ensure an open and fair process, service providers should:

- **Review all the requirements**, including the FCC Form 470 and any RFP(s).

- Provide a responsive bid to what was requested by the applicant.

- Ask questions if the information provided by the applicant is unclear.

- Separate the **eligible, mixed bucket**, and **ineligible services** in your bid response.

- **Do not offer gifts, free services, devices, or non-E-Rate discounts** to make your response more attractive.

- **Do not offer to help** an applicant if you are also planning to respond to their bid request.

Lowest Corresponding Price (LCP)

- Service providers are required to offer applicants their services at the [lowest corresponding price](#) charged to other similarly situated customers throughout their geographic service area.

- This rule ensures that applicants are not charged more than similarly situated non-residential customers for similar services because of 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, or length of contract.

- Applies to all service providers and for all service arrangements (tariff, month-to-month, and contracted services).

Resources

Additional Resources

- [Competitive Bidding Page](#)

- [Competitive Bidding Infographic](#)

- [Competitive Bidding FAQs](#)

- [28-Day Waiting Period Page](#)

- [How to File an FCC Form 470 eLM](#)

- [Guiding Statements Video](#)

- [Guiding Statements Reference Table](#)

- [Applicant Process Page](#)

- [Service Provider Process Page](#)

- [Document Retention](#)

Additional Resources Continued

Visit the **Learn** section of the E-Rate website to find useful information

- Subscribe to the E-Rate News Brief
  - Upcoming Date reminders
  - Program announcements
- Webinars
  - Watch past webinars and register for upcoming trainings
- eLearning Modules (eLMs)
  - Learn how to navigate various aspects of the E-Rate program
- Review Frequently Asked Questions (FAQs)

Questions?

E-Rate Pre-Commitment Process
FCC Form 471

Universal Service
Administrative Co.

Agenda

- What is the FCC Form 471?

- Requesting Funding (FCC Form 471)

- Application Review

- Funding Commitments
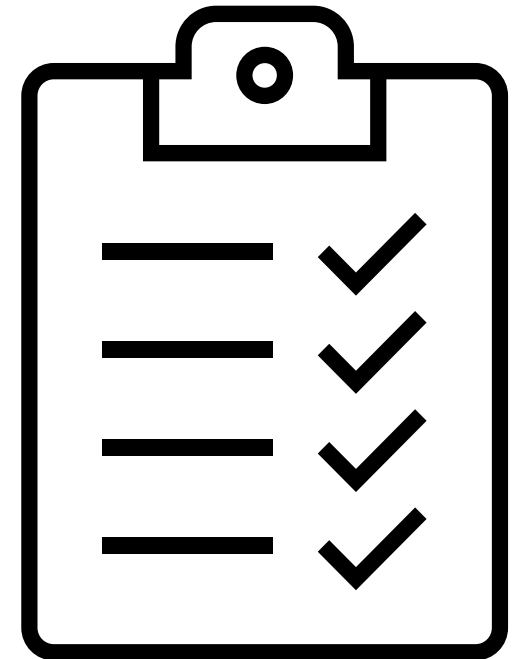
What is the FCC Form 471?

What is the FCC Form 471?
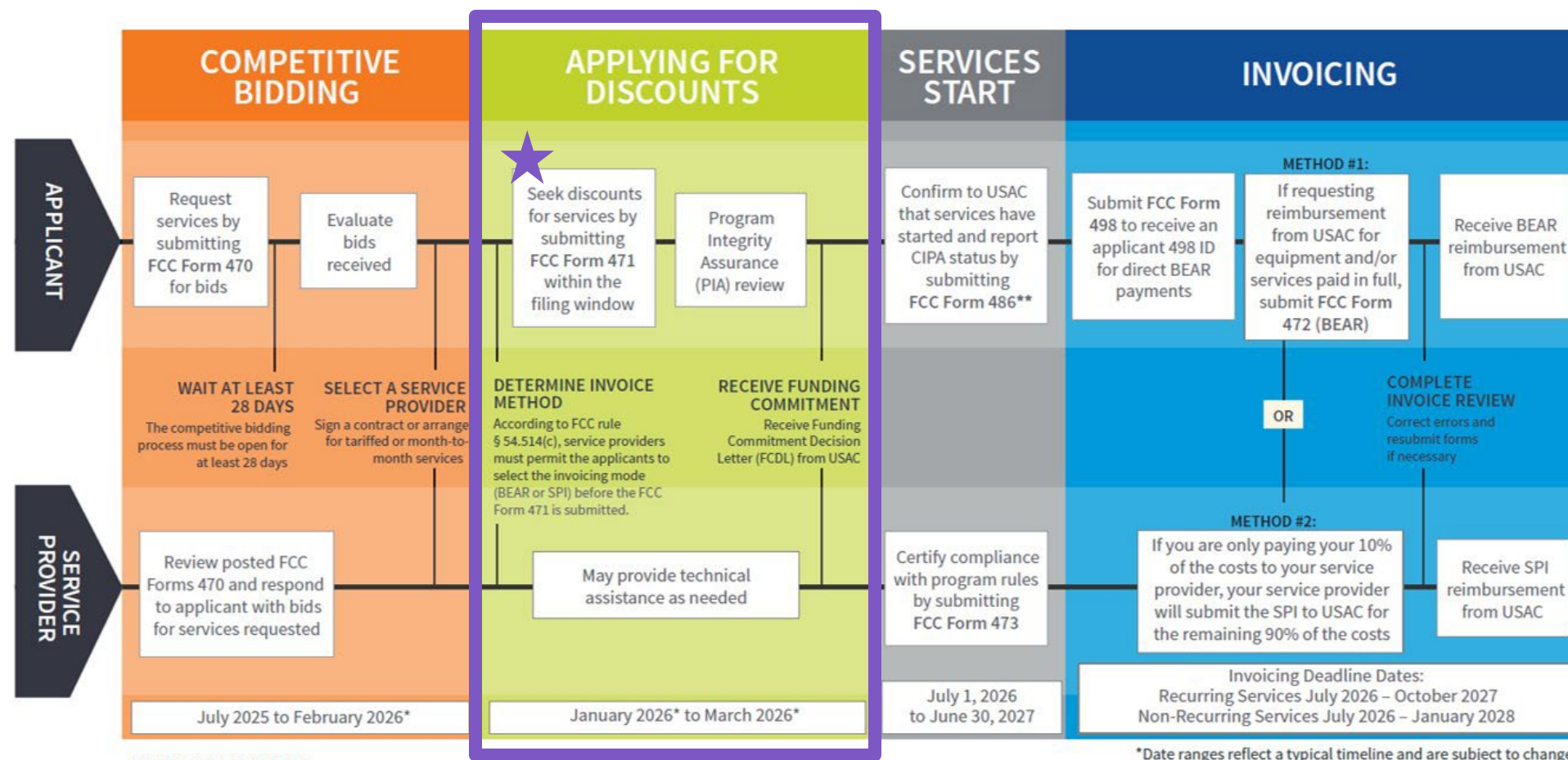
FCC Form 471 Overview

- Applicants file an FCC Form 471 (Description of Services Ordered and Certification Form) to request funding for eligible services and equipment for the upcoming funding year.

- Applicants must:

    - Include information on the recipients of services and service provider(s);

    - Provide detailed descriptions of services including costs and dates of service and/or the requested equipment; and

    - Certify compliance with program rules.

- The filing window for the FCC Form 471 – generally opens in **mid-January** and **closes in mid-March**.

- You can file FCC Form 471 after you have completed your competitive bidding process (FCC Form 470), waited 28 days, selected your vendor(s), and signed contract(s) (if appropriate).

Your FCC Form 470 and FCC Form 471 Must Match

- Your FCC Form 471 must only request equipment and services cited from the FCC Form 470.

- Applicants should ensure that all equipment/services being requested on the FCC Form 471 were competitively bid via the FCC Form 470.

- If you bid for two Category Two (C2) service types on your FCC Form 470 and invoice USAC for three C2 service types, this implies that additional information, other than what was competitively bid for, may have influenced the selection of service provider.

  - This discrepancy **cannot** be corrected after competitive bidding ends.

  - You are allowed to select all three service types on your FCC Form 470 if you are unsure of what service types will be provided.

  - To avoid a competitive bidding violation, if there is time before the FCC Form 471 deadline, you would need to recertify a new FCC Form 470 with the additional service type, wait an additional 28 days, and select a service provider **after** the updated 28th day.

E-Rate FCC Form 471 Application Terms

- **Application Number** – A unique number that USAC assigns to each FCC Form 471. Each BEN can have one or more applications. C1 and C2 services must be on different applications. BENs applying for both categories of service will need at least two applications.

- **Funding Request Number (FRN)** - A unique number that USAC assigns to each funding request in an FCC Form 471. Each FCC Form 471 application can have one or multiple FRNs.
  - Each FRN must have all of the following information in common: BEN, contact information, category of service (C1 or C2), Service type (Data Transmission and/or Internet Access, Internal Connections, BMIC, Managed Internal Broadband Services), FCC Form 470, Service Provider (SPIN), contract (if you have one), and dates of service.

- **FRN Line Item** - A unique number assigned to each Line Item within the FRN, beginning with the funding request number. For example, the first line item within FRN 2399059243 would be number 2399059243.001. Each FRN can have one or multiple line items.
  - Each FRN Line Item must have all of the following information in common: Equipment or service, rates and quantities, and recipients of service (ROS).

Relationship Between Unique Numbers

Choose Category 1 or 2	C1 or C2 are filed on separate FCC Form 471s
Application Number FCC Form 471	Each FCC Form 471 is assigned a unique number
Funding Request Number (FRN) Each FCC Form 471 can have one or multiple FRNs	Each FRN must have **all** of the following information in common: Billed entity number (BEN), contact information, category of service (C1 or C2), service type (data transmission and/or internet access, internal connections, BMIC, managed internal broadband services), FCC Form 470, service provider (SPIN), purchase type (contract, month-to-month, tariff), contract ID (if you have one), service start and end dates.
FRN Line Item	Each FRN Line Item must have **all** of the following information in common: Equipment or service, rates and quantities, and recipients of service (ROS). Each may have unique or overlapping ROS. Duplicative or redundant services are ineligible.

130

E-Rate FCC Form 471 Application FAQs

- **What is the specific equipment or service, and which category does it fall under?**

  - C1: Data Transmission and/or Internet Access

  - C2: Internal Connections, Basic Maintenance of Internal Connections (BMIC), or Managed Internal Broadband Services (MIBS)

  - If you are requesting both C1 and C2 services, you will need to put these requests on different FCC Form 471 applications.

- **Is this a contracted or month-to-month service? Are there multiple contracts?**

  - Services under different contracts, or services provided on a month-to-month basis, must be under different FRNs.

  - If services are being provided by multiple service providers, then separate FRNs must be created.

- **What is the exact type of equipment or connection being requested?**

  - C1 Example: Fiber Ethernet vs Copper Cable Modem

    - Since both fall under Data Transmission/Internet Access, they may be able to share an FRN using separate line items.

  - C2 Example: Switch vs a License providing basic maintenance services

    - Since these are separate service types (i.e., internal connections and basic maintenance of internal connections), they require separate FRNs.

- **Are the start date or end date of services different?**

  - If either are different, different FRNs must be created.

131

Common FCC Form 471 Application Errors

- **Not correctly classifying the category of service or equipment/service type on the Form 470**
  - Determine the equipment/services you need and contact the CSC to verify correct classification of equipment and services.
  - Competitively bid for all necessary equipment and service types by filing an accurate Form 470 that accurately describes the equipment and service(s).

- **Filing an inaccurate Funding Request Number (FRN) with the wrong equipment or service type**
  - Work with your service provider to ensure that equipment and services are accurately represented on the FCC Form 471.
  - Contact the CSC or your Program Integrity Assurance reviewer with any questions.

- **Failing to remove ineligible services and equipment**
  - Work with your service provider to determine whether your requested equipment and services is 100% eligible.
  - Remove any ineligible amounts when creating your FRNs(s).

Eligible Software: Key Reminders

- Software can fall into two service types.

- Commitments for different types of software can be for different term lengths.

  - Right to Use Licenses Purchased with Internal Connections – **All years** of the license contract can be billed in a single funding year.

    - For a 3-year contract for 100% eligible licenses at a pre- discounted amount of $12,000, the full amount of $12,000 could be entered into a single funding request number (FRN) for that funding year.

  - Software updates are considered basic maintenance of internal connections (BMIC) – Only the **current year** of service can be included in a single funding year, and multi-year software contract amounts must be prorated.

    - For a 3-year contract for 100% eligible BMIC services at a total pre-discounted amount of $12,000, the FRN could only reflect a single year of expenses, or $4,000, in a **single funding year**. BMIC services can only be invoiced after they are actually provided/performed.

How to File FCC Form 471

- After you have selected a service provider and made sure that your profile contains the most accurate data, gather information you will need to file your FCC Form 471 (see FCC Form 471 Checklist)

- File FCC Form 471 through the E-Rate Productivity Center

- For more information on the FCC Form 471 application process, see FCC Form 471 Videos on USAC's website.

Apply for Discounts 471

FY2026 Dates

January 2026
To
March 2026

"Out of Window" Applications

- In FY2024, if you had certified your FCC Form 470 after **February 27, 2024**, you would still have needed to wait 28 days before certifying FCC Form 471.

- You would not have been able to certify your FCC Form 471 before the filing window closed on March 27.

- In this situation, file and certify the FCC Form 471 **as soon as** you have waited 28 days and selected the most cost-effective service offerings. You will then need to file a waiver request with the FCC. Basic instructions for filing the FCC Window Waiver Requests are on the [FCC Form 471 Filing](#) page.

Program Compliance

Application Review

Program Integrity Assurance (PIA) Review

After applicants certify an FCC Form 471 within the filing window, PIA reviewers check the information on the form for completeness and accuracy.

138
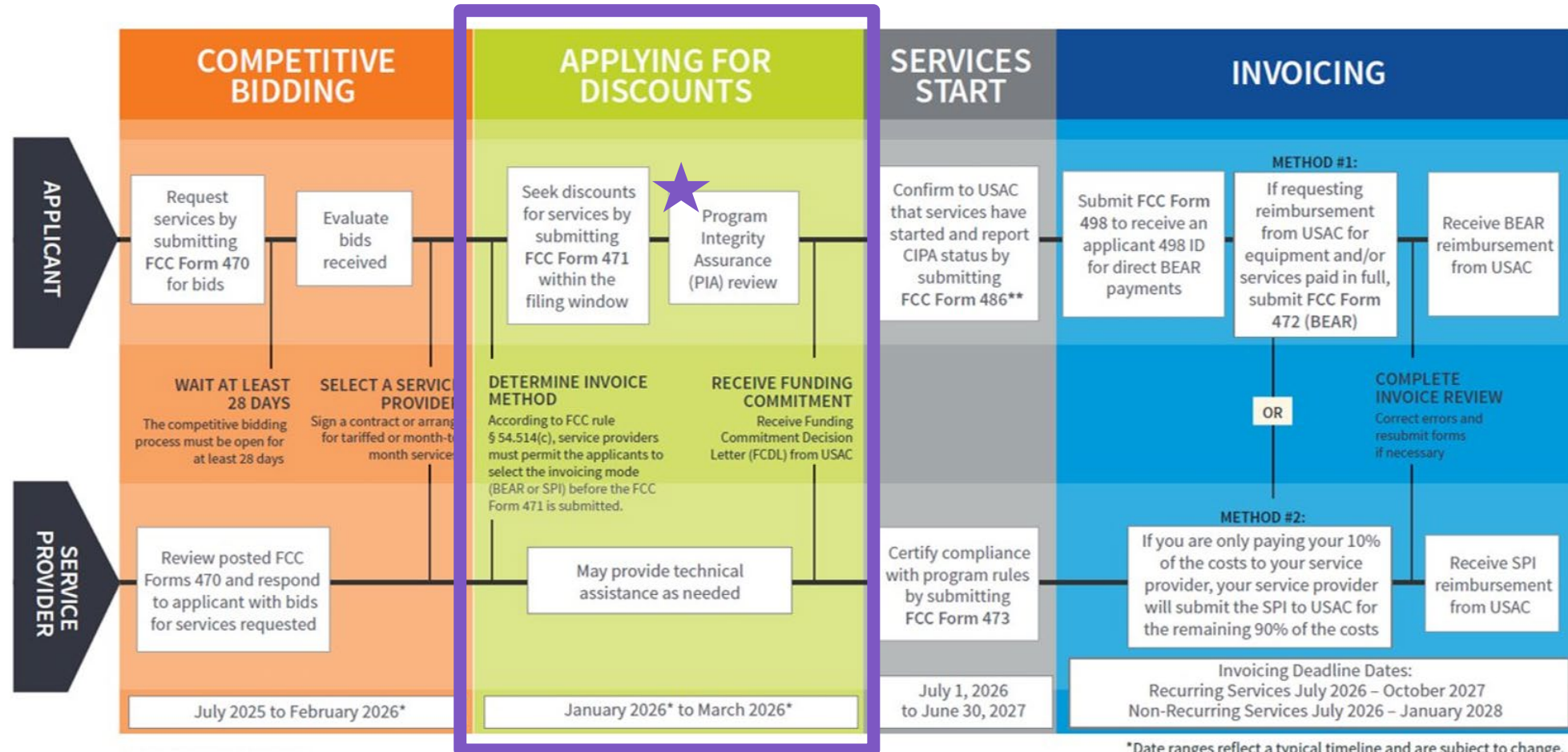
Before Your PIA Review – Review Your FCC Form 471

- After certifying your FCC Form 471, and while you are waiting for your program integrity assurance review, there are some areas you should double-check for accuracy.

- If you find any information that should be corrected or updated, you can submit a [Receipt Acknowledgment Letter (RAL) Modification Request](#).

- If you are using a new or existing contract on your FCC Form 471, you must have a contract record uploaded to your EPC profile.

  - To create that record, go to your organization page and click **Contracts**, then **Manage Contracts** and **Add a New Contract**.

Funding Commitments

Funding Commitment Decision Letter

- After the program integrity assurance review process has been completed, USAC issues a Funding Commitment Decision Letter (FCDL) containing USAC's decisions on your funding requests.

- You can find this decision in the Newsfeed in your organization's EPC account.

- You should review this decision carefully, as it contains important information both for planning to start services and for completing the additional steps in the application process.

- If you disagree with one or more of the decisions in your FCDL, you can appeal to USAC.

Additional Resources

- FCC Form 471 Filing page

- FCC Form 471 e-Learning Modules

- FCC Form 471 Download Tool

- FCC Form 471 Submission Checklist

Questions?

Improving E-Rate

Listening Session: Improving E-Rate

- We want to hear from you!
  - What's working?
  - As E-Rate administrators, what can we do to help you?
  - What questions do you have?

E-Rate Fall Applicant Training

Audit and Assurance Division

Universal Service
Administrative Co.

Agenda

- Audit and Assurance Division (AAD) Overview

  - Payment Quality Assurance (PQA)

  - Supply Chain Audit Program (SCAP)

  - Beneficiary and Contributor Audit Program (BCAP)

- Audit/Assessment Process

- E-Rate Common Findings

- Key Takeaways

Audit and Assurance Division (AAD) Overview

PQA	SCAP	BCAP
Determines improper payment rates for USF programs	Assesses compliance with FCC Rules as it relates to national security threats to the communications supply chain	Assesses compliance with FCC Rules for USF programs
Evaluates the accuracy of data submitted for USF purposes and USAC's internal disbursement processes (a high-level review)	Evaluates whether program participants have used USF funds and federal subsidies to purchase any equipment or services provided or manufactured by Covered Companies.	Evaluates the accuracy of data submitted for USF purposes (a detailed review)
Identifies overpayments that must be recaptured	Identifies, in consultation with the FCC, what corrective action is appropriate	Identifies correct contribution obligations (for contributor audits)/overpayments that must be recaptured (for beneficiary audits)
Prompts other corrective actions to decrease improper payment rates	Initiates other corrective actions to increase compliance	Initiates other corrective actions to increase compliance
Deters waste, fraud and abuse		

Identifies FCC Rules that may require the attention of USAC or FCC management

Audit/Assessment Process

Audit/Assessment Process

- Three-phrase process

Planning → Fieldwork → Reporting

Audit/Assessment Process

Planning

- Announcement letter
- Entrance conference (N/A for PQA)
- Initial documentation requests (see next page)

Audit/Assessment Process

Initial Document Requests

- PQA – https://www.usac.org/wp-content/uploads/e-rate/documents/SL-Documents.pdf

- SCAP – https://www.usac.org/wp-content/uploads/about/documents/pdf/audit/Supply-Chain-Audit-Checklist.pdf

- BCAP – https://www.usac.org/wp-content/uploads/e-rate/documents/resources/e-rate-program-list-of-documents-to-retain.pdf

Audit/Assessment Process

Fieldwork

- Testing
  - Site visit, if applicable
- Quality assurance review

Audit/Assessment Process

Reporting

- Exit conference (N/A for PQA)
- Response to audit findings
- Audit report/assessment closure letter
- Post audit/assessment survey

Audit/Assessment Process

- Conclusions
  - Finding – FCC rule violation
  - Other Matter – not an FCC rule violation but the issue warrants attention

Estimated Audit/Assessment Duration

- PQA Assessment – 3 months*

- SCAP Audit – 8 months*

- BCAP Audit – 9 months*

*Note: The above audit/assessment durations are estimates. The length of an audit/assessment depends on may factors, including the timeliness of providing documentation to AAD, complexity of documentation being reviewed, and audit issues encountered.

E-Rate Common Findings

Available for Public Use

Invoicing

Potential Errors

- Service provider/beneficiary invoice the E-Rate Program for:

  - Services delivered to locations not requested and approved on the FCC Form 471;

  - Ineligible equipment/service; and

  - Costs exceeding amounts requested and approved on the FCC Form 471.

Invoicing

Best Practices

- Perform a 3-way reconciliation between the invoices (FCC Forms 472 and 474), service provider bills, and FCC Form 471 to ensure that all equipment/services and locations for which funding is being requested are approved and amounts invoiced do not exceed approved amounts.

- Even under new cost allocation guidelines, ensure that the entity is not invoicing for C1 services to NIFs that would exceed 10% of the service on the network or ordering services that exceed the bandwidth needed for eligible usage.

  - C2 services must still be cost-allocated when installed in a NIF except that drops or jacks that are part of a local area network serving an eligible purpose are eligible, to the extent that the applicant is not ordering more cabling drops than necessary for their local area networks.

  - Cabling remains ineligible when installed specifically for a dedicated voice or security camera network.

- Utilize the Eligible Services List to verify that all equipment/services for which funding is being requested and received are eligible.

Competitive Bidding

Potential Errors

- Price is not the primary factor.

- Beneficiary does not select the most cost-effective offering.

- Beneficiary communicates with a service provider outside of the proper channels, providing them information not available to all bidders.

- Beneficiary does not provide documentation to demonstrate it conducted a fair and open competitive bidding process.

Competitive Bidding

Best Practices

- Communicate with service providers through official means and post any clarifications or comments to a public portal, available to all bidders. Ensure that the FCC Form 470, RFP, and any modifications made to either document are available for 28 days before signing a contract.

- Use a bid evaluation matrix that assigns weights (e.g., cost = 30 points, experience = 20 points, etc.).
    - Price must be the most heavily weighted factor.
    - Include the bid evaluation criteria with associated weights and any disqualification factors in the FCC Form 470 and/or RFP.

- Maintain all competitive bidding documentation for at least 10 years from the last date to receive service, including:
    - Winning and losing bids;
    - Scoring sheets and internal communications used in the decision-making process; and
    - Executed contracts or legally binding agreements.

161

Beneficiary Payment of the Non-Discounted Share

Potential Errors

- The Beneficiary does not pay its portion of the costs for E-Rate supported equipment/services in a timely manner.

- The Beneficiary does not provide evidence that its non-discounted share was paid.

- The Service Provider billed the Beneficiary for the E-Rate supported amount only, showing no charge or a reduced charge for the Beneficiary's portion.

Beneficiary Payment of the Non-Discounted Share

Best Practices

- Understand the non-discounted share requirement.

    - The non-discounted share is the portion of costs not covered by the E-Rate program.

    - The Beneficiary must pay this share from its own resources – not from the Service Provider, E-Rate funds, or other prohibited sources.

- Maintain detailed payment documentation showing amount paid and date of payment (i.e., service provider bills, cancelled checks, bank statements, etc.)

Equipment Location and Records

Potential Errors

- Beneficiary does not install E-Rate funded equipment at a site that was included on the approved FCC Form 471 funding request (e.g., private residence, non-instructional facility without a cost allocation, etc.).

- Beneficiary does not provide documentation showing that the equipment was installed or used.

- Beneficiary does not maintain a complete asset inventory of E-Rate funded equipment.

- The Beneficiary cannot locate E-Rate funding equipment during a site visit.

Equipment Location and Records

Best Practices

- Maintain detailed asset Inventory records that record the following for each piece of equipment:

  - Make, model, and serial number

  - Funding year and funding request number (FRN)

  - Purchase date and vendor

  - Physical location (building name and room number)

  - Installation date

Equipment Location and Records (cont.)

Best Practices

- Retain records for the full retention period (10 years from the last date to receive service)

- Label equipment with E-Rate identifiers

- Perform periodic internal spot checks

Children's Internet Protection Act (CIPA)

Potential Errors

- The Beneficiary does not have a formally adopted Internet Safety Policy in place prior to receiving E-Rate funded services.

- The Beneficiary cannot provide evidence of public notice of a hearing/meeting, or that a hearing/meeting was held.

- The Beneficiary did not implement a technology protection measure to block or filter inappropriate content.

CIPA

Best Practices

- Maintain a formal Internet Safety Policy

- Provide public notice and hold a public meeting or hearing

- Implement a Technology Protection Measure

- Centralize CIPA documentation to demonstrate that all CIPA requirements have been met

Key Takeaways

- Maintain **documentation** to demonstrate compliance with FCC rules

- Provide documentation in a **timely** manner.

- Ask **questions** to ensure you are providing adequate documentation.

- Keep accurate **records** of all data submitted and properly **label** such records.

- Provide **reconciliations** for any conflicting or unclear information in reporting.

- Always **document** everything!

- Contact USAC's Audit and Assurance team via email: auditinquiry@usac.org

Questions?

Invoicing

Universal Service
Administrative Co.

Agenda

- Invoicing Overview

- Preparing to Invoice

- Filing an FCC Form 498

- Filing an Invoice

- Invoice Reviews

- Record Retention and Open Data

- Key Takeaways

Invoicing Overview

Invoicing Essentials

- Invoices for **2016 and after** are processed in **EPC**

- Invoices from **2015 and before** are processed via **customer service case**

  - FY 2015 invoices and earlier remain in the legacy system

  - Download the form dated 2016 in the existing format, complete it, then open a customer service case to get the invoice processed

- **Disbursements are weekly**

- The program rules remain the same for the:

  - 10-year documentation retention period

  - Eligibility of equipment and services

What is the FCC Form 472/474?
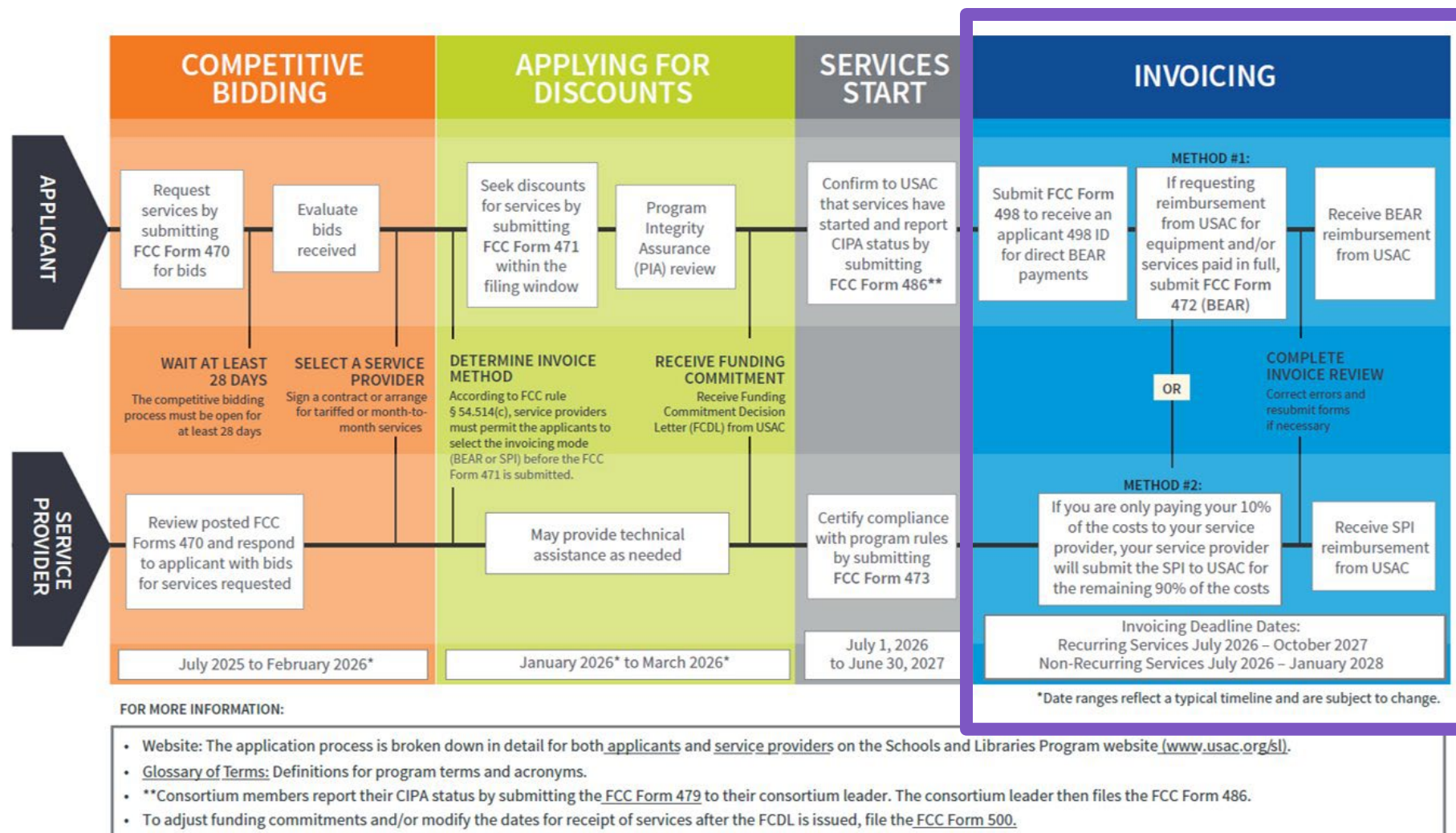
Two Ways to Invoice USAC – Option 1

Billed Entity Applicant Reimbursement (BEAR) Form - FCC Form 472

- Applicant pays the Service Provider bill in full before invoicing USAC.

- Applicant files the BEAR Form and invoices USAC **only** for the approved equipment and services delivered to the eligible Recipient(s) of Service (ROS) in quantities and at the rates not exceeding those on the **FCC Form 471**.

- Respond timely to USAC accurately, completely and timely.

- Applicant must update and certify the FCC Form 498, providing your banking information and backup documents.

- All BEAR invoices due by the invoicing deadline.

472
(BEAR)

Two Ways to Invoice USAC – Option 2

Service Provider Invoice (SPI) Form (FCC Form 474)

- Applicants pay **only their non-discounted share** of costs on the customer bill (the bill from their service provider).

- Service providers invoice USAC for the discounted amount using the FCC Form 474 (SPI Form).

- Respond in a timely manner to any USAC invoice review questions.

- All SPI invoices due by the invoicing deadline.

474

(SPI)

Preparing to Invoice

Before You Begin

- The invoicing mode/method **is the applicant's choice** and is made for each Funding Request Number (FRN).

- The applicant must decide on a method before invoicing begins.

- **Once USAC processes an invoice for an FRN, the method of invoicing is set.** Applicants may only change the invoicing method once all disbursed funds have been returned. A mode change is requested via the EPC portal.

- Applicants should notify their service providers of the invoicing method per FRN (FCC Form 472 or FCC Form 474).

- Both the applicant and the service provider should ensure that there is at least one full rights user for each BEN or SPIN. **Two full rights** users are recommended.

Before You Begin (cont.)

Decide the invoice frequency:

- Monthly, bi-monthly, quarterly, one-time, etc.

Use the **Funding Commitment Decision Letter (FCDL)** or information from the **Revised Funding Commitment Decision Letter (RFCDL)** to complete your invoice:

- Approved services, costs, and quantities

- FCC Form 471 number and FRN

- Approved Recipients of Service (ROS)

Before You Begin – FCDL Terms Defined

Total cost of the equipment and services before the E-Rate discount is applied = **Pre-Discount**

(Pre-Discount Cost) * (Discount rate) = **Discount Amount**

Discount Amount, can also be found in EPC as the "Funding Commitment Request." This is the amount eligible for funding and payment through the E-Rate program and for payment during the invoicing process.

(Pre-discount cost) - (Discount amount) = **Non-Discount Amount**

The amount the applicant pays for the equipment and services using non-E-Rate funds.
The non-discount amount cannot be paid or credited by the service provider.

Before You Begin – FCDL Example

- **Pre-Discount:** (example: $18,360 billed to the applicant based on quantities and unit rates as applicable)

- **Discount Rate:** (example: 40%)

- **E-Rate Discounts Paid by USAC:** (example: $18,360 x .4 = $7,344)

- **Non-Discount Amount Paid by Applicant:** (example: $18,360 - $7,344 = $11,016)

FRN Calculation

Monthly Charges	
Total Monthly Recurring Charges	$1,530.00
Total Monthly Ineligible Charges	- $0.00
Total Monthly Eligible Charges	= $1,530.00
Total Number of Months of Service	x 12
Total Eligible Pre-Discount Recurring Charges	= $18,360.00

Total Requested Amount	
Total Eligible Pre-Discount Recurring Charges	$18,360.00
Total Eligible Pre-Discount One-Time Charges	+ $0.00
Total Pre-Discount Charges	= $18,360.00
Discount Rate	40%
Funding Commitment Request	= $7,344.00

Service Provider Verifications

The Service Provider Annual Certification (SPAC) Form (FCC Form 473)

- Service Providers file the SPAC annually certifying that they will comply with program rules and guidelines.

- Service Providers **must file** the Service Provider Annual Certification (SPAC) form **each funding year for each Service Provider Identification Number (SPIN).**

- The SPAC form must be filed before USAC can pay invoices.

- For step-by-step directions on how to complete the SPAC online, please see E-Rate Program FCC Form 473 (SPAC) User Guide.

- Utilize the Open Data FRN Status Tool FY2016 to verify the status of your SPAC form.

Filing an FCC Form 498

FCC Form 498 Review

- What is FCC Form 498?
    - Collects banking info for disbursements via SPI or BEAR.
    - Filing creates a 498 ID (SPIN for service providers).
- Applicant Filing (via EPC):
    - Records > Create FCC Form 498
    - Must be certified by a School/Library Official.
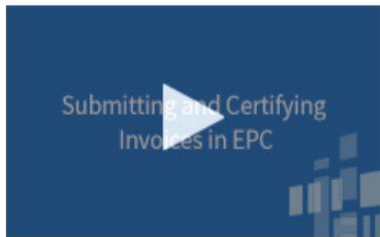   - General Contact can complete but not certify.

FCC Form 498 Reminders

- When to Update Form 498:
  - Banking info changes (with documentation)
  - New entity, 'Business Type', or UEI updates

- Important Notes:
  - Updates must be certified and approved by USAC.
  - Avoid changes during invoice processing.
  - Uncertified forms = no Treasury disbursement.

- Common Issues:
  - Uncertified changes, typos, missing info, or not linked to BEN

- Need Help?
  - Call 888-641-8722, option 5
  - Email finops-processing@usac.org

Filing an Invoice

Applicant eLearning Modules (eLMs)

EPC Invoicing for Applicants
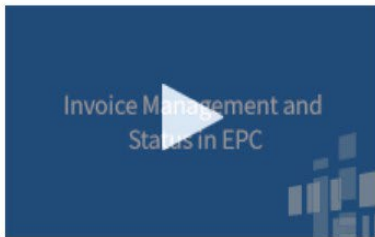
App Course 1: Submitting and Certifying Invoices in EPC
50:00 minutes
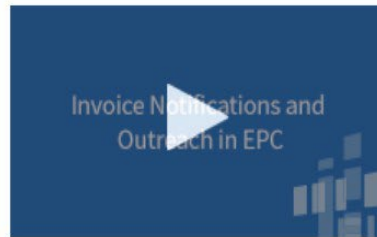
App Course 2: Invoice Management and Status in EPC
50:00 minutes

App Course 3: Invoice Notifications and Outreach in
50:00 minutes

E-Rate Invoicing Open Data Set and Tool Demo
25:46 minutes

SP Course 1: Submitting and Certifying Invoices in EPC

SP Course 2: Invoice Management and Status in EPC

SP Course 3: Invoice Notification and Outreach in EPC

SP Course 4: Submitting and Certifying ESPI in EPC

FCC Form 474 (SPI Form)

E-Rate Invoicing Open Data Set and Tool Demo

Service Provider eLMs

EPC Invoicing for Service Providers

SP Course 1: Submitting and
Certifying Invoices in EPC

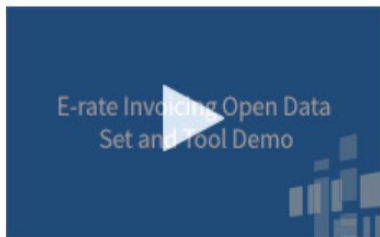50:00 minutes

SP Course 2: Invoice
Management and Status in EPC

50:00 minutes

SP Course 3: Invoice
Notifications and Outreach in

50:00 minutes

SP Course 4: Submitting and
Certifying ESPI in EPC

50:00 minutes
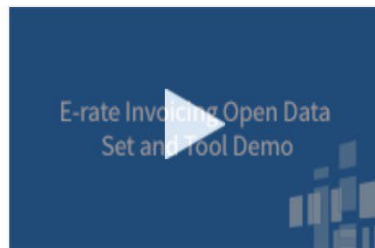
E-Rate Invoicing Open Data Set
and Tool Demo

25:46 minutes

[SP Course 1: Submitting and Certifying Invoices in EPC](#)

[SP Course 2: Invoice Management and Status in EPC](#)

[SP Course 3: Invoice Notification and Outreach in EPC](#)

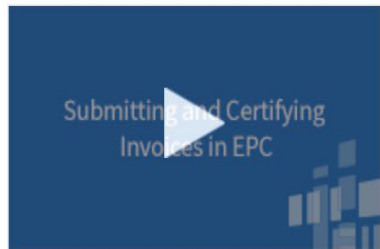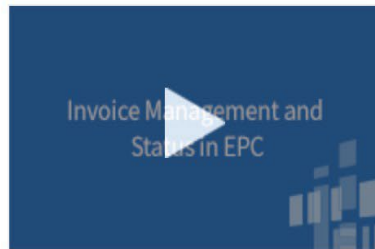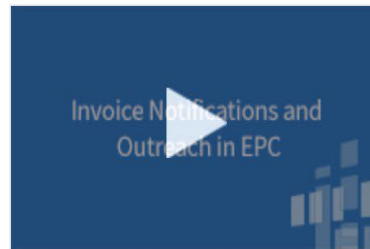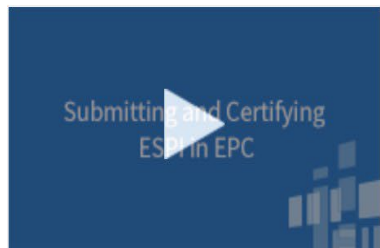[SP Course 4: Submitting and Certifying ESPI in EPC](#)

[FCC Form 474 (SPI Form)](#)

[E-Rate Invoicing Open Data Set and Tool Demo](#)

When to File an Invoice

- Invoices **must be submitted before** the invoice filing deadline.

  - Generally, the date is October 28 for recurring services and January 28 for non- recurring services.

  - Current Invoice Deadline Dates (IDD) are posted in EPC on the FRN detail screen.

- The IDD is no later than 120 days after the latest of the following:

  - The last date to receive service (or service delivery deadline).

  - The date of the FCC Form 486 Notification Letter.

  - The date of an RFCDL approving a post-commitment request or appeal of a previously denied or reduced funding request.

  - Filers are entitled to one, 120-day invoice deadline extension per FRN.

Invoicing Reminders

- Payments:

  - BEAR Invoices: Applicant pays the service provider in full within 90 days of receiving services and **before** invoicing USAC.

  - SPI Invoices: Applicant pays the service provider their **non-discounted** portion within **90 days** of receiving services.

- 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 Recipient(s) of Service.

- Invoiced amount to USAC must be for **actual charges**, not the amount committed through the E-Rate program.

- Manual calculations for **prorated** amounts must be accurate.

- Billed rates **must not** exceed the contracted rate. USAC will **only pay** up to the **contracted rate**.

- Make sure all equipment purchased is **installed** and in use before the **Service Delivery Date**.

- Establish a process to **prevent duplicate** invoice submission.

- When closing an entity, make sure all invoices have been paid before putting in the request.

Invoicing Reminders – User Rights

Types of EPC Rights	Description
Full	Can view, prepare, submit, and certify the forms and any post-commitment requests. A Full Rights user **can provide responses** to outreach from USAC reviewers and sign/certify documents sent for review/response.
Partial	Can view and prepare invoices and post-commitment requests but **cannot** certify any forms **nor** reply to USAC outreach. All certifications **must be sent to a full rights user**.
View Only	Can view certain information about invoices or post-commitment transactions.

Note: There should never be a circumstance in which the view only or partial rights user submits invoices or certifies any forms. This includes completing a form and sending to the full rights user to submit. A certification signed by anyone other than a full right user will be denied.

Invoicing Reminders

- Contract Expiration date (CED) versus Invoice Deadline Date (IDD)

  - CED – USAC will not pay for services delivered outside of the contract expiration end date. For example, if the CED is 3/1/2025 and the funding year spans from 7/1/2024 - 6/30/2025, we can only pay until the contract expiration date of 3/1.

  - Incorrect CED can be fixed via an FCC Form 500.

  - IDD is the last day to submit an invoice to USAC for an approved FRN.

Equipment

- If an applicant returns equipment to the service provider prior to invoicing USAC, neither the applicant nor service provider should invoice USAC for the cost of this equipment.
    - If an invoice for returned equipment has been submitted but not yet been paid, the invoice can be cancelled by opening a customer service case.
    - If an invoice for returned equipment has already been paid, disbursements must be returned to USAC. The USAC website contains more information on this process.

- If the approved equipment is no longer available, a Service Substitution is required to request the new model. The total commitment for that FRN cannot be increased.

Supplemental Fees

- Supplemental fees are defined as fees that are billed separately on the invoice and are covered within the commitment amount but may not be specifically listed on the FCC Form 471—such as cross-connections, access point fees, and/or demarcation points.

- Your invoice reviewer will validate your invoice against the equipment and services approved on your FCC Form 471. If the FCC Form 471 does not clearly identify these fees, you should consider proactively providing documentation such as a contract when submitting your invoice.

- Otherwise, you may be required to provide supporting documentation in response to outreach or an audit inquiry regarding these charges.

Supplemental Fee Example

- Listed on the FCC Form 471

Bandwidth Speed

Download Speed 300 Mbps

Upload Speed 300 Mbps

- FCC Form 471 FRN line-item detail 2410XXXXXXX:

    - Bandwidth speed of 300 Mbps for both download and upload. Monthly recurring charge (MRC) is $750.

- MRC Invoice submitted to USAC shows the following:

    - Internet speed 300 Mbps for $350

    - Ethernet Lan 2 Gbps for $400

        - If the 2 Gbps is not listed on the FCC Form 471, it may be considered a supplemental fee, and USAC will need to determine its eligibility. To streamline the process, it is beneficial to include supporting documentation — such as the contract and the specific page that supports the charge — with your invoice submission. Otherwise, you may be required to provide it later in response to an outreach or during an audit.

Invoice Reviews

Invoice Review

- All invoices undergo a series of automated reviews to validate information such as:

  - FCC Form 471 number

  - Discount percentage

  - Available funding

  - Funding Request Number (FRN)

  - Service Provider Annual Certification (SPAC) Form (FCC Form 473)

  - Invoice Deadline Date (IDD) and Service Delivery Deadline (SDD)

- Errors in any of the above will prevent customers from submitting their invoice in EPC or result in rejection.

- Invoices may also go through a manual review process.

Manual Invoice Review: Validation

Some items the reviewer verifies:

- The customer's bill accurately reflects the invoiced amount

- Entities listed on bills are approved Recipients of Service on the approved FCC Form 471

- Amount requested is supported by the bills submitted

- Service provider named on the bills matches the FRN

- Bandwidth speeds

- Equipment and services are eligible and approved on the FCC Form 471's Funding Commitment Decision Letter.

  - Ineligible equipment and services that are not removed at submission are removed during the invoice review.

  - Changes in services or equipment not received requires USAC-approval via a service substitution.

  - Ensure that service substitution requests are submitted to the E-Rate program for approval when the original eligible equipment and services requested are substituted.

  - Ensure that processes are in place to guarantee that the invoiced services match the contracted services.

Manual Invoice Review: Service Certification

- Some manual reviews require additional documentation to demonstrate:

  - Payment of the non-discounted portion by the applicant.

  - That the invoiced equipment and/or services were delivered and installed.

  - Whether progress payments were included in the contract.

  - That the requested amount is for eligible equipment and/or services.

- **Applicants** with **full rights access** will receive a notification directing them to the Communications tab in EPC.

  - This communication will contain a Service Certification form.

- **Only an Applicant full rights user** can respond, sign, and certify the Service Certification USAC may request supporting documentation from the applicant or service provider.

- Responses are due by the "Response Requirement Date."

- Timely responses are critical — failure to respond may result in invoice denial.

- The Service Certification must be completed and submitted directly only by the full rights user of the applicant.

Manual Invoice Review: Outreach

- USAC may conduct outreach to request additional information / documentation to make a disbursement decision.

- Outreach is conducted **A**ccurately, **C**ompletely and **T**imely, which allows the review to occur and payments to be made.

- You have seven calendar days to respond.

- You may request a seven-day extension.

- Lack of response may result in invoice denial.

Invoice Modification and Denials

- Automated and Manual Invoice reviews can result in:
  - Approval
  - Modification
  - Denial
- Common Reasons for Modification:
  - Discounts applied incorrectly
  - Removal of ineligible equipment and services
  - Discrepancy in quantity
  - Ineligible Recipients Of Service
  - Services for a future date not yet received

Common Causes for Invoice Denial

- Documentation

  - Service certification is invalid/incomplete

    - If not signed by full rights user

  - No response, incomplete response and/or incomplete documentation provided as a response to outreach

  - Inaccurate invoice submission

    - Outside the eligible timeframe

    - Bills do not support the invoiced amount

    - Duplicate submission

    - Ineligible equipment and/or services

- FCC Form 471

  - ROS not approved on the FCC Form 471

  - Charges not approved on the FCC Form 471

  - Service provider bill does not match the approved FCC Form 471 (i.e., speed mismatch)

Invoice Decision Codes

- USAC processes the invoice request and issues its invoicing decision.

- When the invoice mode is BEAR, the applicant and the service provider receive a copy of the FCC Form 472 BEAR Notification Letter.

- Service providers will receive a remittance statement after filing a SPI Form.

- Invoice Decision Codes explain the reason for any modifications or denials.

- Invoice information is also available in Open Data.

- For more details on a particular invoice, contact the USAC Customer Service Center.

Universal Service Administrative Co.

Available for Public Use

Decision Code	Plain Language Decision Explanation	Historical Decision Explanation (Letters issued before October 1, 2020)
40	Either a Customer Billed Date or a Shipping Date to Customer must be entered on this invoice line.	Either Billed Date or Shipped Date must be entered.
41	Either a Customer Billed Date or a Shipping Date to Customer, but not both, must be entered on this invoice line.	Both Bill and Ship Date cannot be entered
42	The Total (Undiscounted) Amount was not provided on the invoice line.	Total (Undiscounted) Amount for Service per FRN (Not Provided)
44	The Discount Amount Billed to SLC was not provided on the invoice line.	Discount Amount Billed to SLC (Null or Zero)
48	The undiscounted amount multiplied by the discount percentage for this FRN is lower than the requested invoice amount.	Discount Amt. Billed Not Valid
60	The service provider has not certified an FCC Form 473 for the funding year.	Service provider must be certified
67	The Shipping Date to Customer is after the Contract Expiration Date or the Service End Date (whichever is earlier).	Ship Date > [%s] days (486) Early Term Dt
68	The Shipping Date to Customer is after the Contract Expiration Date or the Service End Date (whichever is earlier).	Ship Date> [%s] days 471 Term or Cnt Ext
75	The Customer Billed Date entered on the invoice line is outside of the funding year for this FRN.	Billed Date after [%s] fund yr;one time cost
76	The Customer Billed Date entered on the invoice line is outside of the funding year for this FRN.	Billed Date after [%s] fund yr;mnthly cost
77	The Shipping Date to Customer entered on the invoice line is outside of the funding year for this FRN.	Shipped Date after [%s] fund yr;one time cost
78	The Shipping Date to Customer entered on the invoice line is outside of the funding year for this FRN.	Shipped Date after [%s] fund yr;mnthly cost
80	This invoice was submitted after the invoicing deadline for the FRN.	Invoice Received Date is later than Invoice Received Extension Date for FRN
81	The Customer Billed Date entered on the invoice line is after the Invoice Deadline Date.	Bill Date [%s] > [%s] Billed Extension Date; one time cost

205

Invoicing Appeals

- If your timely-filed invoice is rejected or modified, you have two options:
    - If it is before the IDD, resubmit a corrected invoice.
    - If it is after the IDD, you have the right to appeal the decision.

- Appeals must be filed **first** with USAC.

- You have **60 days** to appeal to USAC.

- Appeals filed more than 60 days after the decision date are **automatically dismissed,** and a waiver must be filed with the FCC.

- If USAC denies the appeal, you have **60 days** to appeal that denial to the FCC.

- Waivers of the Commission's rules, such as the invoice deadline rule, can only be sought from the FCC. An appeal of a timely-filed invoice that is rejected or modified does **not** require a waiver of the invoice deadline rule.

- Additional information on the appeals and waivers is available on USAC's website.

Record Retention and Open Data

Documentation

Ensure adequate documentation is retained for 10 years to:

- Support amounts invoiced to the E-Rate program

- Demonstrate compliance with FCC rules

- Demonstrate that the costs of equipment and services requested for E-Rate support were properly allocated between eligible and ineligible items, locations or recipients of service

- Detailed Document Retention requirements are available on USAC's website.

208

Documentation: Reconciliation Worksheet

Maintain a reconciliation worksheet that includes:

- Service provider bill number

- Billed service/product

- Quantity and per unit cost

- Extended billed amount

Ensure:

- Sum of all the extended bill amounts agrees to the total (undiscounted).

- Amount for equipment or service requested on the BEAR form can be traced to the actual copies of the service provider bills.

Service Provider Bills				
Service Provider Bill	Billed Service/Product	Billed Qty	Billed Per Unit Cost	Billed Extended Cost
INV101	Product A	5	$ 10.00	$ 50.00
INV102	Product B	5	$ 15.00	$ 75.00
INV103	Product C	5	$ 20.00	$ 100.00
INV104	Product D	5	$ 25.00	$ 125.00
INV105	Product E	5	$ 30.00	$ 150.00
			Total Eligible (undiscounted) Amount for Service on BEAR	$ 500.00

Locating Key Invoice Information

Current Invoice Deadline Date and/or Service Delivery Deadline Information

- EPC: The Invoice Deadline Date and Service Delivery Date are included in the Funding Commitment Decision Letter and Revised Funding Commitment Decision Letter.

- Dataset: E-Rate Request for Discount on Services: FRN Status

  - Column D "form version" field filter should be set to "Current." Disbursement Data: E-Rate Invoice Disbursements Data Lookup Tool

General Open Data Information and Training

- Open Data Video Guides and Open Data Platform

Key Takeaways

Key Takeaways

- Invoices can be submitted until the Invoice Deadline Date.

- Only a full rights user can certify forms.

- Request a one-time invoice deadline extension, even if you do not anticipate needing one.

- Only invoice for the specific equipment and services at the quantities and rates approved and only for the approved Recipients of Service (ROS) on your FCC Form 471.

- Ensure you have the accurate FCC Form 471, FRN, FCDL/RFCDL, discount rate, approved cost of service, calculations and invoice amount.

- Remove ineligible items (equipment and services not approved on FCC Form 471, for FY and ROS).

- Establish a process to prevent duplicate invoice submission.

- Retain your supporting documentation and bills for all invoices for at least 10 years.

- Respond in a timely manner to all outreaches to expedite your payment.

- Parties have 60 days to appeal decisions to USAC and 60 days from the date of the USAC appeal decision to appeal to the FCC. Waivers should be filed directly with the FCC.

Resources

- [Prepare to Invoice](#)

- [E-Rate Tips to Speed Up Disbursements](#)

- [Applicant Invoicing](#)

- [Service Provider Invoicing](#)

- [Open Data](#)

- [Applicant 498ID](#)

- [Webinars & Trainings](#)

- [E-Rate News Brief](#)

- [SPI Invoice Submission Demo](#)

- [BEAR Invoice Submission Demo](#)

- [Glossary of Terms](#)

- [EPC Invoice Process](#)

- [Practice Forms](#)

Pop Quiz

Invoicing User Rights Levels

- What is the only rights level that can:
  - View, prepare, submit, and certify the forms and any post-commitment requests.
  - Provide responses to outreach from USAC reviewers and sign/certify documents sent for review/response.
  - Act as a representative/agent of the entity and are liable for the actions taken as its representative/agent.

Invoicing User Rights Levels

- What is the only rights level that can:
  - View, prepare, submit, and certify the forms and any post-commitment requests.
  - Provide responses to outreach from USAC reviewers and sign/certify documents sent for review/response.
  - Act as a representative/agent of the entity and are liable for the actions taken as its representative/agent.

Only full rights users

Pop Quiz

Select Invoicing Method (Either BEAR or SPI):

- Who chooses the invoicing mode/method?

Select Invoicing Method (Either BEAR or SPI):

- Who chooses the invoicing mode/method?

It is the applicant's choice for each Funding Request Number (FRN).

219

Pop Quiz

Outreach Response

- How should you respond to Outreach?

  Hint:
  A.C.T

Outreach Response

- How should you respond to Outreach?

  Accurately, **C**ompletely, and **T**imely

Questions?

Thank you for taking the time to attend today's 2025 Fall E-Rate Training!

All of today's training participants will receive a survey to share your feedback about today's training. Please let us know your thoughts.

For more information on the E-Rate program, please subscribe to the E-Rate <u>News Brief</u> or register for one of the <u>upcoming webinars</u>.

Thank You!