

E-Rate

E-Rate News Brief

June 19, 2025

Contents

- E-Rate Tips
- Funding Year (FY) 2025 Commitments
- Selective Review Overview
- Request a Service Delivery Deadline Extension for Special Construction by June 30, 2025
- Service Providers: File the Invoicing FCC Form 473 (SPAC)
- Get Ready for Invoicing
- 2025 Training and Outreach

E-Rate Tips

- E-Rate Program Audits. USAC has several resources that can help you through a program audit if you get selected. The <u>Common Audit Findings: E-Rate Program</u> page provides a list of some of the most common problem areas identified during <u>Beneficiary and Contributor Audit Program</u> (BCAP) audits and <u>Payment Quality Assurance</u> (PQA) reviews. View the E-Rate <u>BCAP documentation list</u> and the <u>PQA document list</u> to see the types of documents you will need to provide should you receive an audit letter.
- Service Providers: File FY2024 FCC Forms 473 (and any outstanding prior year FCC Forms 473 with associated, committed funding requests). If you haven't already filed your FY2024 FCC Form 473 (Service Provider Annual Certification (SPAC) form) and/or are missing certifications for earlier funding years with associated, committed funding requests, you should submit your SPAC form(s) by June 30, 2025. Service providers are reminded that refusal to file the annual FCC Form 473 as required by section 54.504(f) of the Commission's rules will lead to referral to the FCC Enforcement Bureau as directed in the FCC Wireline Competition Bureau's (WCB) May 7, 2025 Order (DA 25-394). To learn more about the service provider's annual certification filing requirements, see last month's news brief.
- **FY2025 Invoicing Begins on July 1**. After USAC has committed funding and processed your FY2025 FCC Form 486, you or your service provider can begin the

process of invoicing USAC for the discounted share of costs for the approved eligible equipment and services. The service provider(s) **must have an FY2025 FCC Form 473 (SPAC) on file** before any invoices can be processed and funding disbursed (see the <u>FCC Form 473 article below</u>). View the June 12, 2025 E-Rate Invoicing webinar or <u>register</u> for the **June 24, 2025 E-Rate Service Providers Webinar** to learn more about the FCC Form 473 annual certification, the invoicing process, and key reminders.

- Category Two Funding Floors and Multipliers for Next Funding Cycle. The WCB issued a public notice on June 4, 2025 (DA 25-471) announcing the Category Two (C2) multipliers and funding floors for the upcoming five-year budget cycle that starts in Funding Year (FY) 2026 and runs through FY2030. For the FY2026-2030 cycle, the C2 budget funding floor is adjusted from \$25,000 to \$30,175. For Tribal libraries, the funding floor is adjusted from \$55,000 to \$66,385.12. The school and school district C2 budget multiplier is adjusted from \$167 per student to \$201.57 per student and the library and library system C2 budget multiplier is adjusted from \$4.50 per square foot to \$5.43 per square foot. 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.
- Reminder: The Summer Deferral period, which applies to USAC's processing of program forms and requests, started Friday, May 23, 2025 and ends on Friday, September 5, 2025. If our first attempt to contact you about a program form or request is on or after May 23, and we do not receive a response to our questions, we will put your application or request on a deferred status and will continue the review after September 5. You can always contact your reviewer or respond to our pending questions to restart the review, or you can designate someone to answer questions in your absence.
- Visit our updated webpages including <u>Updated E-Rate Overview Guide</u>, the <u>Service Substitution EPC User Guide</u>, the <u>E-Rate Customer Service Center Tip Sheet</u>, <u>Customer Service Center Documentation</u>, and the <u>FCC Form 473 Filing webpage</u>.

Funding Year (FY) 2025 Commitments

FY2025. USAC released FY2025 Wave 8 Funding Commitment Decision Letters (FCDLs) on June 12. As of June 18, FY2025 commitments total over \$1.27 billion.

On the date that FCDLs are issued, you can access your FCDL notification from the **Notifications** section of your landing page in EPC.

You can also use the $\underline{\text{E-Rate Search Commitments Tool}}$ to look up prior funding year commitment data.

Selective Review Overview

Each year, applicants may undergo a selective review as part of USAC's review of their FCC Form 471. Selective review is a separate component of the application review process and can run concurrently with a PIA review. In general, selective reviews are used to verify that the applicant

has complied with FCC rules, including, but not limited to, competitive bidding and the necessary resources requirements.

Selective reviews take place **at the billed entity level**. If you as the billed entity are chosen for a selective review, we will review all the FCC Forms 471 that you certified for the funding year. For a detailed look at this process, please visit the <u>Selective Review</u> webpage on the E-Rate website.

Request a Service Delivery Deadline Extension for Special Construction by June 30, 2025

To be eligible for E-Rate program discounts for special construction charges, **special construction must be completed in time for the fiber to be lit or to be in use by the end of the relevant funding year** (i.e., June 30, 2025 for FY2024). This applies to leased lit fiber, leased dark fiber, or a self-provisioned network involving another technology. If this June 30 deadline is not met and you have not received an extension, the special construction charges will not be eligible for support under program rules and a waiver will be needed from the FCC.

If you sought support for special construction related to leased lit fiber, leased dark fiber, or self-provisioned networks for FY2024, you may request a one-year extension of the June 30 deadline by demonstrating that construction was unavoidably delayed due to weather or other reasons, or by the late issuance of an Funding Commitment Decision Letter (FCDL). You must demonstrate that the reason or reasons have unavoidably delayed special construction in a manner that prevents the fiber from being lit (or a self-provisioned network using another technology) to be in use by the June 30 deadline.

Applicants must file an <u>FCC Form 500</u> by June 30, 2025 to request this one-year extension. Go to <u>FAQS: Eligible Fiber Services</u> for additional information regarding deadlines and extensions in relation to non-recurring special construction charges.

If you have not yet received your FCDL and you need to request an extension of this deadline, file a customer service case in EPC and attach a completed <u>Special Construction Deadline Extension</u> <u>Request</u> (SCDER) to the case **on or before June 30, 2025**. Be sure the specify the funding year for your FRN(s) (spreadsheet defaults to FY2022).

If you need assistance, you can open a customer service case in EPC or call the Customer Service Center at (888) 203-8100, Monday-Friday, 8 a.m. to 8 p.m. E.T.

Service Providers: File the Invoicing FCC Form 473 (SPAC)

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

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

Applicants can check the status of their existing service provider's current FCC Form 473/SPAC Form by searching for their funding request numbers (FRNs) for any year in the <u>E-Rate FRN Status Tool FY2016+</u> and looking in the "**SPAC Filed?**" column. In EPC, service providers can click on their SPIN and check the **FCC Form 473/SPAC Filed** field to see what funding years they have already submitted SPACs for.

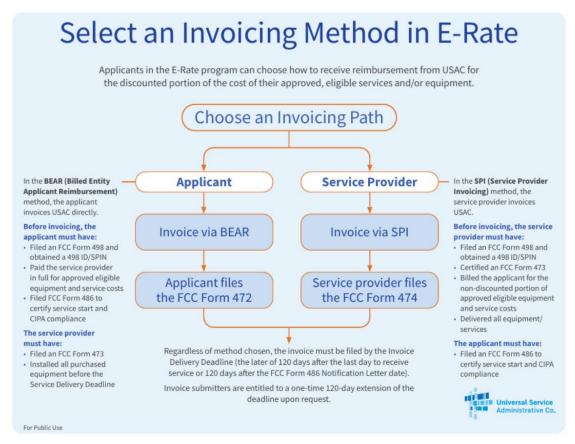
Applicants can also check potential and existing service providers' FCC Form 473/SPAC Form filing history using the <u>E-Rate Service Provider Download Tool</u> and checking the **FCC Form 473 SPAC Filed** column. Applicants can consider whether service providers are filing an annual SPAC as a bid requirement on the FCC Form 470 or in a Request for Proposals (RFP) document, and can choose to use this requirement as a bid evaluation criterion during their E-Rate vendor selection process.

Get Ready for FY2025 Invoicing

After USAC has committed funding and processed your <u>FCC Form 486</u> (Receipt of Service Confirmation and Children's Internet Protection Act Certification Form), you or your service provider can begin the process of invoicing USAC for the discount share of costs for the approved eligible equipment and services (see <u>Filing the FY2025 FCC Form 486</u> in May's News Brief). USAC can process invoices from either the applicant or the service provider after the following have occurred:

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

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



USAC will review the SPI Form and disburse the payment to the service provider if payment is approved. The applicant is always <u>required to pay the non-discounted portion</u> of the costs for the equipment and services within 90 days of receiving services.

There are two options for completing and submitting the SPI Form: Service providers can <u>file</u> <u>online</u>, or they can <u>file electronically</u>, which is the format used by service providers who bill USAC frequently and/or submit large numbers of invoice line items at a time. Electronic filing speeds up the USAC invoice process.

Invoicing Reminders

Below are some reminders to help ensure you submit successful invoices. Please see the <u>Invoicing</u> <u>Requirements Guide</u> for more details.

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

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

USAC's website has <u>video tutorials</u> on how to submit the FCC Form 472 or the FCC Form 474, learning modules (<u>EPC Invoicing for Applicants</u> and <u>EPC Invoicing for Service Providers</u>), and webpages for the <u>FCC Form 472</u> and <u>FCC Form 474</u> to help you navigate the invoicing process.



USAC also has three infographics to help you successfully submit E-Rate invoices.

- <u>Select an Invoicing Method in E-Rate</u> explains the differences between the FCC Form 472 and FCC Form 474 invoicing paths.
- <u>E-Rate Prepare to Invoice</u> provides information on what forms applicants or service providers need to submit, filing deadlines, and EPC user permissions for invoicing.
- <u>E-Rate Tips for Speeding Up Disbursements</u> provides tips to help you
 get your disbursements including what to expect before, during, and
 after invoice submission, the USAC manual review process, and your
 role in the process.



2025 Training and Outreach

USAC is coming to an event near you in 2025. Below are events that we will attend in the next few months where we can answer your E-Rate questions and upcoming E-Rate <u>Webinars</u>.

In-Person Training - Save the Dates in September 2025: Registration Opens June 26

E-Rate experts will provide training, discuss program updates, and answer questions from new and experienced participants. Registration for these two in-person training events **will begin on Thursday, June 26, 2025**, at 9:00 am E.T. For more information on these events and to register, visit the In-Person E-Rate Training Events or the E-Rate Announcements webpage.

- **E-Rate Training Denver**: **September 9, 2025**, at the Lowry Conference Center located in the Community College of Aurora Lowry Campus, 1061 Akron Way, Denver, Colorado.
- E-Rate Training Washington, D.C.: September 16, 2025, at the Federal Communication Commission headquarters, 45 L Street, N.E., Washington, D.C. There will be an option to watch a livestream of this training.

Conferences

- Visit USAC at the American Libraries Association (ALA) Conference (Pennsylvania),
 June 26–30, 2025. Event link.
- Visit USAC at International Society for Technology in Education's ISTELive Conference (Texas), June 29–July 2, 2025. Event link.

Upcoming Webinars

Service Provider Webinar June 24, 2025

2 p.m. to 3 p.m. E.T.

Register

• This webinar is for Service Providers who are new to the E-Rate program. After attending this webinar, you will be able to: accurately describe what E-Rate is and the different steps of the E-Rate process, obtain a service provider identification number (SPIN), bid on projects, assist the applicant/beneficiary, submit the annual FCC Form 473, and invoice USAC. Before attending this webinar, please review the E-Rate Program Overview webinar for a deeper understanding of the program.

June 2025 Tribal Library E-Rate Advocacy Program (T-LEAP) Training and Info Session June 24, 2025

4 p.m. to 5 p.m. E.T.

Audience: Tribal Libraries

Register

- Join USAC's Tribal Liaison and Tribal Library Advocates for the summer <u>Tribal Library E-Rate Advocacy Program</u> (T-LEAP) training and information session. During this webinar you will learn about the E-Rate program, including eligibility and program requirements, and how USAC can support your Tribal Library in receiving E-Rate funding by participating in T-LEAP.
- In advance of the Tribal teleconference, you may email questions to TribalLiaison@usac.org.

Filing the FCC Form 470 and the Competitive Bidding Process July 17, 2025

2 p.m. to 3 p.m. E.T.

Register

• This webinar will provide E-Rate participants with information on how to file the FCC Form 470 and the E-Rate competitive bidding process. It is for applicants and service providers of all levels of E-Rate experience, with emphasis towards beginner level participants.

Webinar Recordings

E-Rate Invoicing Training (June 12, 2025). This webinar was designed to help E-Rate applicants and service providers of varying levels better understand the invoicing process, including the differences between the BEAR and SPI invoicing methods (FCC Form 472 and FCC Form 474). The webinar also covered invoice deadlines, filing an invoice, reviews, and more. View webinar slides.

To subscribe, click here: <u>Subscribe</u>. ©1997-2025 Universal Service Administrative Company, All Rights Reserved. USAC | 700 12th Street NW | Suite 900 | Washington, DC 20005