

E-Rate Equipment Transfers

E-Rate Program Participant Webinar

July 27, 2021



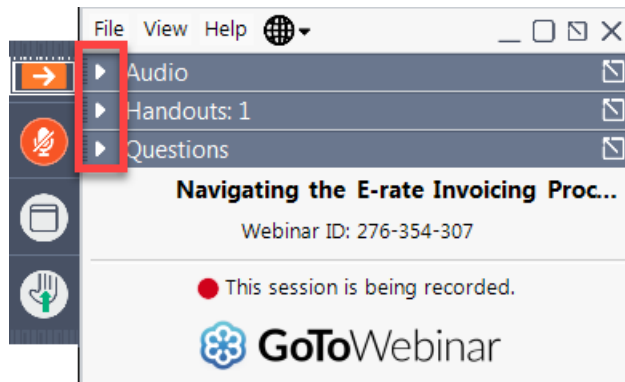
Universal Service
Administrative Co.

HOUSEKEEPING – WEBINAR PANEL

- The webinar panel is located on the right-hand side of the screen.
- Open the panel by clicking the orange arrow.

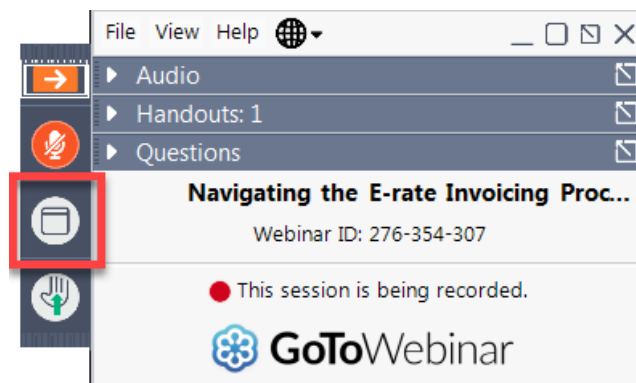


- Use the white arrows to open the sections in the panel.

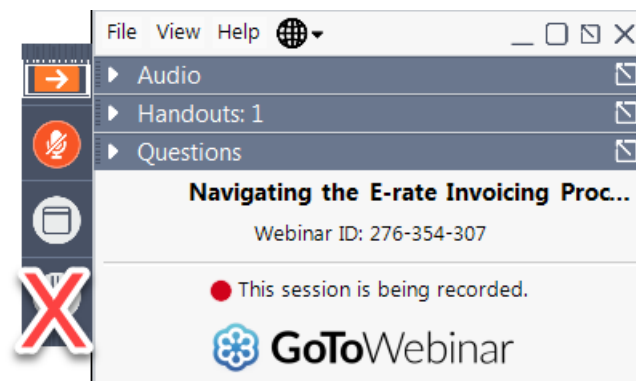


HOUSEKEEPING – WEBINAR PANEL

- You can use the panel to view the presentation in full screen or window mode.

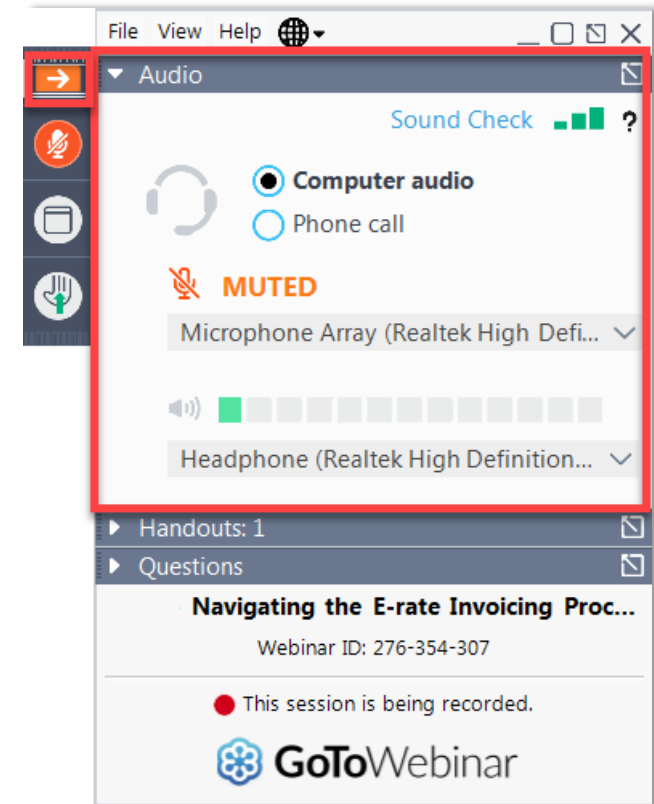


- We are not using the hand raise function.



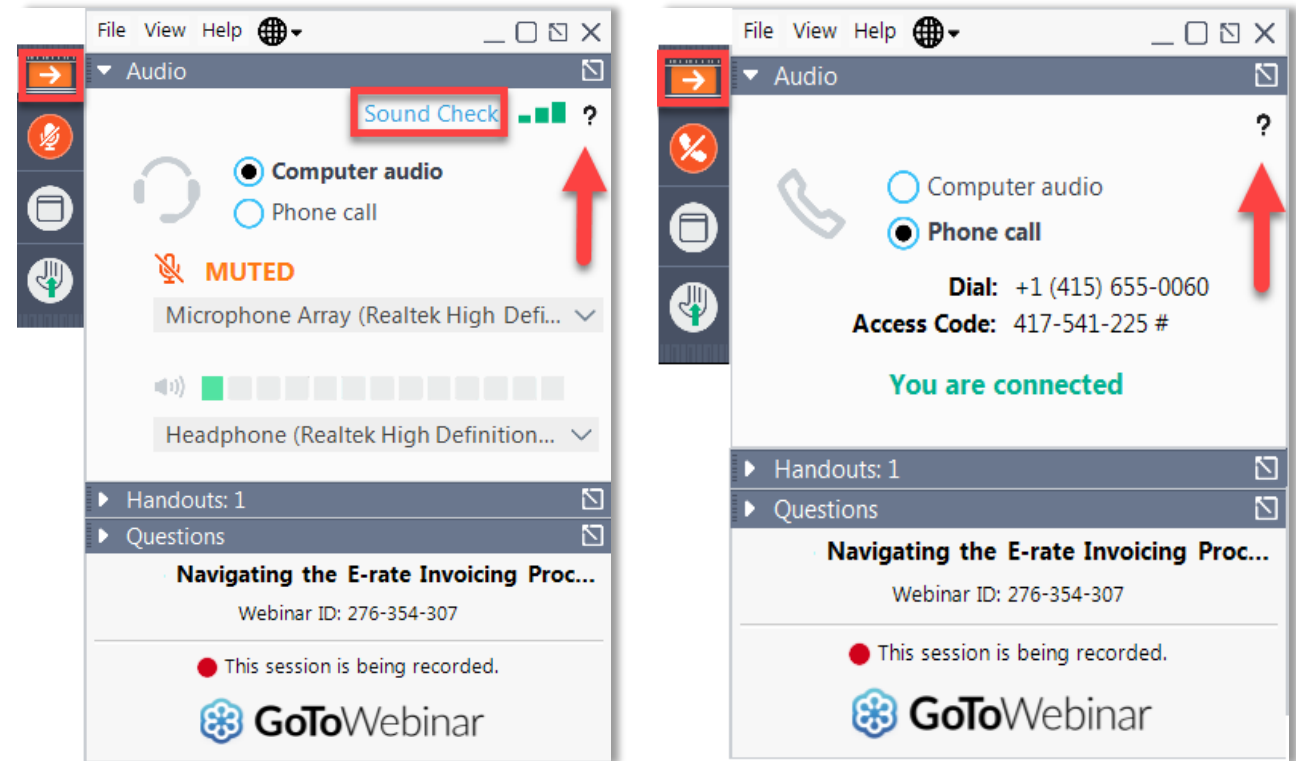
HOUSEKEEPING – AUDIO

- Use the “Audio” section of your control panel to select an audio source.
- Choose one of the audio options:
 - Your computer's audio
 - Call in using an access code and audio PIN.
- The audience will remain on mute.



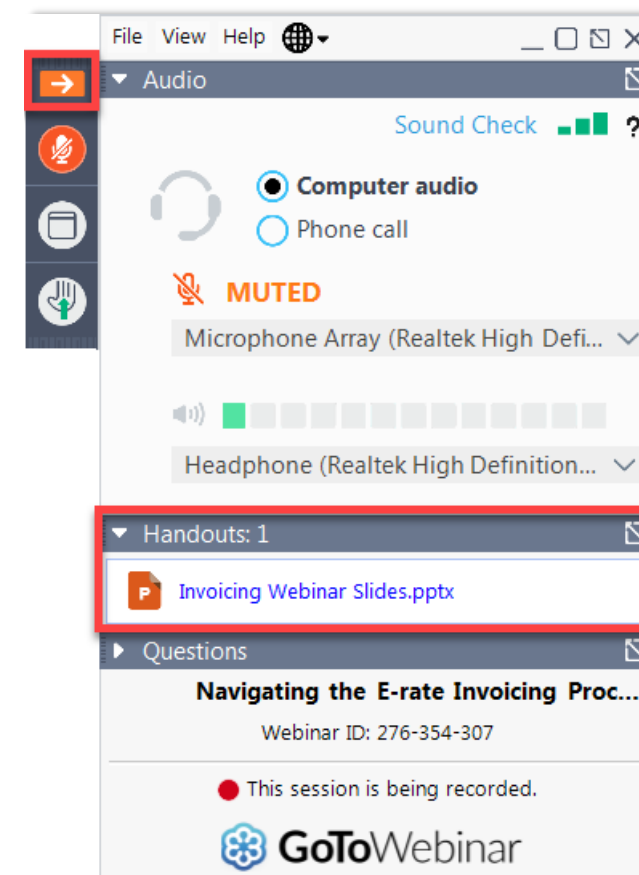
HOUSEKEEPING – TECHNICAL ISSUES

- Use the “Sound Check” link and click question mark icon for audio help.
- Exit webinar and click the check system requirements link in the event confirmation email to determine whether your computer meets the requirements to see and hear the webinar.
- If issues persist, call 833-851-8340 to troubleshoot with GoToWebinar.



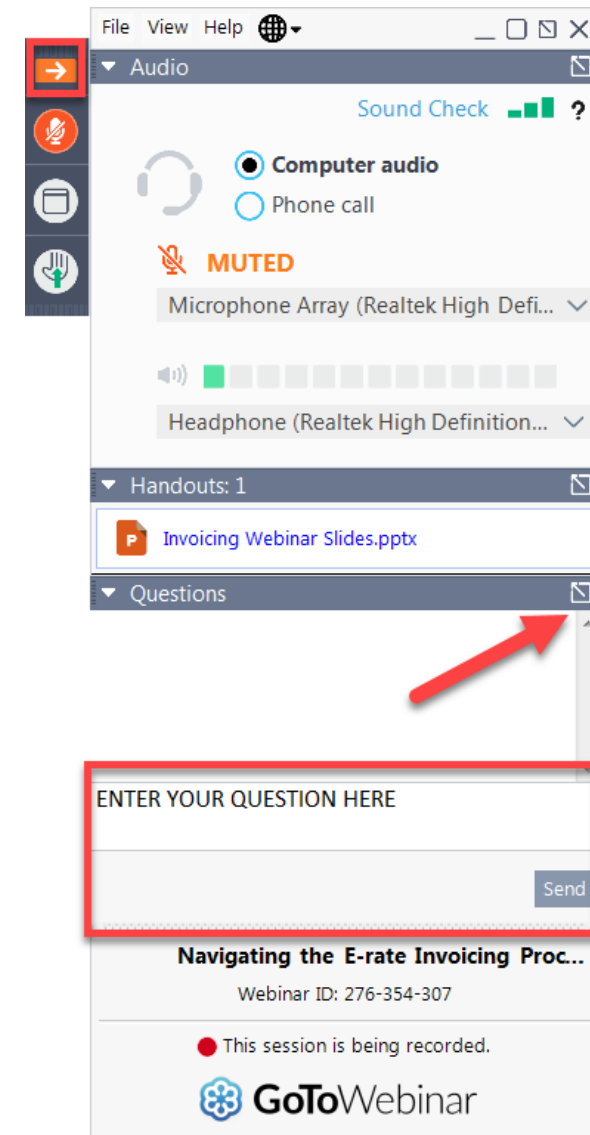
HOUSEKEEPING – RESOURCES

- The **slide deck** is available when you click the arrow to expand the “**Handouts**” tab.
- A recording of this webinar will be available after the event via the registration link.



HOUSEKEEPING – Q&A

- **There will be a live Q&A session focused on today's topics.**
- Tips for submitting questions:
 - Use the “Questions” box in your webinar control panel anytime during the presentation.
 - Click the box with the arrow above the questions box to expand it and see all written answers.
 - Write in full sentences.
 - Ask one question at a time.
 - Ask questions related to webinar content.



CLIENT SERVICE BUREAU (CSB)



Call us at (888) 203-8100

Monday – Friday 8:00 a.m. to 8:00 p.m. ET



Create a customer service case in the E-Rate Productivity Center (EPC):

1. Log in to EPC.
2. Select the **Contact Us** link from the upper right menu on your landing page.



MEET THE TEAM



Devent Carter

Advisor | E-Rate



Nkeshi Free

Communications Specialist | E-Rate

AGENDA

- Equipment Installation Requirements
- Equipment Transfer Defined
- Installation Deadline
- Impact of Category Two (C2) Changes to Equipment Transfers
- Document Retention
- Resources
- Q & A

Equipment Installation Requirements

Equipment Service Delivery Date

- To be eligible for program support, eligible services must be received during a specific period of time related to the particular funding year for which discounts are requested.
- In general, non-recurring services must be delivered and installed between July 1 of the relevant funding year and September 30 following the June 30 close of that funding year.
- For example, for Fund Year 2020, the program year began on July 1, 2020, ended on June 30, 2021 and all equipment must be installed by September 30, 2021, unless an extension is granted.

July 2020						
Su	Mo	Tu	We	Th	Fr	Sa
			✗	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



September 2021						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	✗		

Automatic Service Delivery Deadline Extension

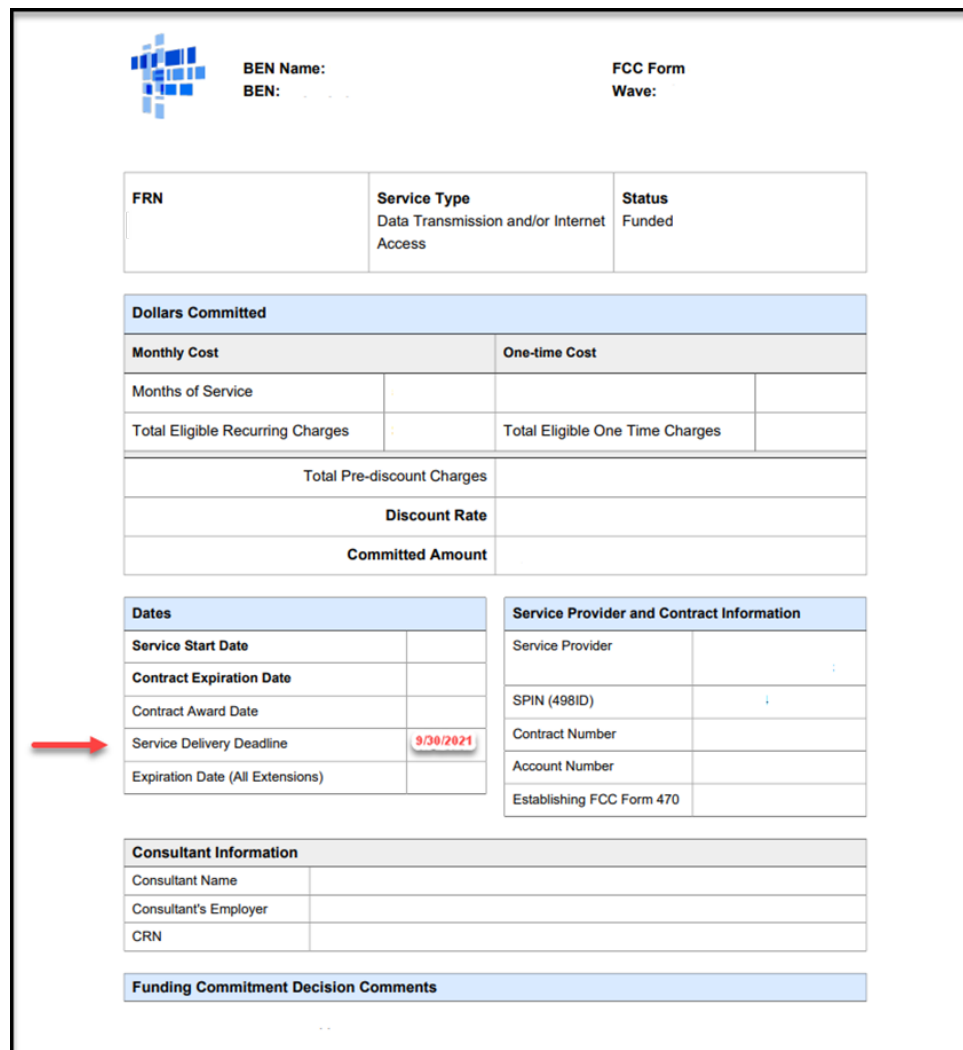
The September 30 deadline can sometimes be extended for a year, either automatically or by request.

- **Automatic Extensions:** Automatic extensions can occur for the following reasons:
 - USAC approves the Funding Commitment Decision Letter (FCDL) on or after March 1.
 - Service Provider Identification Number (SPIN) changes and/ or service substitutions are approved by USAC on or after March 1 of the funding year.

Manual Service Delivery Deadline Extensions

- **Extension Requests:** Recipients may receive extensions of the deadline for delivery and installation for various reasons, including:
 - The service provider was unable to complete delivery and installation for reasons beyond the service provider's control.
 - The service provider was unwilling to complete delivery and installation after USAC delayed payment while reviewing the application for program compliance.
- The Service Delivery Date (SDD) for each Funding Request Number (FRN) is provided in a table on the FCDL and/or the Revised Funding Commitment Decision Letter (RFCDL) on the last page under "Dates."
- Requests for extensions are submitted to USAC via the FCC Form 500.

Location of Service Delivery Deadline on FCDL/RFCDL



The screenshot displays the FCC Form 470 interface. A red arrow points to the 'Service Delivery Deadline' field in the 'Dates' section, which is highlighted with a red background and contains the date '9/30/2021'.

BEN Name: BEN:
 FCC Form Wave:

FRN	Service Type Data Transmission and/or Internet Access	Status Funded
------------	---	-------------------------

Dollars Committed			
Monthly Cost		One-time Cost	
Months of Service			
Total Eligible Recurring Charges		Total Eligible One Time Charges	
Total Pre-discount Charges			
Discount Rate			
Committed Amount			

Dates		Service Provider and Contract Information	
Service Start Date		Service Provider	
Contract Expiration Date		SPIN (498ID)	
Contract Award Date		Contract Number	
Service Delivery Deadline	9/30/2021	Account Number	
Expiration Date (All Extensions)		Establishing FCC Form 470	

Consultant Information	
Consultant Name	
Consultant's Employer	
CRN	

Funding Commitment Decision Comments

Equipment Transfers Defined

Equipment Transfers

- Applicants must ensure that equipment purchased with E-Rate discounts **are transferred consistent with FCC rules.**
- A transfer of equipment *has occurred* if the equipment provides service to **eligible entities** that were **not included** in the **originally approved FRN.**
- When eligible equipment serving multiple entities is moved or relocated between these entities, it is **not** considered a transfer of equipment.

Equipment Transfers

- Eligible products and services purchased with E-Rate program discounts **cannot** be:
 - Sold
 - Resold
 - Transferred for money or any other thing of value, with two exceptions

Exception One: Conditions for Transfer

- As of January 3, 2011, applicants can:
 - Dispose of, donate or trade “**Obsolete**” equipment for payment or other consideration.
 - Obsolete equipment is defined as equipment that **has been installed for five years or more.**

Note: All applicants are **required to maintain asset and inventory records of equipment purchased and the actual locations of such equipment for a period of 10 years after purchase.**

Exception Two : Conditions for Transfer

Applicants may transfer equipment in the following situations. In both situations, the equipment **cannot be sold or transferred for money or anything of value:**

- Equipment *may be transferred* to other *eligible entities* **three years after the purchase date without notifying USAC.**
- Equipment can be transferred from a location that is temporarily or permanently closed to other eligible entities **within three years** of the date of purchase.
 - For transfers that occur before July 1, 2021, USAC must be notified via FCC Form 500 and both the transferor and recipient must maintain detailed records documenting the transfer and the reason for the transfer for a period of five years. (See below for further information.)

Note: All applicants are **required to maintain asset and inventory records of equipment purchased and the actual locations of such equipment for a period of 10 years after purchase.**

Pop Quiz

Equipment Installation Deadline

- Equipment is required to be installed by which date?



Equipment Installation Deadline

- Equipment is required to be installed by which date?
 - September 30 following the close of the funding year.



Equipment Installation Deadline

- If the install cannot be completed by the September 30 deadline, what can you do?



Equipment Installation Deadline

- If the install cannot be completed by the September 30 deadline, what can you do?
 - File a service delivery deadline extension request via FCC Form 500 before the 9/30 deadline.
 - See the service delivery deadline date reflected on this sample FCDL/RFCDL.

Dates	
Service Start Date	8/1/2020
Contract Expiration Date	6/30/2025
Contract Award Date	3/13/2020
Service Delivery Deadline	9/30/2021
Expiration Date (All Extensions)	

Equipment Transfers That Occur *Prior To July 1, 2021*

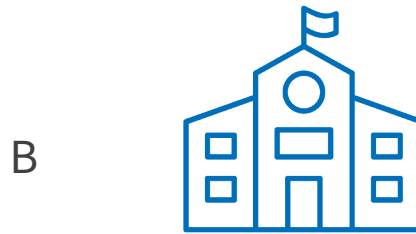
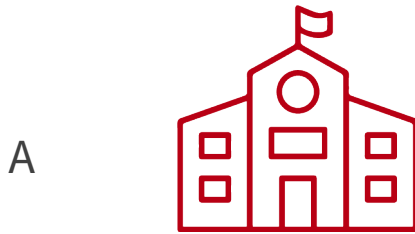
A transfer of equipment has occurred if the equipment provides service to entities that were not included in the original approved FRN.



- In the following examples, assume that Schools A, B, C, and D:
 - Are in the same school district,
 - Are sharing a router installed at School A one year ago, and
 - **Were included** as the recipients of service for this FRN.

Equipment Transfers That Occur *Prior To July 1, 2021*

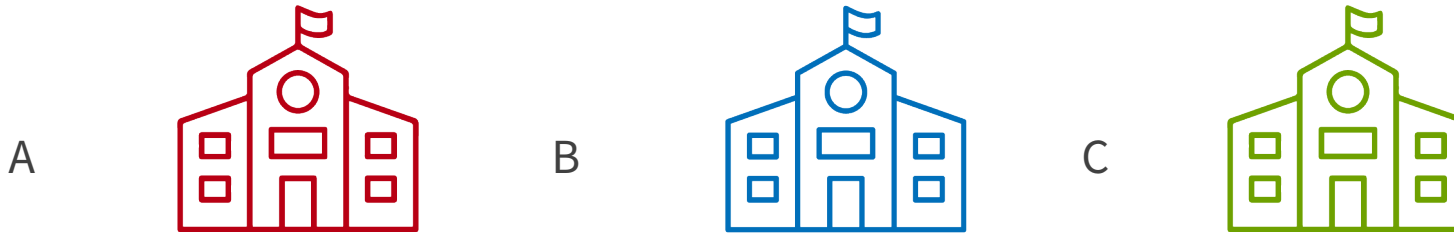
Example One: The same three schools share the router, but the router has been moved from School A to School B.



- **Has a transfer occurred?**

Equipment Transfers That Occur *Prior To July 1, 2021*

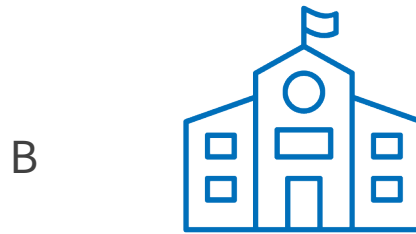
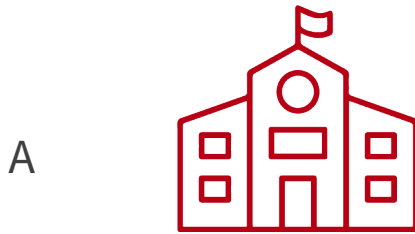
Example One: The same three schools share the router, but the router has been moved from School A to School B.



- **Has a transfer occurred?**
 - No, a transfer has not occurred because the entities sharing the service have not changed from the original approved FRN.

Equipment Transfers That Occur *Prior To July 1, 2021*

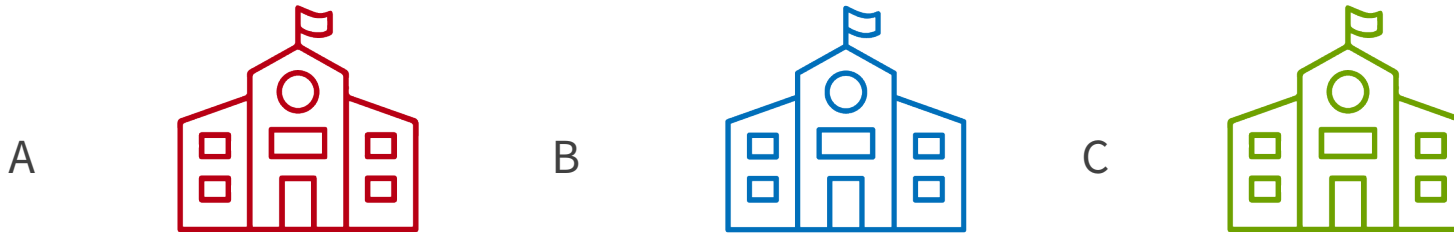
Example 2: School A moves the router to the District Office (Non-Instructional Facility). The router continues to serve Schools A, B, and C.



- **Has a transfer occurred?**

Equipment Transfers That Occur *Prior To July 1, 2021*

Example 2: School A moves the router to the District Office (Non-Instructional Facility). The router continues to serve Schools A, B, and C.



- **Has a transfer occurred?**
 - A transfer has not occurred because the same entities on the original approved FRN continue to receive service.

Equipment Transfers That Occur *Prior To July 1, 2021*

Example three: School D in the same school district wants to share the router with the other three schools.



- **Has a transfer occurred?**

Equipment Transfers That Occur *Prior To July 1, 2021*

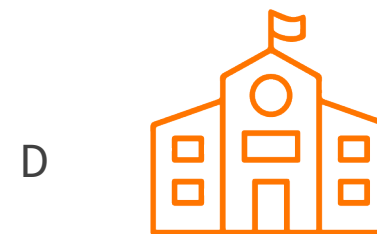
Example Three: School D in the same school district wants to share the router with the other three schools.



- **Has a transfer occurred?**
 - Here a transfer occurs when service is provided to the entity that was not included in the original approved FRN as a recipient of service.

Equipment Transfers That Occur *Prior To July 1, 2021*

Example Four: School B is no longer sharing the router because it has closed.



- **Has a transfer occurred?**

Equipment Transfers That Occur *Prior To July 1, 2021*

Example Four: School B is no longer sharing the router because it has closed.



- **Has a transfer occurred?**
 - No. A transfer has not occurred, because Schools A and C were included on the original approved FRN and are continuing to receive service.

Equipment Transfers That Occur *On Or After July 1, 2021*

- You are **no longer required to notify USAC** of transfers to an eligible entity occurring on or after July 1, 2021 and within three years of purchase.
- Transfers occurring within three years of purchase and prior to July 1, 2021 still require an FCC Form 500.
- Equipment can be installed and moved between eligible entities within the school district or library system.
 - Note: Applicants are **required to maintain asset and inventory records of equipment purchased and the actual locations of such equipment for a period of 10 years after purchase.**

Equipment Transfer Rules July 1, 2021 and Forward

All Funding Years

Equipment Transfer Before July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and files a FCC Form 500
	Transfer occurs three years or more after purchase	Current Process – Applicant maintains documentation and does not file a FCC Form 500
Equipment Transfer On or After July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and does not file a FCC Form 500
	Transfer occurs three years or more after purchase	Applicant maintains documentation and does not file a FCC Form 500

Equipment Transfer Rules July 1, 2021 and Forward

All Funding Years

Equipment Transfer Before July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and Files a FCC Form 500
	Transfer occurs three years or more after Purchase	Current Process – applicant maintains documentation and does not file a FCC Form 500
Equipment Transfer On or After July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and does not file a FCC Form 500
	Transfer occurs three years or more after purchase	Applicant maintains documentation and does not file a FCC Form 500

Equipment Transfer Rules July 1, 2021 and Forward

All Funding Years

Equipment Transfer Before July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and files a FCC Form 500
	Transfer occurs three years or more after purchase	Current process – Applicant maintains documentation and does not file a FCC Form 500
Equipment Transfer On or After July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and does not file a FCC Form 500
	Transfer occurs three years or more after purchase	Applicant maintains documentation and does not file a FCC Form 500

Equipment Transfer Rules July 1, 2021 and Forward

All Funding Years		
Equipment Transfer Before July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and files a FCC Form 500
	Transfer occurs three years or more after purchase	Current Process – Applicant maintains documentation and does not file a FCC Form 500
Equipment Transfer On or After July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and does not file a FCC Form 500
	Transfer occurs three years or more after purchase	Applicant maintains documentation and does not file a FCC Form 500

Equipment Transfer Rules July 1, 2021 and Forward

All Funding Years

Equipment Transfer Before July 1, 2021

Transfer occurs within three years of purchase

Applicant maintains documentation and **files** a FCC Form 500

Transfer occurs three years or more after purchase

Current Process – Applicant maintains documentation and **does not** file a FCC Form 500

Equipment Transfer On or After July 1, 2021

Transfer occurs within three years of purchase

Applicant maintains documentation and **does not** file a FCC Form 500

Transfer occurs three years or more after purchase

Applicant maintains documentation and **does not** file a FCC Form 500

Equipment Transfer Rules July 1, 2021 and Forward

All Funding Years

Equipment Transfer Before July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and Files a FCC Form 500
	Transfer occurs three years or more after purchase	Current Process – Applicant maintains documentation and does not file a FCC Form 500
Equipment Transfer On or After July 1, 2021	Transfer occurs within three years of purchase	Applicant maintains documentation and does not file a FCC Form 500
	Transfer occurs three years or more after purchase	Applicant maintains documentation and does not file a FCC Form 500

Impact of Category Two (C2) Changes to Equipment Transfers

Category Two (C2): Approved Entities & Equipment

FY2015 – FY2020

FY2021 – FY2025

Approved FCC Form 471:

C2 budgets are calculated at the **Recipient of Service (ROS)** level on the FCC Form 471 with specific quantities approved for each ROS.

C2 budgets are calculated at the **school district or library system level, not the ROS level** (i.e. not at each individual school or library branch).

Impact on Equipment Transfers:

Equipment **must be installed at the approved ROS locations and quantities**. Deviations from these location/quantities qualify as equipment transfers and should be reported to USAC if the transfer occurs prior to July 1, 2021.

Equipment must be installed at **eligible locations in the district or library system at the quantities approved**. Transfers between eligible entities that occur on or after July 1, 2021 should not be reported to USAC.

For more information on C2 updates, please see [USAC website](#).

Document Retention

Helpful Tips

General Tips to Avoid Pitfalls

Applicants **are required to** implement controls and procedures to ensure that equipment is transferred **only to eligible approved locations**. Transferor and recipient both must keep a detailed fixed asset list or inventory records for **10 years** that includes the following information:

- Equipment model, serial number, quantity installed
- Location in school where equipment is installed
- Date of installation/transfer
- Records of business reason for transfer and FCC Form 500 supporting transfers within three years of purchase
- Operating status of funded equipment
- Console report/ping report
- Regular inventory audit
- Proof of additions, changes and dispositions of equipment
- Proof the new location is fit to house equipment

More information can be found on the USAC website under [Document Retention](#).

General Tips to Avoid Pitfalls

- File the FCC Form 500 for transfers that occur prior to July 1, 2021
- Ensure the equipment is properly installed, secure and operational
- Keep documentation of transfer(s)
- Perform regular inventory audit
- Record business reason for the equipment transferred to another location and where it is currently located
- Maintain your documentation for 10 years after date of installation
- Know where discounted E-Rate equipment is installed
- Know the operating status of your funded equipment

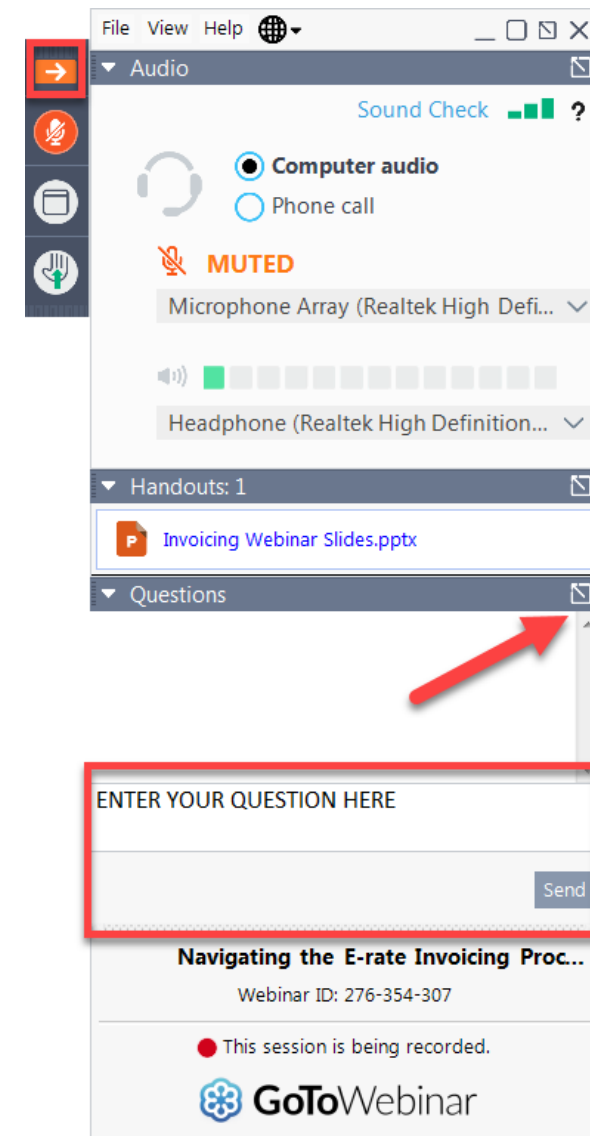
Resources

Resources

- USAC Website provides detailed information on:
 - [Category Two \(C2\) Webinar Slides](#)
 - [Transfer of Equipment](#)
 - [Document Retention](#)
- FCC Order 19-117, para. 49 states that:
 - “both the transferor and recipient must maintain detailed records documenting the transfer and the reason for the transfer for a period of five years as required by the Commission’s rules.” All applicants, under section 54.516(a) of the Commission’s rules, schools, libraries, and consortia are required to maintain asset and inventory records of equipment purchased and the actual locations of such equipment for a period of 10 years after purchase.

HOUSEKEEPING – Q&A

- Use the “Questions” box in your webinar control panel to submit your question in writing.
 - Click the box with the arrow above the questions box to expand it.
 - Ask questions related to webinar content.



Questions?

CLIENT SERVICE BUREAU (CSB)



Call us at (888) 203-8100

Monday – Friday 8:00 a.m. to 8:00 p.m. ET

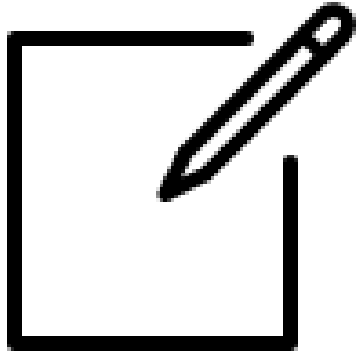


Create a customer service case in the E-Rate Productivity Center (EPC):

1. Log in to EPC.
2. Select the **Contact Us** link from the upper right menu on your landing page.



Take Our Survey



- We want to hear about your webinar experience.
- Expect an email from USAC E-Rate Outreach Team invites@mailersurveygizmo.com with a unique survey link in one-2 business days.
- We appreciate your feedback!

Thank You!





Universal Service
Administrative Co.