

# **E-Rate Post-Commitment Process**

## Applicant and Service Provider Training

November 3, 2022



Universal Service  
Administrative Co.

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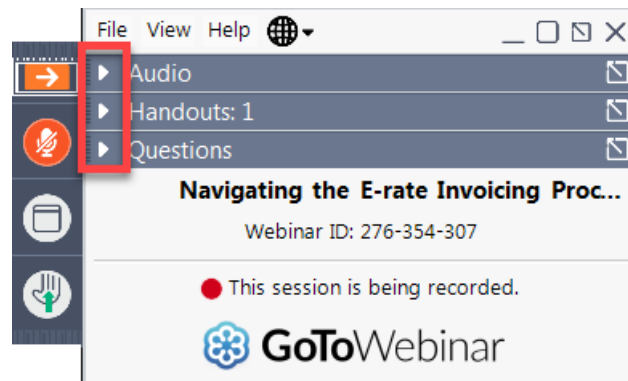
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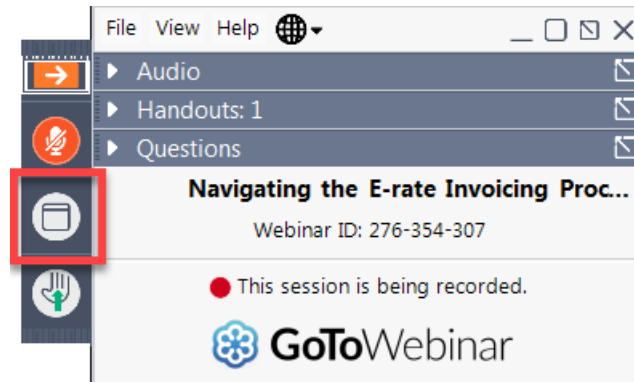


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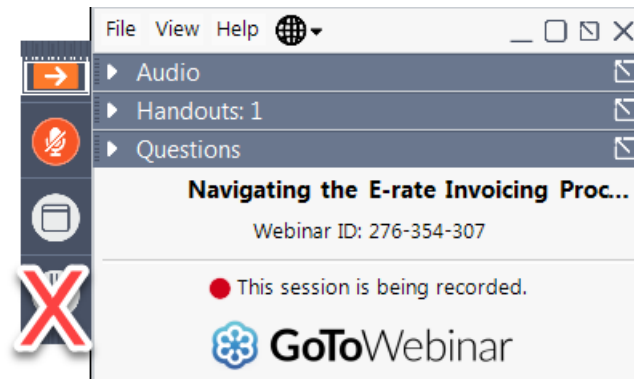


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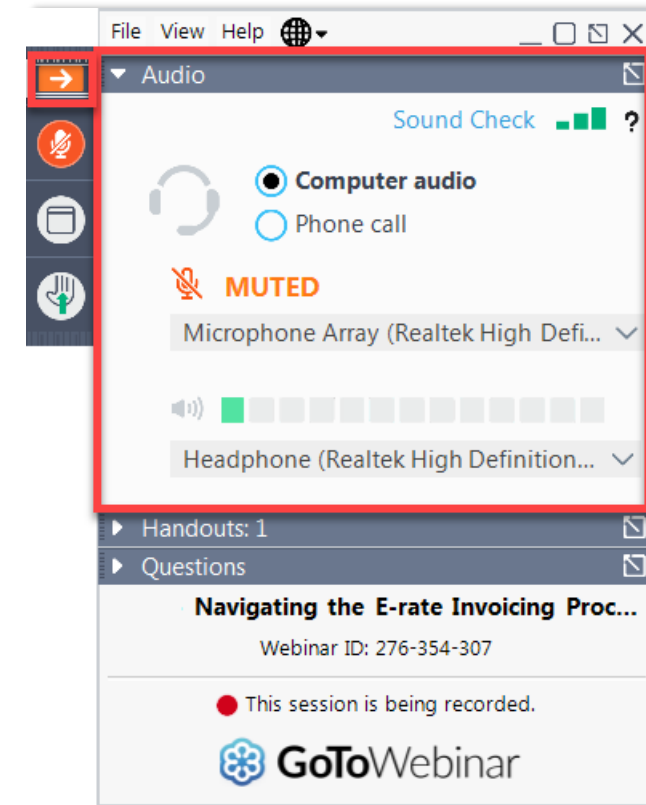


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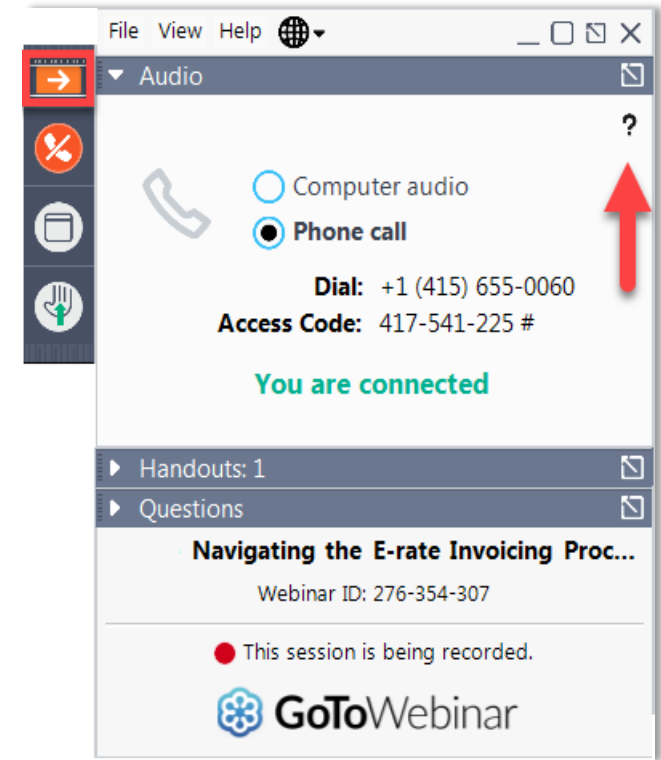
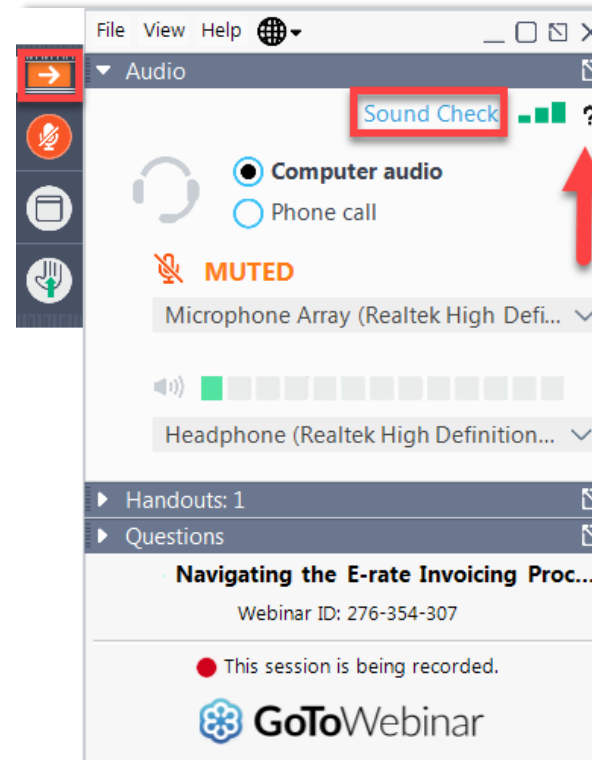
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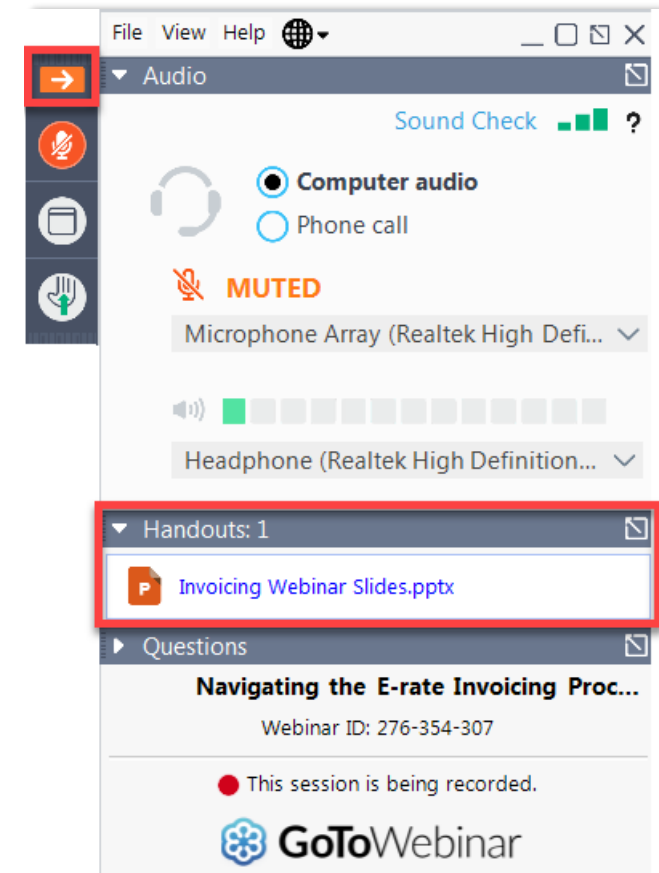
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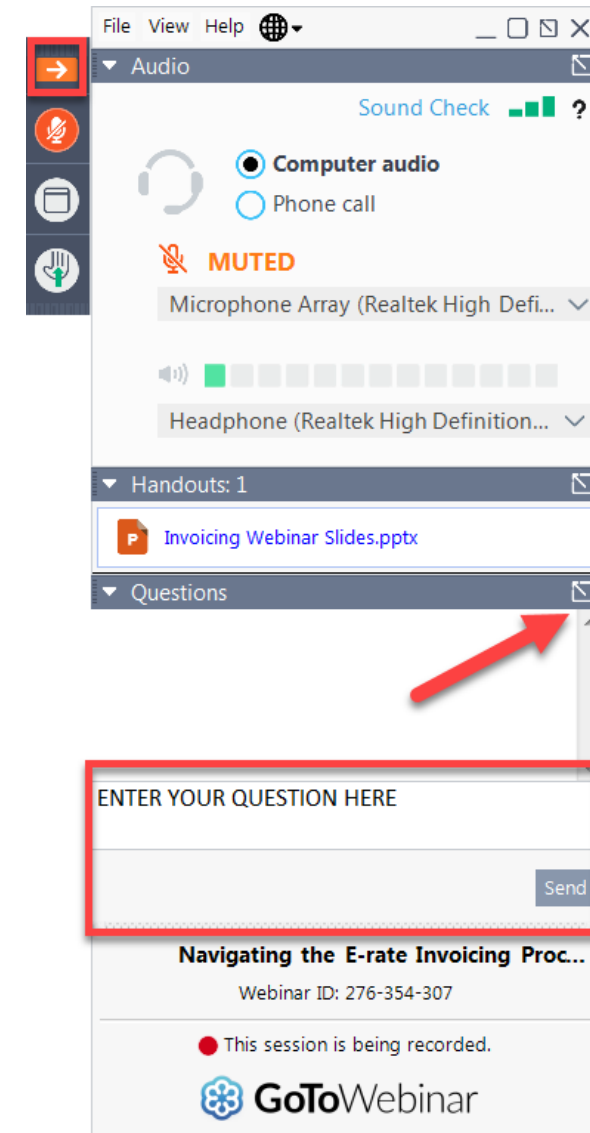
# Housekeeping – Resources

- 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.
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  - Ask questions related to webinar content.





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Monday – Friday 8 a.m. to 8 p.m. ET



**Create a customer service case in the**  
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1. Log in to EPC.
2. Select the **Contact Us** link from the upper right menu on the landing page.

# Meet the Team



**Devent Carter**

Advisor | E-Rate program



**Jair Brady**

Manager | E-Rate Program



**Nkeshi Free**

Communications Specialist | E-Rate

# Agenda

- Post-Commitment Overview
- Start Services
- Children's Internet Protection Act (CIPA)
- Post Commitment Changes
- Case Studies
- Key Takeaways
- Resources
- Q & A

# Post-Commitment Overview

# Post-Commitment

Once an applicant receives their Funding Decision Commitment Letter (FCDL), that is the start of the “post-commitment” part of the E-Rate process.

The next steps include the following:

- Filing the FCC Form 486 which:
  - Certifies compliance with the Children’s Internet Protection Act
  - Indicates the service start date

# Post-Commitment Notifications

- All post-commitment decisions regarding changes are communicated through the Revised Funding Commitment Decision Letter (RFCDL) in **EPC (FY2016 and later)**, including decisions for:
  - Appeals
  - SPIN Changes
  - Service Substitutions
  - FCC Forms 500
- **For FY2015 and previous funding years:**
  - Paper letters for appeal decisions and FCC Forms 500.
  - Email notifications for SPIN changes and service substitutions.



# Start Services

# The FCC Form 486

Applicants file the FCC Form 486 to:

- Notify USAC that **services have started** for the Funding Request Numbers (FRNs) listed on their FCC Form 471.
- Report current status of their compliance with the **Children's Internet Protection Act (CIPA)**.

# FCC Form 486: Service Start Date

- **What is my Service Start Date (SSD)?**
  - The Service Start Date is
    - The first day of the funding year, when services start on or before July 1.
    - The earliest date for which USAC will fund recurring services.
    - Any day after July 1, but before June 30 of the funding year, on which services were actually started.
  - **Early SSD example** - For installations that started on May 25 before the funding year, the SSD is July 1 of the funding year.
  - **Late SSD example** - For services starting on August 7 of the funding year, the SSD is August 7 of the funding year.

## When Do I File the FCC Form 486?

- The FCC Form 486 MUST be certified no later than 120 days after the **Service Start Date (SSD) reported on the FCC Form 486** or 120 days after the date of the **Funding Commitment Decision Letter (FCDL)**, whichever is later.

## What If I File the FCC Form 486 Late?

- If you miss the FCC Form 486 deadline, USAC will adjust your SSD to a date 120 days before the date you certified your form.
- Your funding commitment may be reduced to reflect the reduction in Months of Service.

## Example of an Adjusted FCC Form 486 Due to Late Filing

- If you received the FCDL on May 1, 2022 and the service start date (SSD) on the FCC Form 471 is July 1, 2022, you will have 120 days from July 1, 2022 to certify the FCC Form 486. This gives you a deadline of **October 29, 2022**.
- If you file the FCC Form 486 on **December 22, 2022**, (past the FCC Form 486 certification deadline) the SSD for the FRN(s) will be adjusted to August 24, 2022 (December 22, 2022 minus - 120 days). Your recurring services **before the SSD will not be funded**.
- If you wish to appeal a USAC decision adjusting your SSD based on a late FCC Form 486, you must first file the appeal with USAC, not the FCC.



# Service Reminder

- **Recurring services** (e.g., monthly internet access) must be delivered during the funding year.
- **Non-recurring services** (e.g., equipment installations) can generally be installed through September 30 following the close of the funding year.
  - The September 30 deadline can sometimes be extended, either automatically or by request.
  - Delivery and installation can sometimes start before the funding year

# FCC Form 486 Notifications

- After submitting the FCC Form 486, you and your service provider will receive two notifications:
  - An initial notification in EPC confirming that you certified the form.
  - The FCC Form 486 Notification Letter, indicating your form completed review, and informing you of USAC's decision.
- After USAC has approved your FCC Form 486 and services have started, you or your service provider may begin invoicing USAC for the discounted amount of the costs of the approved products or services.

# FCC Forms 486 Urgent Reminder Notification

- An urgent reminder letter is issued to applicants that appear to have missed the deadline to certify based on the service start date reported on the FCC Form 471.
  - The letter is delivered in the EPC News Feed.
  - Applicants have 15 days from the date of the letter to submit and certify the FCC Form 486 without penalty (if the service start date reported on the FCC Form 471 was the actual service start date).

# Children's Internet Protection Act (CIPA)

# Children's Internet Protection Act (CIPA)

- Requires that schools and libraries enforce certain safety measures preventing minors from accessing obscene content on the internet.
- Entities must Keep Records
  - Schools and libraries must [maintain documentation](#) demonstrating their CIPA compliance.
    - Maintain documentation showing CIPA compliance for all funding years
    - In the first and second year, they may show work toward CIPA compliance, but by the third year, documentation must show full compliance
- **Three requirements** of CIPA compliance are:
  - Internet Safety Policy
  - Technology Protection Measure/Public Notice
  - Public Notice and Hearing or Meeting

# Internet Safety Policy

- The Internet Safety Policy must address:
  - Access by minors to inappropriate subject matter on the internet and World Wide Web;
  - The safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communication;
  - Unauthorized access, including hacking and other unlawful activities by minors online;
  - Unauthorized disclosure, use, and dissemination of personal information regarding minors; and
  - Measures designed to restrict minors' access to information and subject matter that is harmful to minors.



# Internet Safety Policy (cont)

- **Additional requirements for schools:**
  - Must also include monitoring online activities of minors.
  - Must educate minors about appropriate online behavior, including:
    - Interacting with other individuals on social networking websites and in chat rooms
    - Cyberbullying awareness
    - Response

# Technology Protection Measure (e.g., Internet Filter)

- You must specifically block or filter internet access.
  - Entities must enforce operation of the technology protection measure during use of its computers with internet access.
  - The person with Authority for the administration of the school or library may authorize disabling the internet filter during use by an adult to enable access for bona fide research, or other lawful purpose.
  - The local community (school board, local educational agency, library, or other authority) decides what content is inappropriate for minors.

# Public Notice

- You must provide **public notice** and hold at least **one public hearing or meeting** to address the internet safety policy.
- For private schools, public notice means notice to your constituent group.
- Additional meetings are not necessary – even if the policy is amended – unless those meetings are required by state or local rules, or by the policy itself.



# Required CIPA Documentation

- Entities must [maintain documentation](#)
  - Indicating their CIPA compliance
  - Demonstrating their internet safety policy, along with any updates to the policy.
  - Showing the policy's adoption. For example, approval in the minutes of the required hearing or meeting, or documented adoption by a school or library board.

# Documentation for Technology Protection Measure

- A description of the filter.
- A report or other relevant documentation on the school's or library's use of their internet filter
  - The documentation must show that the internet filter was installed and functioning properly during the funding year in which the entity was CIPA-compliant.

## For example:

- Filter provided by service provider:
  - A school could provide archived internet access reports from the internet service provider of internet sites blocked, or bills from the service provider verifying the filter was fully functional.
- School purchased its own filter:
  - A school must provide logs from their IT staff, showing hours the filter was in use.

# Documentation for Public Notice and Hearing

- Documentation that the school or library gave public notice and held a public hearing or meeting on the policy.

## **For example:**

- A copy of a website announcement for a regular school or library board meeting open to the public where the policy was discussed.
- An advertisement in a local newspaper of a county government hearing or meeting where the policy appeared as an agenda item.
- Copy of the minutes of the hearing or meeting, and the date on which the hearing or meeting occurred.



# Post-Commitment Changes

# Update Service Provider Information

# SPIN Changes

SPIN Changes are modifications to the Service Provider Identification Number (SPIN) for one or more FRNs.

There are two types of SPIN Changes:

- An **Operational SPIN Change** is a deliberate decision made by the applicant to change their service provider. Some restrictions may apply.
- A **Corrective SPIN Change** corrects data entry error, or reflects a merger or acquisition. Unless a data entry error occurs, Corrective Spin Changes result from actions not initiated by the applicant.

# Operational SPIN Changes

- Operational SPIN changes can be requested as soon as you are aware of the need for a change, and under the following conditions:
  - If they are allowed under state and local procurement rules.
  - If they are allowed under the terms of the contract between the applicant and the original service provider.
  - If you have notified the original service provider of your intent to change SPINs.
  - If the reason to change is recognized by program rules as legitimate (e.g., breach of contract, unable to provide service, but NOT simply lower price).
  - The new service provider must be the runner-up in your original bid evaluation process.
- When to file:
  - File your request after your FCDL is issued, and on or before your last date to invoice.

# Corrective SPIN Changes

- Corrective SPIN Changes include:
  - Data entry errors
  - Mergers and acquisitions
  - Other changes not initiated by the applicant
- When to file:
  - File your request on or before the last date to invoice.
  - Service providers can initiate these requests due to a merger, acquisition, or consolidation.
  - Corrective SPIN changes can also be made before commitment by filing a Receipt Acknowledgement Letter (RAL) modification, or by notifying your Program Integrity Assurance (PIA) reviewer.

# Update Services

# Service Substitutions

- Services invoiced to E-Rate must match your Funding Commitment Decision Letter (FCDL). A [Service Substitution](#) is how you fix a discrepancy discovered after the issuance of the funding commitment.
- The substituted products and services:
  - Must have the same functionality as products and services approved on the original FCC Form 471.
  - Must not violate any contract provisions, or state or local procurement laws.
  - Must not result in an increase in the percentage of ineligible services or functions.
  - Must be within the scope of the establishing FCC Form 470, including any request for proposal (RFP) documents, for the original products and/or services.

# Service Substitutions

- Filing a Service substitution DOES NOT increase the funding commitment:
  - Service substitutions may result in a change in the pre-discount price for the supported service,
  - E-Rate program **funding will be based on** either,
    - The pre-discount price of the product or service for which support was originally requested or the pre-discount price of the new, substituted product or service, **whichever is lower.**



# Service Substitutions (Continued)

When to file:

- Service Substitutions can be filed after USAC has issued the FCDL, if the applicant needs to make a change to products or services.
  - **For example:** The original bandwidth changed from 50 MB to 500 MB as reflected in the actual contract.
- Service Substitutions must be submitted before the Service Delivery Deadline (**SDD**). The request should include a detailed narrative explaining the need.
- Service providers can file a “global” Service Substitution to replace one product or service with another across all FRNs, usually because the product or service is being discontinued.

# FCC Form 500

# FCC Form 500: Adjusting Approved Funding

An applicant can file a [FCC Form 500](#) to request specific changes to their funding commitments after USAC issues the FCDL. Applicants file the adjustment request in the E-Rate Productivity Center (EPC). As this is an adjustment to approved funding, the FCC Form 500 should be filed **as soon as the applicant is aware** of new circumstances that require adjustment to their FRN(s).

- Examples of these changes include:
  - Modifying the Contract Expiration Date (CED) listed on your FCC Form 471.
  - Changing the Service Start Date (SSD) listed on your FCC Form 486.
  - Cancel a Funding Request Number.
  - Request an extension of the Service Delivery Deadline (SDD) for non-recurring (one-time) services.
  - To notify USAC about equipment transfers that occurred prior to July 1, 2021.

Watch a recording of the [E-Rate Equipment Transfers](#) webinar for more information.

# FCC Form 500: Adjusting Approved Funding (Continued)

The FCC Form 500 can also be used to reduce the amount of a Funding Request Number. Some examples in funding reduction include:

- FCC Form 500 for Category Two funding reductions:
  - If you do not use all of your Category Two funding commitment, you can submit an FCC Form 500 to return funds to your Category Two budget.

After the successful processing of the FCC Form 500, USAC issues a revised funding commitment decision letter (RFCDL).

# Appeals

# What Is an Appeal?

- An [appeal](#) is a request for review filed by a program participant who disagrees with a USAC decision.
- Program participants – applicants or service providers – have 60 days to appeal a USAC decision.
  - Appeals for 2016 and later are filed in EPC.
  - For appeals for 2015 and prior, you may request an appeal in a customer service case you create in EPC.

# What to Include in Your Appeal

- Applicant (Billed Entity Number) or service provider (SPIN)
- Contact information including name, address, telephone number, and email address of the person who can discuss the appeal with USAC in detail
- Nickname for the appeal (to help you identify the appeal)
- Funding year of the decision being appealed
- FRNs associated with the appeal
- The USAC decision that is being appealed

# What to Include in Your Appeal

- A narrative that explains precisely the USAC decision(s) being appealed and what specific relief is being sought.
- Documentation of USAC's decision (e.g., a copy of USAC's decision letter).
- Supporting documentation such as forms and previous correspondence.
- If the program participant fails to submit the missing information to USAC within the time prescribed, USAC will review the appeal with the information on file, which may result in the denial of the appeal.



# Appeal Decisions

- Appeals may be granted under the following limited circumstances:
  - When the appeal makes clear that USAC made an error in its initial review (for example, the PIA reviewer made an error).
  - When the filer provides USAC with new information and/or documentation it did not provide when the original request was made.
  - When USAC receives policy clarification or a new policy impacts the original decision.
- If you are seeking a waiver of an FCC rule, you must file a waiver directly with the FCC.
  - For example, requests to consider FCC Forms 471 filed after the window close must be directed to FCC as a window waiver request.

# Appeals Notifications

- After filing an appeal, you will receive an Appeal Confirmation Letter.
- If an appeal reviewer has questions or requires additional information, they will reach out through EPC.
- USAC issues its appeal decision in a Revised Funding Commitment Decision Letter (RFCDL).
- If the applicant or service provider does not agree with the USAC decision in the RFCDL, they can file an appeal with the FCC.

# Commitment Adjustments

# Commitment Adjustment and Recoveries

USAC conducts the following types of review that may result in an initiating an adjustment to an applicant's commitment or monetary recovery from the applicant and/or service provider:

- Audits
- Payment Quality Assurance (PQA)
- Invoicing
- Appeals
- Heightened Scrutiny
- Program Integrity Assurance (PIA)

# Commitment Adjustment and Recoveries

- As a result of these review/audits, USAC may discover that certain funds were committed and/or disbursed in error.
- The Federal Communications Commission (FCC) requires USAC to rescind commitments and recover funding that has been improperly disbursed.
- USAC refers to this process as the Commitment Adjustment or “COMAD” process.
- Commitment Adjustment Letter (CAL) and Recovery of Improperly Disbursed Funds Letter (RIDF) are issued with all relevant details of the review/audit that resulted in the adjustment to the applicant's commitment or request to return program funds.
- If a COMAD action is necessary, a COMAD and/or RIDF letter will be issued to the applicant or service provider.

# How To Resolve A COMAD

- When a **commitment adjustment only** letter is issued no monetary recovery is being sought by USAC and the applicant does not need to take further action.
- When a **Commitment adjustment with Monetary Recovery** letter is issued, the applicant and/or service should return the programs funds requested in the letter.
- When a **RIDE** letter is issued, the applicant and/or servicer provider should return the program funds.
- If the Applicant or Service provider does not agree with the recovery letter received, they have 60 days to Appeal the decision to USAC.

# If You Don't Respond to a COMAD Letter

- All pending applications will be held.
- All invoices submitted will be held and/or subject to rejection.
- Applicant/Service provider will not be able to participate in E-Rate or ECF until COMAD resolved.
- Debt could be sent to Treasury.

# Compliance Letters

## Compliance Letter

- Issued to applicants due to program violations during program reviews/audits
- Require applicants to update their **Policy and Procedures** to ensure proper mitigation steps are in place to prevent future **program violation** related to the findings
- **Result in a hold on all FCC Form 471 decisions and invoices** until the updated policy and procedures have been provided to USAC and accepted.
- On **January 1, 2023**, the response timeline for applicants to provide updated policy and procedures due to compliance letters will be **reduced** from 180 days to **60 days**.
- Lack of response in providing updated Policy and Procedures within the **60-Day timeline** may result in **denial of any pending FCC Forms 471 and/or invoices**.



# Case Studies

# CIPA

My two FRNs were funded for **internal connections** and **telecommunications services**. On my FCC Form 486, I selected the option indicating **CIPA does not apply** because the recipients of service represented by the FRNs on this FCC Form 486 are receiving discount services for telecommunications services.

## Question:

Did I select correctly?

# CIPA

My two FRNs were funded for internal connections and telecommunications services. On my FCC Form 486, I selected the option indicating CIPA does not apply because the recipients of service represented by the FRNs on this FCC Form 486 are receiving discount services for telecommunications services.

## **Question:**

Did I select correctly?

## **Answer:**

No, the CIPA certification is required for internal connections.

# Service Delivery Deadline

You received your FCDL on July 2, 2020 for an FY2020 application for **internal connections**.

## Question:

On November 22, 2021, if services have not fully been delivered/installed can you still file and **receive an approval** of your FY2020 service delivery extension request?

# Service Delivery Deadline

You received your FCDL on July 2, 2020 for an FY2020 application for internal connections.

## **Question:**

On November 22, 2021, if services have not fully been delivered/installed can you still file and receive an approval on your FY2020 service delivery extension request?

## **Answer:**

You will not be eligible for a service delivery extension because in this example you filed on November 22, 2021, which is after the standard deadline of September 30, 2021, to request an FY2020 service delivery deadline extension for non-recurring services.

# Key Takeaways

# Key Takeaways

- CIPA services require a **public notice** and at least **one public meeting** to address the internet safety policy.
- The earliest **service start date** is July 1 of the funding year.
- Post-commitment fun are provided in **Revised Funding Commitment Decision Letters** in EPC.
- Post-commitment SPIN changes must be filed on or before the **last date to invoice**.
- Service substitutions **cannot increase funding** commitment and must be filed before the last day to receive service.

## Key Takeaways (cont)

- You can submit an FCC Form 500 to **return funds** to your **Category Two budget**.
- You have **60 days to respond** to the CAL/RIDF or to a denied appeal.
- If you disagree with a post commitment **decision**, you must first **file an Appeal** with USAC in EPC.
- Maintain E-Rate related documentation for **10 years after the date of installation**, and equipment transfer documentation for **up to 5 years after the transfer**.
- Applicants that receive **Audit Compliance letters** from E-Rate are required to provide Policies and Procedures.
  - The timeline to provide these procedures has been reduced from 180 days to **60 days** and takes effect on 1/1/2023



# Resources

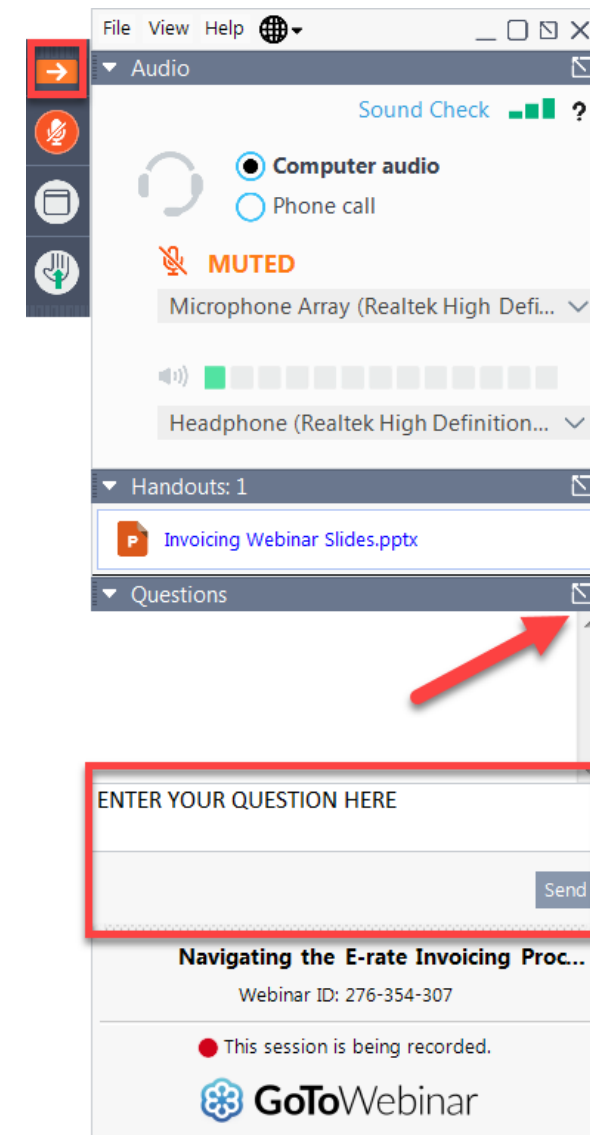
# Resources

On the USAC website you can find detailed information on:

- [Category Two \(C2\) Budgets](#)
- [Transfer of Equipment](#)
  - [Webinar Recording: E-Rate Equipment Transfers](#)
- [Document Retention](#)
- [Glossary of terms](#)

# Housekeeping – Q&A

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# Questions?

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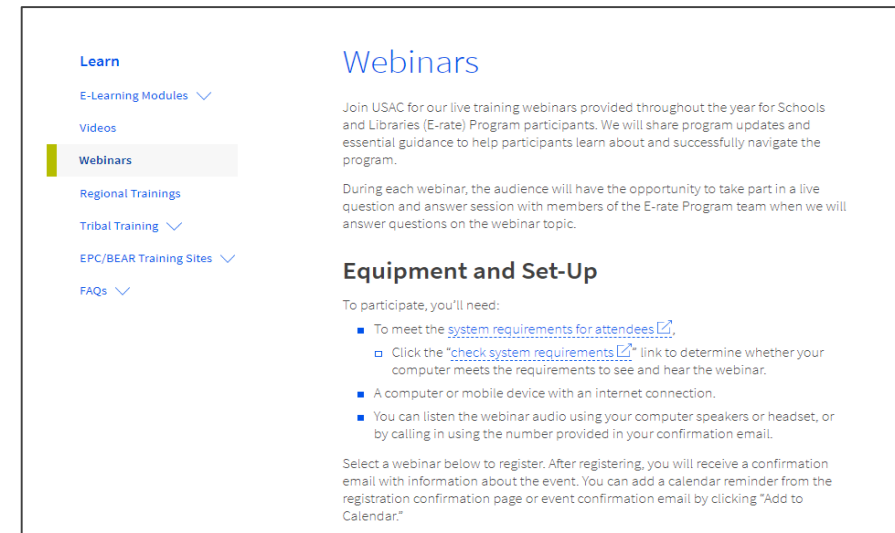
1. Log in to EPC.
2. Select the **Contact Us** link from the upper right menu on the landing page.

# Upcoming Webinars

**Check the E-Rate Webinars page for updates on future webinars.**

**Recommended for:** Applicants and service providers

**E-Rate Experience Level:** All



The screenshot shows a web page with a left sidebar and a main content area. The sidebar has a 'Learn' header and a list of links: 'E-Learning Modules', 'Videos', 'Webinars' (highlighted with a yellow bar), 'Regional Trainings', 'Tribal Training', 'EPC/BEAR Training Sites', and 'FAQs'. The main content area has a 'Webinars' header. Below it, a paragraph states: 'Join USAC for our live training webinars provided throughout the year for Schools and Libraries (E-rate) Program participants. We will share program updates and essential guidance to help participants learn about and successfully navigate the program.' Another paragraph follows: 'During each webinar, the audience will have the opportunity to take part in a live question and answer session with members of the E-rate Program team when we will answer questions on the webinar topic.' Below this is a section titled 'Equipment and Set-Up'. It starts with 'To participate, you'll need:' followed by a list of requirements: 'To meet the system requirements for attendees', 'Click the "check system requirements" link to determine whether your computer meets the requirements to see and hear the webinar.', 'A computer or mobile device with an internet connection.', and 'You can listen the webinar audio using your computer speakers or headset, or by calling in using the number provided in your confirmation email.' At the bottom, a paragraph says: 'Select a webinar below to register. After registering, you will receive a confirmation email with information about the event. You can add a calendar reminder from the registration confirmation page or event confirmation email by clicking "Add to Calendar."'.

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- E-Learning Modules
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## Webinars

Join USAC for our live training webinars provided throughout the year for Schools and Libraries (E-rate) Program participants. We will share program updates and essential guidance to help participants learn about and successfully navigate the program.

During each webinar, the audience will have the opportunity to take part in a live question and answer session with members of the E-rate Program team when we will answer questions on the webinar topic.

### Equipment and Set-Up

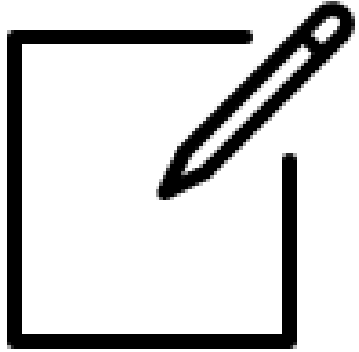
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- A computer or mobile device with an internet connection.
- You can listen the webinar audio using your computer speakers or headset, or by calling in using the number provided in your confirmation email.

Select a webinar below to register. After registering, you will receive a confirmation email with information about the event. You can add a calendar reminder from the registration confirmation page or event confirmation email by clicking "Add to Calendar."

Go to the E-Rate [Webinars](#) page for additional information.

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- We appreciate your feedback!

**Thank You!**







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