E-Rate Invoicing

2023 Applicant and Service Provider Training

November 9, 2023
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  • Ask one question at a time.
  • Ask questions related to webinar content.
E-Rate Customer Service Center (CSC)

Call us at (888) 203-8100
Monday – Friday 8 a.m. to 8 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 the landing page.
Meet the Team

Pamela Lloyd
Invoicing Manager | E-Rate Program

Derrick Harrison
Program Analyst | E-Rate Program

Samantha Jones
Invoicing Specialist | E-Rate Program
Agenda

• Invoicing Overview
• Preparing to Invoice
• Filing an FCC Form 498
• Filing an Invoice
• Invoice Reviews
• Basic Maintenance of Internal Connections (BMIC)
• Record Retention and Open Data
• Case Studies
• Key Takeaways
Invoicing Overview
Invoicing in EPC

- Invoices for 2016 and onward - process in EPC
- Invoices 2015 and prior – process via customer service case
  - FY 2015 invoices and earlier will remain in the legacy system
    - Download form in existing format, complete it, then open a customer service case to get it processed.
  - Even though a lot is changing, many things will remain the same.
    - The program rules have not changed.
    - The application process is the same.
    - The required 10-year documentation retention period remains the same.
    - The eligibility of equipment and services has not changed.
    - We will continue to run payment files twice a week with few exceptions.
What is the applicant process?

- Competitive Bidding
- Apply for Discounts
- Start Services
- Invoice USAC
Invoice USAC

Billed Entity Applicant Reimbursement (BEAR) Form

- Pay your customer bill (the bill you receive from your service provider) in full and maintain documentation associated with your FCC Form 472 (BEAR Form).
  - The Federal Communications Commission (FCC) records retention period is at least 10 years from the last date of the applicable funding year or the service delivery deadline for the funding request.
- Only bill USAC for the approved equipment and services delivered to the approved Recipient(s) of Service (ROS) at the quantities and rates not to exceed what was listed on the FCC Form 471.
- Respond timely to any USAC invoice review questions.
- Certify and update the FCC Form 498, providing your banking information and backup documents.
Invoice USAC (Continued)

**Service Provider Invoice (SPI) form**

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

- Service provider invoices USAC for the discount amount using the FCC Form 474 (SPI Form).

- Respond timely to any USAC invoice review questions.
Preparing for Invoicing
Before You Begin

Select invoicing method (either BEAR or SPI):

• Invoicing mode/method is the applicant’s choice and is made for each Funding Request Number (FRN).
• Method must be decided before invoicing begins.
• Once USAC processes an invoice for an FRN, the method of invoicing is set. Changing the invoicing method requires a Customer Service Case with multiple steps, including the required return of disbursed funds.
• Applicants notify their service providers of the invoicing method (FCC Form 472 or FCC Form 474).
Before You Begin (Continued)

Determine the invoice frequency:
• Monthly, bi-monthly, quarterly, one-time, etc.

Use the funding commitment decision letter (FCDL) or the Revised Funding Commitment Decision Letter (RFCDL) information to complete your invoice:
• Discount rate
• Approved services, costs, and quantities
• FCC Form 471 number and FRN
• Approved Recipients of Service (ROS)
Before You Begin: FCDL Terms Defined

**Pre-Discount:** Total expense of the equipment and services before the E-Rate discount is applied.

**Discount Amount:** (Pre-Discount Amount) * (Discount rate)

**Post-Discounts and Invoicing Amount:**
- (Pre-discount amount) - (Discount amount) = (FRN commitment request on the FCDL).
- The "Commitment Request" in the EPC is the amount eligible for funding and payment through the E-Rate program and for payment during the invoicing process.

**Non-Discount Amount:** 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 Amount**: (example: 40%)
- **Post-Discounts and Invoicing**: (example: $7,344)
- **Non-Discount Amount**: (example: $18,360 - $7,344 = $11,016)

### FRN Calculation

<table>
<thead>
<tr>
<th>Monthly Charges</th>
<th>Total Requested Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Monthly Recurring Charges</td>
<td>$18,360.00</td>
</tr>
<tr>
<td>Total Monthly Ineligible Charges</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Monthly Eligible Charges</td>
<td>$18,360.00</td>
</tr>
<tr>
<td>Total Number of Months of Service</td>
<td>12</td>
</tr>
<tr>
<td>Total Eligible Pre-Discount Recurring Charges</td>
<td>= $18,360.00</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>40%</td>
</tr>
<tr>
<td>Total Pre-Discount Charges</td>
<td>$18,360.00</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>40%</td>
</tr>
<tr>
<td>Funding Commitment Request</td>
<td>$7,344.00</td>
</tr>
</tbody>
</table>
Service Provider Verifications

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

• Service providers file annually certifying that they will comply with program rules and guidelines.
• A new SPAC form **must be filed** each funding year.
• A SPAC form is required for each [Service Provider Identification Number (SPIN)](https://example.com)/498 ID.
• The SPAC form must be filed before USAC will pay invoices.
Filing an FCC Form 498
Filing an FCC Form 498

Pertinent financial information is collected via the FCC Form 498, allowing service providers invoicing via a SPI and applicants invoicing via a BEAR to receive disbursements. Service providers will receive a Service Provider Identification Number (SPIN, also known as 498 ID) and applicants will receive a 498 ID.

Applicants: Filed through EPC: Records/Create FCC Form 498

- Complete and certify the form.
- Only an Official from the School or Library can perform all required actions (initiate, submit, modify, deactivate and certify).
- A General Contact can complete, but not certify the form.

Please note: EPC will automatically copy the 498 General Contact information into the Remittance Contact fields.
- If the Official and General Contact are different people, remember to modify the entries in the Remittance Contact fields before the form is certified.

- Applicants and service providers may consult the User Guide to help with filing the FCC Form 498.
Filing an FCC Form 498 (Continued)

- Prior to beginning the FCC Form 498 registration, applicants and service providers, should have the following information:
  - Name of the Company Officer who will be certifying.
  - Electronic banking information (routing number and banking account number).
  - [UEI Number through SAM.gov](#)
  - [FCC Commission Registration (CORES ID)](#)
  - An FCC Form 498 ID (498 ID) obtained from USAC
FCC Form 498 Review

USAC will verify your account information within two (2) business days, the submitter will be notified of approval or rejection via email.

• Once the FCC Form 498 is certified, you will receive an email from 498BankVerification@usac.org with a link to upload requested banking information.
  • A blank voided check or a copy of the bank account statement is acceptable documentation.
  • If you do not control your bank account, USAC requires a letter from the account owner (i.e., State/District/County Office/School District) or financial institution to confirm the account information.

• To check the status of your 498 ID, contact the Customer Service Center at 888-641-8722, option five (contributors) or email USAC at finops-processing@usac.org.
FCC Form 498 Updates

You are required to update your 498 ID form under the following circumstances:

• Your banking information has changed (supporting documentation is required)
• You need to update information on an existing 498 ID
• You need to add a new entity
• You need to update the "New Business Type" field
• You need to provide a DUNS Number
• You need to add a Unique Entity Identifier Number (UEI)

Updates are not effective until the form is completed and certified by your School or Library Official and reviewed by USAC.
FCC Form 498 Reminders

- If the status of a 498 ID is **not certified** by the Library or School and approved by USAC, it will prevent approved invoices from being processed by the US Treasury. (When a 498 ID is uncertified, the banking information is not available to the US Treasury) All payments that cannot be processed are returned to USAC as unpaid.

- Try to avoid making changes to the 498 ID while invoices are in process. If changes must be made such as updating or deactivating your current 498 ID to a new 498 ID, please make sure all invoices currently in process have been completed.

- Reasons why your 498 ID may be missing when you log in to file your BEAR:
  - Uncertified recent changes to your FCC Form 498 or banking information
  - Typographical errors
  - Missing banking information
  - 498 ID is not linked to your BEN
Filing an Invoice
E-Learning Modules

Applicant E-Learning Modules:

• App Course 1: Submitting and Certifying Invoices in EPC
• App Course 2: Invoice Management and Status in EPC
• App Course 3: Invoice and Outreach in EPC
• FCC Form 472 BEAR Form
• E-Rate Invoicing Open Data Set and Tool Demo

Service Provider E-Learning Modules:

• 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 Date (IDD) are posted in EPC on the FRN detail screen.

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

- Service Delivery Deadline (SDD) is the last date to receive service.
- Date of the FCC Form 486 Notification Letter.
- Date of the approved post-commitment RFCDL.
- Date of an approved appeal RFCDL for a previously denied or reduced funding request.
Invoice Deadline Extension

• Filers are entitled to request one 120-day Invoicing Extension per FRN.
• You can file an invoice filing deadline extension request even if you do not use or need it.
• Extensions are filed by the applicant and service providers within EPC.
• If the deadline to file an invoice or request an invoice filing deadline extension is missed, a request to waive the invoice filing deadline must be filed with the FCC and approved before any additional disbursements are made.
Invoicing Reminders

- Payments:
  - BEAR Invoices: Applicant pays the service provider in full within 90 days of receiving services and before invoicing E-Rate.
  - 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 ROSs.

- Invoiced amount must be 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.
Equipment

• If an applicant returns equipment to the service provider **prior to invoicing** USAC, neither the applicant or service provider should invoice for the cost for this equipment.
  • If an invoice for returned equipment has been paid, disbursements must be returned to USAC. The [USAC website](http://example.com) contains more information on that process.
  • If an invoice for returned equipment has been submitted and not paid, it can be cancelled by opening a customer service case.

• If the approved equipment is no longer available, you need to file a Service Substitution request for the new model. The total commitment for that FRN cannot be increased.
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 result in rejection.

Invoices may also go through a manual review process too.
Manual Invoice Review: Validations

The reviewer verifies, among other things, that:

• The customer’s bill accurately reflects the invoiced amount
• Discounts are properly applied
• Entities listed on bills are approved Recipients of Service on the approved FCC Form 471
• Bandwidth speeds
• Equipment and services are eligible and approved on the FCC Form 471’s Funding Commitment Decision Letter.
  • Ineligible equipment and services not removed at submission are modified during the invoice review.
  • Changes in services or equipment not received require a USAC-approved service substitution.
  • Ensure that service substitution requests are submitted to the E-Rate program for approval when the original eligible equipment and service requested are substituted.
  • Ensure that processes are in place to ensure that the invoiced services match the contracted services.
Manual Invoice Review: Outreach

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

- Timely, accurate, and complete responses allow the review to occur and payments to be made.
- You have seven calendar days to respond.
- You may request a seven-day extension.
- If you have a large invoice (i.e., 20 bills or more), you may request a worksheet in lieu of bills.
Manual Invoice Review: Service Certification

Some manual reviews require additional documentation to demonstrate:

• The applicant paid their non-discounted costs.
• The invoiced equipment or services were delivered and/or installed.
• Progress payments were included in the contract.

USAC reviewers may send questions to the applicant or service provider, with a response due by "response requirement date."

**Only an applicant with full user rights completes the certification and returns it directly to USAC.**

• Applicants should be timely in responding as failure to respond may result in the invoice being denied.

USAC reviews the information provided during the review.
Service Certification - Example

Service Certification for E-Rate Invoices

| Service Provider Name / Service Provider SIPN | <SERVICE_PROVIDER_NAME>+<SPIN> |
| Invoice Number | <SLD_INVOICE_NO> |
| Invoice Line Number | <LINE_ID> |
| Undiscounted Invoice Amount | <UNDISCOUNTED_AMT> |
| Discounted Invoice Amount | <DISCOUNTED_AMT> |
| Applicant Name | <APPLICANT_NAME> |
| Authorized Representative / Contact Name & Title | |
| Authorized Representative / Contact Phone | |
| EIN | <EIN> |
| FT1 Number | <FT1> |
| FRN | <FRN> |
| Data Goods/Services Delivered | |
| Data Goods/Services were or will be installed | |
| Data Applicant Portion Paid and Check No. or Data will be paid | |

By signing below, you certify that:
1. I am authorized to represent the above named Applicant.
2. The equipment/services described on the attached vendor invoice(s) have been delivered and/or installed as indicated on or by the date(s) above.
3. The equipment and services described on the attached Service Provider invoice meets the following criteria (Copy of detailed vendor invoice must be attached):
   - Equipment and services requested are approved on the FCC Form 471
   - Unit cost and quantity per location do not exceed the amounts approved on the FCC Form 471
   - All equipment has been delivered and/or installed at N/S locations approved on the FCC Form 471 listed on the dates provided above

Authorized Representative Name
Authorized Representative Signature
Date

Revised [03/05/2011]
E-Safe (USLC)
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
Invoice Modification and Denials

• Common Reasons for denial:
  • No response to outreach
  • Invoice contains only ineligible equipment/services
  • Invalid or incomplete service certification

• If an invoice has been rejected, applicants and service providers can re-submit the invoice with corrected information.
  • The invoice with corrected information will need to be submitted prior to the IDD.
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.

<table>
<thead>
<tr>
<th>Decision Code</th>
<th>Plain Language Decision Explanation</th>
<th>Historical Decision Explanation (Letters issued before October 1, 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>Either a Customer Billed Date or a Shipping Date to Customer must be entered on this invoice line.</td>
<td>Either Billed Date or Shipped Date must be entered.</td>
</tr>
<tr>
<td>41</td>
<td>Either a Customer Billed Date or a Shipping Date to Customer, but not both, must be entered on this invoice line.</td>
<td>Both Bill and Ship Date cannot be entered.</td>
</tr>
<tr>
<td>42</td>
<td>The Total (Undiscounted) Amount was not provided on the invoice line.</td>
<td>Total (Undiscounted) Amount for Service per FRN (Not Provided).</td>
</tr>
<tr>
<td>44</td>
<td>The Discount Amount Billed to SLC was not provided on the invoice line.</td>
<td>Discount Amount Billed to SLC (Null or Zero).</td>
</tr>
<tr>
<td>45</td>
<td>The undiscounted amount multiplied by the discount percentage for this FRN is lower than the requested invoice amount.</td>
<td>Discount Amt. Billed Not Valid.</td>
</tr>
<tr>
<td>60</td>
<td>The service provider has not certified an FCC Form 473 for the funding year.</td>
<td>Service provider must be certified.</td>
</tr>
<tr>
<td>67</td>
<td>The Shipping Date to Customer is after the Contract Expiration Date or the Service End Date (whichever is earlier).</td>
<td>Shipped Date &gt; [%] days (480) Early Term Ext.</td>
</tr>
<tr>
<td>68</td>
<td>The Shipping Date to Customer is after the Contract Expiration Date or the Service End Date (whichever is earlier).</td>
<td>Shipped Date &gt; [%] days 471 Term or Cost Ext.</td>
</tr>
<tr>
<td>75</td>
<td>The Customer Billed Date entered on the invoice line is outside of the funding year for this FRN.</td>
<td>Billed Date after [%] fund ye/one time cost.</td>
</tr>
<tr>
<td>76</td>
<td>The Customer Billed Date entered on the invoice line is outside of the funding year for this FRN.</td>
<td>Billed Date after [%] fund ye/one time cost.</td>
</tr>
<tr>
<td>77</td>
<td>The Shipping Date to Customer entered on the Invoice line is outside of the funding year for this FRN.</td>
<td>Shipped Date after [%] fund ye/one time cost.</td>
</tr>
<tr>
<td>78</td>
<td>The Shipping Date to Customer entered on the Invoice line is outside of the funding year for this FRN.</td>
<td>Shipped Date after [%] fund ye/one time cost.</td>
</tr>
<tr>
<td>80</td>
<td>This invoice was submitted after the invoicing deadline for the FRN.</td>
<td>Invoice Received Date Is later than Invoice Received Extension Date for FRN.</td>
</tr>
<tr>
<td>81</td>
<td>The Customer Billed Date entered on the invoice line is after the invoice deadline.</td>
<td>Bill Date [%] &gt; [%] Billed Extension Date; one time cost.</td>
</tr>
</tbody>
</table>
Invoicing Appeals

• If your timely filed invoice is rejected or modified, you have the right to appeal the decision.

• Appeals must be first filed with USAC.

• You have 60 days to appeal to USAC.

• Appeals filed more than 60 days after the decision date are automatically denied 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.
Basic Maintenance of Internal Connections (BMIC)
Basic Maintenance of Internal Connections (BMIC)

- Basic Maintenance of Internal Connections is the **repair and upkeep of eligible internal connections**.
- Two types of BMIC are:
  - **In-Person Services**, which include on-site repairs (Time and Material Contracts)
  - **Remote Services**, to 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 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.
Examples of BMIC

- Examples of eligible Basic Maintenance:
  - Repair and upkeep of eligible hardware (In Person Support / Time and Materials)
  - Wire and cable maintenance (In Person Support / 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 is providing a **maintenance functionality** should be requested under **BMIC** on the FCC Form 470/471 (not access or right to use licenses)
BMIC Services Do Not Include

- **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. *It does not provide support or maintenance* and is 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 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 RTU 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 that sought 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
- Changes identified **after the FCDL is issued**:
  - Submit a **Service Substitution Request** with a detailed narrative including:
    - Background information
    - Calculation for changes (single vs. multi-year)
    - Reason for the correction
Time and Materials / On-Site Maintenance Example

• In person repair of eligible Internal Connections equipment
• Billed at an hourly rate
  • Example: A cable is cut or frayed, and the service provider sends on-site maintenance to repair the cable.
• Applicant is billed for both the time and necessary materials to complete the repair.
• When invoicing E-Rate for Time and Materials BMIC, please provide the hours worked, the hourly rate, and the equipment being maintained.
Single-Year Maintenance Support Services

• Includes eligible BMIC services such as:
  • Ongoing operating system software updates and upgrades.

• May also include an ineligible service:
  • Advanced security features like Intrusion Protection Systems or Deep Packet Inspection
  • Advanced or next-generation firewall or other network security services not currently eligible in the E-Rate program.

• Check to see what services are eligible and ineligible in the E-Rate Eligible Service List (ESL).
• Partially Eligible BMIC Support
  • Includes eligible and ineligible services.
    • Therefore, this subscription is *partially* eligible for BMIC support.

• Your service provider can provide more information regarding equipment and service eligibility and functionality including in a subscription offering.

• Contact our Customer Service Center for assistance (888) 203-8100.
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 three-year maintenance contract for $12,000 can be submitted for reimbursement for each funding year associated with 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: Three-year maintenance contract for FY 2021-2023 – when submitting your request for your second year, indicate to the reviewer that your request is for the second year of a three-year contract.
Multi-Year Maintenance Services Example

• Applicant received a **three-year maintenance support subscription** with 24-hour access, and 365 days a year service to get the latest upgrades and updates.

• During the submission of the FCC Form 471 request, the applicant should:
  • Cost allocate the services by the term of the subscription and **only request funding and invoice for one year of the services.**
  • Each year, submit a new FRN for each year of service.

• Since the applicant has already been billed by the service provider for the three years upfront, when providing an invoice, the applicant/service provider would **use the same bill from year one.**

• The applicant/service provider should also explain to the reviewer why the bill date is outside of the funding year as the services were prepaid during year one.
Modified Reimbursement for BMIC Services

When would a BMIC request not be reimbursed in full?

- Maintenance was performed on ineligible/partially eligible equipment.
- BMIC license was only partially eligible for funding - such as the example previously discussed.
- Reimbursement request included reimbursement for future months of service.
  - BMIC invoices will only be reimbursed after the services have been delivered for the applicable funding year.
Reimbursement Overview

- Overview of a 2021 BMIC FRN
  - The total pre-discounted amount of the FRN is $120, with an 80% discount rate
  - Discount amount invoiced to USAC is $96
  - An applicant or service provider may not invoice for the full $96 discounted amount unless the services are provided. BMIC services must be invoiced based on the amount of BMIC services received.
  - Only invoice the discounted amount to USAC after services have been received.
  - For example, invoicing frequency if services are delivered monthly, quarterly or annually:
    - Invoice monthly after services are received ($96 / 12 months) = $8 / month
    - Invoice quarterly after services are received ($96 / 4 quarters) = $24 / quarter
    - Invoice annually after all services are received = $96 / annually
Reimbursement Example

If the submitter is receiving consistent monthly services (such as via a maintenance support service), they should only invoice up to the current month, which is dependent upon when the submitter submits their invoice.

• Examples: $120 pre-discount, 80% discount rate, $96 discounted amount
  • The start date is in July 2021 and the first invoice is submitted in December 2021
    • At that time, E-Rate support would reimburse for services delivered through December 2021
    • Eligible Reimbursement Amount = $48 (half of the full year’s amount)
  • The start date is in July 2021 and the first Invoice is submitted in July 2021
    • Invoicing will pay for one month of service - July
    • Eligible Reimbursement Amount = $8 (one month of the annual discounted amount)
  • Invoice is submitted June 2022 or later.
    • Invoicing will pay up to 12 months of service since the services are now complete
    • Eligible Reimbursement Amount = $96 (entire discounted amount)
Invoicing for BMIC Services

- When should you invoice for BMIC services?
  - After services are received; reimbursements will be reduced to remove any future dates of service.

- Steps to take before invoicing:
  - Check the E-Rate Eligible Services List to ensure services requested are eligible.
  - Check your service provider’s website or contact the E-Rate Customer Service Center to get an estimate of the eligibility percentage of the service.
  - Invoice accurately by removing ineligible portions of your product/service
    - Your invoice payment will be reduced by the ineligible amount so that only the eligible portion of the services are reimbursed through the E-Rate program.
  - Obtain hourly rate information for any fixed price contracts and invoice E-Rate at the hourly rate, including these details in the contract documentation (September 6, 2019 News Brief).
  - Ensure you are only invoicing for BMIC services that have been received.
    - Invoice up to the current month for services received.
    - Multi-year contracts are only eligible for one funding year at a time.
Streamlining BMIC Reviews: Tips for Success

- To assist with streamlining the invoicing review process, the applicant may choose to upload a copy of their contract for BMIC services to the contract record after filing their FCC Form 471.
- If a contract cannot be provided, other relevant documentation can include a bill, quote or a copy of a legally binding agreement.
- Check the Eligible Services List (ESL) before submitting your invoice to ensure your equipment and services meet eligibility requirements.
- Obtain an hourly rate from your service provider for time and materials / on-site BMIC services
Record Retention and Open Data
Documentation

Ensure adequate documentation is retained 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.
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.
Locating Key Invoicing Information

Current IDD and/or SDD Information

• EPC: The IDD and SDD are included in the FCDL and RFCDL.

• 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
Case Studies
**Case Studies: Similar Line Items**

**First Invoice:**
- #1237851
- Submitted 7/1/2023
- Inv. amount $842.00
- FRN 239947510
- Customer Bill Date of 7/1/2023

**Second Invoice**
- #1237895
- Submitted on 8/1/2023
- Inv. amount $842.00
- FRN 239947510
- Customer Bill Date of 7/1/2023

**Question:** How will USAC process the second invoice?
Case Studies: Similar Line items

Answer:

• USAC’s system will flag the second invoice as a possible duplicate because the start date and amount billed were the same on both invoices. To resolve the matter, USAC will conduct outreach.

• The invoice reviewer will request documentation to support both invoices and to demonstrate that the second is not a duplicate.

To avoid this problem:

• The date on each line item should be the date service started for that line item. The second invoice should have a customer bill date of 8/1/2021.
Case Studies: Customer Bill

• Applicant submits a BEAR requesting $1,600.00 reimbursement for Basic Maintenance of Internal Connections (BMIC).
• The service provider provides this customer bill.

Question: What information is missing from this bill?

INVOICE

LMN Service Provider
123 Main Street
Tacoma, Washington 98444

Little Red School
12345 Gravelly Lake Drive
Lakewood, Washington 98409

Basic maintenance $2,000.00
Case Studies: Customer Bill

Answer:
The bill should include the following:

• A description of the work performed
• Equipment repaired or replaced
• Hours worked, date(s) and time(s)

To avoid this problem:

• Request a detailed bill from the service provider.
• Used the approved discount rate.
• Reconcile the customer bill and the requested reimbursement.

INVOICE
LMN Service Provider
123 Main Street
Tacoma, Washington 98444

Little Red School
12345 Gravelly Lake Drive
Lakewood, Washington 98409

Basic Maintenance $2,000.00

Description:

• Two hours of onsite maintenance
• Performed on August 21st 2019
• On product APC SMART-UPS 3000VA RM 2U LCD
Case Studies: Service Certification

- USAC receives an invoice for a router which includes installation.
- The invoice reviewer sends a service certification to the applicant requesting verification that the router was delivered and installed.
- The service provider is carbon copied on the outreach message to the applicant.

Question: Who should complete and sign the service certification?
Case Studies: Service Certification (Continued)

Answer:
• Completed service certifications must come directly from an applicant with full rights to USAC. If the applicant sends the service certification to the service provider, the reviewer will reach out to the applicant to verify that the applicant completed the certification.
• If there is no response within seven days, the invoice will be rejected.

To avoid this problem:
• The authorized applicant should send the completed service certification directly to USAC.
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) approved 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

- Applicant Invoicing
- Service Provider Invoicing
- Open Data
- Applicant 498ID
- Webinars & Trainings
- E-Rate News Brief
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?
Call us on (888) 203-8100

Monday – Friday 8 a.m. to 8 p.m. ET

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

1. Log into the EPC.
2. Select the Contact Us link from the upper right menu on the landing page.
Webinars

This is the last webinar of our Fall Training series.

Please visit our Webinars page for our recent webinars.

Recommended for: Applicants and service providers

E-Rate Experience Level: All
Take Our Survey

• We want to hear about your webinar experience.
• A survey will appear on your screen at the end of the webinar.
• If you are not able to complete the survey today, a link to the survey will be emailed to you within two business days.
• We appreciate your feedback!
Thank You!