E-Rate Program Overview

2023 Applicant and Service Provider Training

October 3, 2023

Universal Service
Administrative Co.

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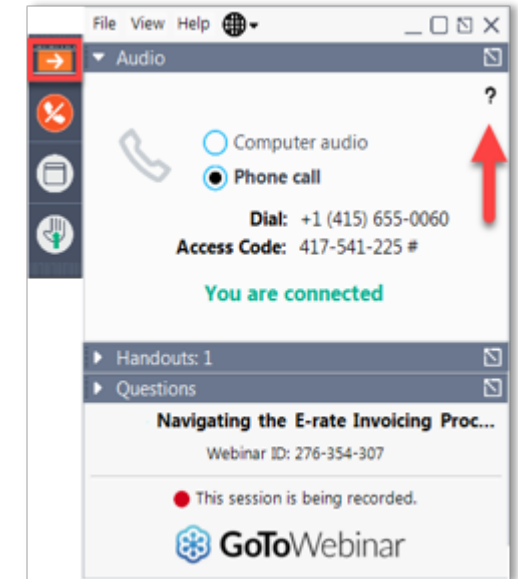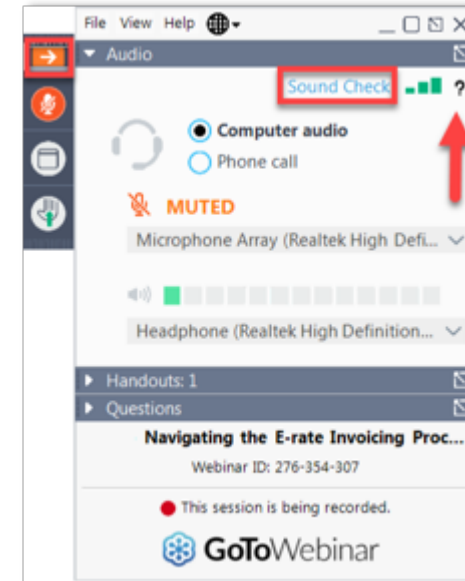
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  - Write in full sentences.
  - Ask one question at a time.
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E-Rate Customer Service Center (CSC)

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.

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Agenda

- USAC Overview

- E-Rate Program Overview

- Entity Eligibility

- Eligible Services Overview

- E-Rate Application Process Overview

- Appendix

  - Application Review

  - Starting Services

  - Invoicing

Universal Service Administrative Company

Overview

Who Makes The Rules?

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

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

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

Congress

FCC
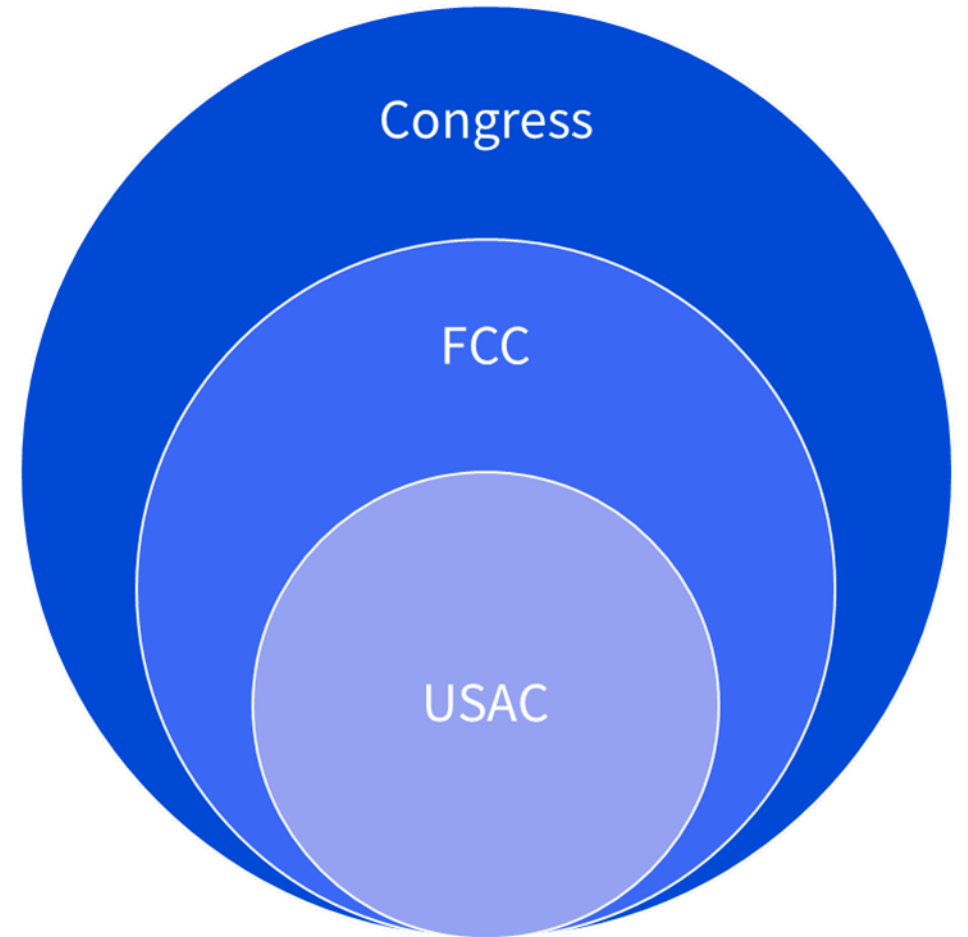
USAC

Who We Are: The Universal Service Administrative Company

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

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

Affordable Connectivity Program
Discounted internet services and a one-time device discount to eligible consumers.

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

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

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

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

Program Overview

Schools and Libraries (E-Rate) Program

What is E-Rate?

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

How is This Accomplished Through E-Rate?

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

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

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

E-Rate Program Overview

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

FY2023 Program Cap **$4.8B**

Eligible Applicants

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

Eligible Services

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

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

CATEGORY 2 — Services that support connectivity within schools and libraries. This includes internal connections (e.g., routers, cabling, or other equipment needed for a Wi-Fi network); managed internal broadband services (MIBS), and basic maintenance of internal connections (BMIC).

Examples of Common/ Frequent Purchases

Top C1 Purchases:

- Leased lit fiber
- Internet access provided over fiber or copper
- Commercially available internet access
- Cable provider internet
- Satellite internet

Top C2 Purchases:

- Internal Connections: Cabling, routers, switches, modems, wireless access points, right to use licenses
- BMIC: repair and upkeep of eligible IC
- MIBS: Managed Wi-Fi agreements

Recent Changes to the E-Rate Program

Specific updates to the E-Rate program include the following changes:

- For E-Rate eligible equipment/services **within a library**, implementing an **exemption to the competitive bidding requirements** for **all libraries** seeking E-Rate support for **Category Two (C2)** equipment/services that total a **pre-discount price of $3,600 or less per library** per funding year (FY2024 and forward)

- Urban/Rural Status Updated based on the 2020 Census

- E-Rate Systems Consolidation: Integrates invoicing, appeals and post-commitment functions into EPC, giving users a single platform on which to conduct all E-Rate transactions (system rollover: 10/30/2023 – 11/7/2023)

Recent Changes to the E-Rate Program (Continued)

Changes to E-Rate for Tribal libraries include:

- Updated program definitions, defined Tribal entities, modified eligibility for Tribal college and university (TCU) libraries that serve the public, increased discount rate for C2 services, increased C2 budget floor (now $55,000) (FY2024) (see FCC 23-56 issued on July 21, 2023)

- Extended the Tribal Library Pilot Program into FY2024: USAC will provide one-on-one support, group training sessions for participants, and E-Rate program trainings covering the program basics and processes (contact Gem Labarta at TribalLiaison@usac.org for more information)

Recent Changes to the E-Rate Program (Continued)

Eligible Services List Public Notice:

- This year's ESL Public Notice is currently out for comment. Comments are due October 12 and reply comments are due October 26.

Declaratory ruling on Wi-Fi on school:

- The Federal Communications Commission is also considering a draft Declaratory Ruling related to the use of Wi-Fi on School Buses on Thursday, October 19.

- If that item is adopted, it would direct the Bureau to issue a supplemental FY 2024 ESL Public Notice seeking comment on the specific services and equipment that should be eligible for this purpose.

Entity Eligibility

What Entities Are Eligible?

Library Eligibility

Spotlight: Tribal Library Eligibility

Non-Instructional Facility Eligibility

Consortium Eligibility

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What Entities are Eligible?

- **Schools** – Elementary and secondary schools as defined by the Elementary and Secondary Education Act
    - For-profit schools are not eligible.
    - Schools with endowments of $50 million or greater are not eligible.
    - Educational Service Agencies are eligible in some states and territories.
- **Libraries (includes Tribal Libraries and Tribal College and University Libraries)**
- **Non-Instructional Facilities**
- **Consortia of Eligible Entities – (a consortium of eligible schools and/or libraries)**
    - A Tribal government can create a consortium and include its Tribally controlled schools and libraries as consortium members, and a Tribal government employee can act as the contact person for the consortium leader.

Library Eligibility

- An eligible library must be eligible for assistance from State Library administrative agency under the Library Services Technology Act (LSTA), as amended by the Museum and Library Services Act of 2018.

- A library may be designated as a Tribal library by a Tribal Council (e.g., pursuant to a Tribal Resolution) and becomes eligible for USF support as long as the following three characteristics are true:
  - Regularly scheduled hours,
  - Staff, and
  - Materials available for library users.

- The library's budget must be completely separate from that of any school
  - In FY2024, **Tribal Colleges and University (TCU)** libraries can apply for E-Rate support when they are also serving as a public library in their community by having dedicated library staff, regular hours, and a collection available for public use. E-Rate support is restricted to TCU library use only (see FCC 23-56 issued on July 21, 2023).
  - Equipment and services supporting the TCU library's needs are eligible for E-Rate support. Only in instances where broadband support is requested for a portion of the network serving the Tribal College or University will cost allocation be required.
  - Broader connectivity requirements of the higher education institution are not eligible for E-Rate funding.

- Cannot operate as a for-profit business.

Spotlight: E-Rate Tribal Entity

- Definition Updated for FY24 in the FCC 23-56 and the <u>Federal Register</u>:

  - An entity is "Tribal" for purposes of E-Rate funding if it is a **school operated by or receiving funding** from the Bureau of Indian Education (BIE), *or*

  - if it is a **school or library *operated by*** any Tribe, Band, Nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (<u>43 U.S.C. 1601</u> *et seq.*)) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians

- Check the tribal box in your entity's profile in the E-Rate System (EPC) during the **administrative window** (typically **October – January**). Starting this year, you will also be asked to provide your Tribal affiliation. Designation provides Tribal Libraries with:

  - Access to higher discount rates for Tribal libraries at the 85-90% discount rate for C2 (services and equipment providing connections within the library).

  - Access to a higher C2 funding floor for Tribal libraries ($30k in additional funding, $55k vs. $25k for the 5-year period).

Non-Instructional Facility Eligibility

- A Non-Instructional Facility (NIF) is a school building without classrooms or a library building without public areas. Non-instructional facilities on school and library property are eligible to receive discounts on data transmission services and internet access services (**Category One** services).
  - **Examples of NIFs on library property** include, but are not limited to:
    - Bookmobile garages;
    - Interlibrary loan facilities; and
    - Library technology centers.
  - **Examples of NIFs on school property** include, but are not limited to:
    - Administrative buildings;
    - School bus barns and garages; and
    - Facilities associated with athletic activities.
- In FY24, **Category Two** services are allowed for NIFs when they are for essential shared equipment located at a NIF and eligible E-Rate purposes as long as the most cost-effective solution is chosen. The NIF's usage of the shared equipment will no longer be required to be cost allocated in these instances.
- More information is available on the Non-Instructional Facility page.

Consortium Eligibility

- A consortium (plural consortia or consortiums) is a **group of E-Rate eligible entities** that seeks competitive bids or E-Rate funding for eligible equipment and services on behalf of its members. Consortia are not themselves eligible for discounted services, but they can conduct competitive bidding processes and/or apply for eligible equipment and services on behalf of their members.

- Schools and libraries can join together to form consortia. There are two common reasons why applicants will choose to form a consortium:
    - One is to aggregate demand for **lower prices**; and
    - The other is to provide expertise to **assist small entities with the application process**. These small entities can join together and work with the consortium leader to conduct the competitive bidding and application processes on their behalf.

- The consortium leader is responsible for ensuring that necessary certifications are made, responding to USAC inquiries on behalf of members, and maintaining records.

- Review the Registration Checklist for New Tribal Libraries (PDF)

Eligible Services Overview

Category One (C1) and Category Two (C2) Services

Eligible Services

- **Category One (C1)**

  - Data Transmission and/or Internet Access

  - No budget (limit) on funding requested.

  - FY 2023 Eligible Services List(PDF)

- **Category Two (C2)**

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

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

  - Budget covers a five-year period.

  - See Category Two Budget page

Eligible Services Examples

- **Category One (C1)**
    - Point-to-point transport services with the ability to securely transmit data between locations (transmitting data between eligible locations) such as Fiber, Copper, Microwave and Satellite
    - Commercially available access to the internet such as through a cable internet provider or satellite internet provider

- **Category Two (C2)**
    - Routers, switches, cabling, basic firewalls, other equipment needed to utilize a broadband connection within a school or library to transport the internet to publicly accessible areas of the library
    - A plan that covers the **repair and upkeep of eligible equipment** needed to use a broadband connection within a school or library.
    - Services provided by a vendor to operate, manage and monitor eligible internal connections (owned or leased equipment) necessary for the broadband connectivity within schools and libraries.
    - **Not eligible for funding**: end-user equipment, such as laptops, computers, headsets, speakers, etc. 27

E-Rate Application Process Overview

- Before You Begin

- Application Cycle Overview

- Step-by-Step Application Overview
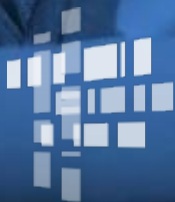
Before You Begin

Before You Begin: New Schools and Libraries

Follow the steps below to prepare your E-Rate program application:

1. Obtain an FCC Registration Number.

2. Obtain a Billed Entity Number (BEN) and create a user profile in the E-Rate Productivity Center (EPC).

3. Designate your entity's Tribal status by checking the Tribal box.

4. Solicit bids for eligible services and equipment by completing an FCC Form 470 and wait at least 28 days before selecting your service provider(s). If your purchase meets the requirements under Commercially Available Business Internet Access or the Library Category Two $3,600 exception in the E-Rate rules, proceed to start services without completing this step.

5. Create your Contract Record and file your FCC Form 471 funding application to request E-Rate support.

Special Information for Tribal Governments

A Tribal government can create a consortium for its Tribally controlled schools and libraries, and a Tribal government employee can act as the consortium leader. The consortium as an entity is not eligible for discounted services, but they can run competitive bidding processes and/or apply for discounted services on behalf of their eligible member entities. Any schools or libraries can join together to form a consortium.

Before You Begin: EPC Administrative Window

The EPC Administrative Filing Window is the period during which applicants can make updates to their profile information in EPC to prepare for the upcoming FCC Form 471 application filing window. During the administrative window, applicants can update their student counts, National School Lunch Program (NSLP) participation rates, contact information, and request a Category Two (C2) Budget recalculation.

- **First-time Filers**
  - If you are new to the E-Rate program, you will need a user account in the E-Rate Productivity Center (EPC) .
  - For security purposes, you will also need a login and password for One Portal, our multi-factor authentication security system.
  - If you are new to the program, our Customer Service Center (CSC) at (888) 203-8100 can help you set up your organization's EPC profile and your account administrator.

- **Existing EPC User Accounts** – The EPC Administrative Window is closed. You will not be able to make changes to your EPC profile when the administrative window is closed. If you need to modify some information in an entity profile when the profiles are locked, contact the CSC for further guidance.

The administrative window closes – and the applicant profiles are locked – shortly before the FCC Form 471 application filing window opens in January. The administrative window will open on October 24 and will close in January.

Understanding Entity Types

- A parent entity makes decisions on behalf of the child entity, such as filing program forms on their behalf.

- A parent entity may also be responsible for managing their child entity's information in EPC.

- In general, organization accounts in EPC are assigned to parent entities, and their associated child entities are listed on those accounts.

- The **three most common parent-child relationships** in EPC are:
  - A school district (parent entity) to the individual schools and non-instructional facilities (NIFs) that are part of that school district (child entities).
  - A library system (parent entity) to the individual library outlets/branches and NIFs that are part of that library system (child entities).
  - A consortium leader (parent entity) to the members of the consortium (child entities).

- In general, a parent entity must have a BEN to identify itself in its role as a parent entity. The parent entity represented by this entity number is not itself eligible for discounts.

The Account Administrator

- Every parent organization (independent school, independent library, school district, library system, consortium) in EPC needs an **account administrator**.

- Consultants and service providers also need account administrators for their EPC accounts.

- **Account Administrators :**

  - Create new users
  - Modify the rights of existing users (including invoicing permissions)
  - Modify information about their organization
  - Link or unlink their organization to consulting firms and consortia
  - Modify (change) the account administrator
  - Add or confirm Tribal status

Application Cycle Overview

Application – Process Flowchart: FY2024
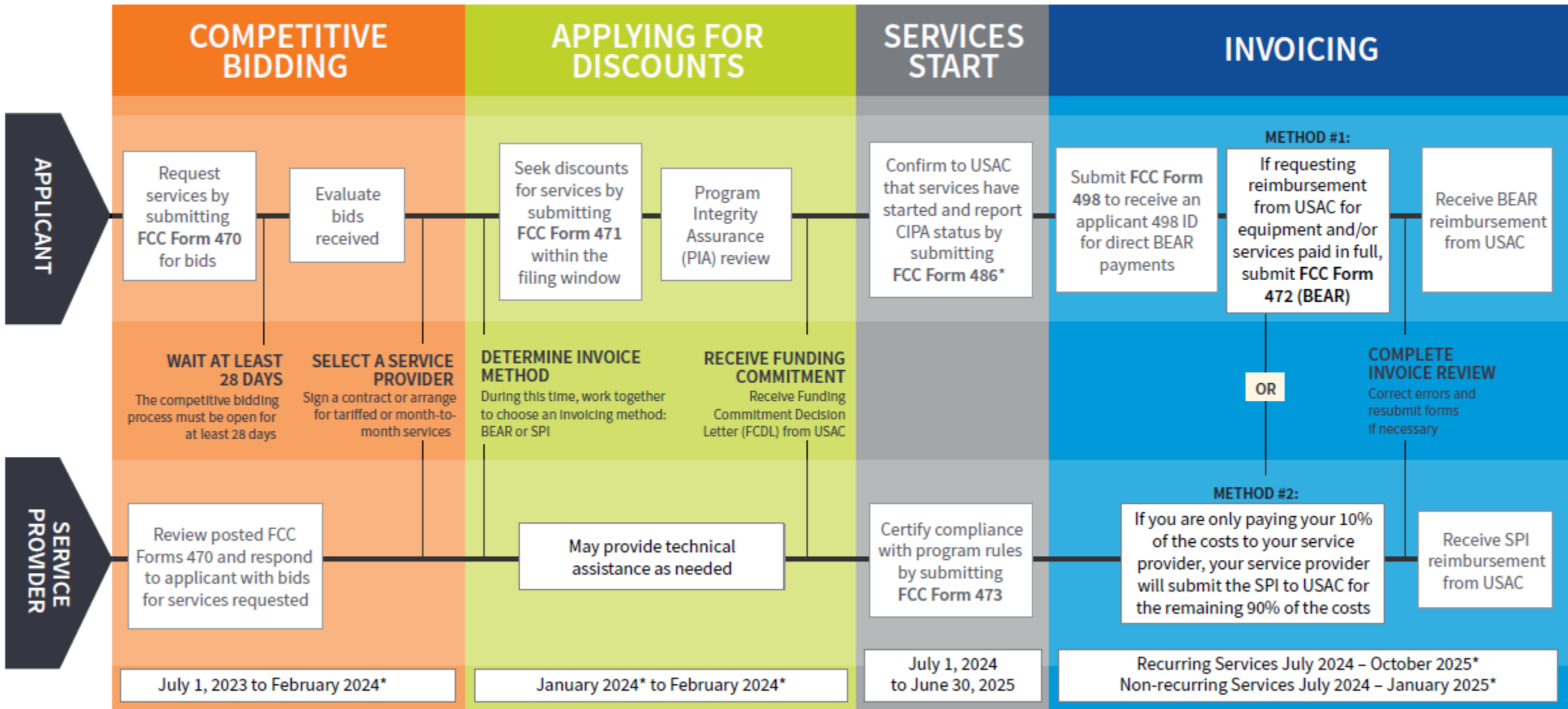
Applicant Forms and Important FY2024 Dates

Competitive Bidding

July 1, 2023 to February 2024*

→

Apply for Discounts

January 2024 to March 2024*

→

Start Services

July 1, 2024 to June 30, 2025

→

Invoice USAC

Recurring Services July 2024 – October 2025*

Non-recurring Services July 2024 – January 2025*

470

471

486

472 (BEAR) OR

474 (SPI)

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

Step-by-Step Application Overview

Competitive Bidding

FCC Form 470

FCC Form 470: Description of Services Requested and Certification Form

470

FCC Form 470 Overview

- Use FCC Form 470 to start your competitive bidding process.
  - Prepare to evaluate bids.
    - Create an evaluation matrix using the price of the eligible services or equipment as the primary factor.
    - You may use other bid evaluation factors, but price of the eligible services and equipment must be the most heavily weighed factor.
  - Wait at least 28 days before selecting a service provider.

Requesting Services

- Start your competitive bidding process by filing an FCC Form 470.

  - You may provide a Request for Proposal (RFP) document as well, but it is not required.

  - If included, the RFP document should be added when the FCC Form 470 is certified. If filed separately, you must restart your 28-day waiting period before selecting a service provider

- Your FCC Form 470 (with or without RFP document) notifies potential bidders of the types and quantities of equipment and/or services requested.

- Only the applicant or its authorized representative can prepare, sign, or submit the FCC Form 470.

Competitive Bidding Requirements (cont.)

- If you are a first-time E-Rate applicant, you can receive services under an existing contract under limited circumstances described below
    - You can remain with an existing contract if it is still the most cost-effective solution after posting an FCC Form 470, waiting 28 days, and evaluating bids (Kalamazoo Order).
    - More information available on the Selecting Service Providers page.
- Applicants need to have evidence (signed contract or written notification to your service provider) of a legally binding agreement in place before submitting the FCC Form 471.
- Applicants must carefully consider **all bids received** and then select the most cost-effective service offering, using price as the primary factor in the bid selection. Other factors may be used in the bid evaluation process, but price of the eligible equipment and services must be weighted most heavily.
- An applicant can still participate if only one bid or no bids were received.

Competitive Bidding – Exemptions

All purchases must go through a competitive bidding process, with some exemptions:

- Multi-year contracts that have already been competitively bid through the FCC Form 470 process.

- C1 services for Commercially Available Business-Class Internet Access if all of the following are met:

  - It is **commercially available.** This means that it is publicly available to non-residential customers (such as enterprise, small business, or other government customers) in the same form and at the same rates that it is offered to schools or libraries. Therefore, it may not be purchased through a master contract signed for just certain customers, even if the contract includes schools and libraries.

  - It is **low cost.** This means that the total annual pre-discount cost for the service, including any one-time costs such as installation, **does not exceed $3,600 per year per school or library.**

  - It is **high-speed.** This means that the service must provide **bandwidth speeds of at least 100 Mbps downstream and 10 Mbps upstream.**

- Beginning in FY2024, library requests for **Category 2 (C2)** equipment and services totaling $3,600 or less annually per library are exempt from competitive bidding requirements if it is cost-effective.

Competitive Bidding – State/Tribal-Wide Contract Purchasing

- A state master contract is a contract that is competitively bid and put in place by a state government entity for use by an eligible entity. When competitively bidding the state master contract, a state/Tribal wide agency can submit a statewide FCC Form 470 that applicants can reference if they are purchasing from the state master contract.

- Alternately, if the state master contract was not competitively bid using an FCC Form 470, the applicant may file an FCC Form 470 and consider the state master contract as one of the bids received in their bid evaluation process.

Requesting Services: Requests for Proposal

- **Requests for Proposals (RFPs)** may be created to describe specific needs and circumstances in more detail.

- RFP documents are any documents that provide additional information to potential bidders on the scope or details of your project.

  - For most types of service requests, RFPs are not required.

    - However, you must issue an RFP for some requests or if you are required to do so by state, Tribal, or local rules.

    - In addition, RFPs are required for self-provisioned networks and dark fiber requests.

  - Services on your FCC Form 470 and RFP must match.

  - All RFPs and RFP documents must be attached to your FCC Form 470 in EPC.

Review Resources for Competitive Bidding

- Review the Related User Guides:

  - [FCC Form 470 Filing EPC System Guide FY2022-2024](#) (PDF)

  - [FCC Form 470 Services Guiding Statements Reference Table](#) (PDF)

- Instructional videos on FCC Form 470 are available online:

  - [How to File an FCC Form 470](#) (26:04 mins)

  - [How to Search for FCC Form 470](#) (12:25 mins)

  - [E-Rate Competitive Bidding Process](#) (5:00 mins)

- Keep information about Eligible Services on hand:

  - [Eligible Services List](#) webpage

  - Eligible Services 101 Webinar [Slide Deck](#) (PDF)

- Preview the Training Sample for [FCC Form 470](#) (PDF)

Selecting Service Providers

Evaluating Bids

Evaluating Bids

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

- Develop evaluation criteria or factors to assess the bids.

    - You can have one or multiple factors.

- Assign each evaluation factor a point value or percentage.

    - **The price of the eligible equipment and services must be the most heavily weighted factor.**

    - Other factors, including other non-price factors, can be considered as well; but they cannot be weighted equally or higher than price of the eligible equipment and services.

- The vendor with the most overall points is the winner.

- **Resources**

    - Review the How to Construct an Evaluation Matrix webpage

    - Download a Sample Bid Evaluation Matrix (PDF)

    - More details available in the Appendix Section of this slide deck

Evaluating Bids: Sample Bid Evaluation Matrix

- Evaluate your bids using a matrix, filled in with your chosen factors and point values.

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of eligible equipment and services	50	15	50	35
Prior experience with vendor	20	20	0	20
Service provider bonded	20	7	13	20
Local or in-state vendor	10	10	8	7
Total	**100**	**52**	**71**	**82**

Result: Vendor #3 wins. Note that this may not be the lowest cost vendor.

Special Cases

- If you only receive one bid, you accept it if it's cost effective

- If you receive zero bids, you may solicit bids

- Duplicative (backup or redundant) services are not eligible for E-Rate support

- Be sure to abide by our gift rules, which are in effect throughout the funding year

- Find out more information on special cases in our Precommitment Webinar on October 5, 2023.

If you have any question on these issues, please Contact Us.

Contracts

- Applicants must have a signed contract or other legally binding agreement in place and loaded in EPC prior to submitting their FCC Forms 471 to USAC.

- Applicant must not sign a contract before the Allowable Contract Date (ACD), which is 28 days after the FCC Form 470 is filed, or the RFP is posted, whichever is later. For example, if you file your FCC Form 470 on January 1, you may select (sign a contract with) a service provider **on or after January 29**.

- Signed contracts constitute the best evidence that a legally binding agreement exists and must not be signed before the minimum 28-day period is completed.

- A verbal offer and/or acceptance will not be considered evidence of the existence of a legally binding agreement.

- Learn more on the State Master Contracts webpage.

- **Resource**
  - **Instructional Video:** How to Create a Contract Record (5:58 mins)
  - How to Create a Contract for Low Cost High Speed Internet (4:55 mins)

Applying for Discounts

Discounts are calculated and reported to USAC on FCC Form 471

FCC Form 471: Description of Services Ordered and Certification Form

- Apply for Discounts using FCC Form 471

- Provide information about your requests

  - Discount level

  - Costs of services

  - Service providers

Apply for Discounts

471

FY2024 Dates

January 2024
To
March 2024

Review Resources for Calculating Entity Discounts

- Entity discounts range from 20 to 90 percent of the cost of eligible services. You can:
  - Refer to the program's [discount matrix](#) for basic information on discount percentages, and
  - Review information on [calculating your discount](#) to find out what your discount would be.
- **Reminders**
  - Applicants seeking additional E-Rate discounts to [match State/Tribal funding for special construction](#) must submit information with their FCC Form 471 filing that USAC will use to determine eligibility.
  - Schools and libraries can apply on their own or they can form [consortia](#) to aggregate demand and thereby negotiate lower prices. The entity leading the consortium may or may not be eligible for discounts.

Discount Matrix

Income *Measured by percentage of students eligible for NSLP*	Urban Status Discount Rate	Rural Status Discount Rate
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74 %	80%	80%
75% to 100%	90% for C1, 85% for C2	
	Tribal Libraries: FY23 and earlier: 90% for C1, 85% for C2 **FY24 and later: 90% C1 & C2**	

- National School Lunch Program (NSLP), Category One (C1) Services, Category Two (C2) Services
- The maximum discount rate for FY2024 and later C2 equipment and services was increased by the FCC in FCC 23-56 from 85% to 90% for tribal libraries with NSLP percentages between 75-100%

Category Two (C2) Budgets

- Your C2 budget for the 5-year period is determined when the first C2 FCC Form 471 in the budget cycle is certified. This includes a certified consortium FCC Form 471 that includes your organization.

- **For the FY2021-FY2025 cycle:**
    - The **school multiplier** is $167.00 per student.
    - The **library multiplier** is $4.50 per square foot for all libraries.
    - The **funding floor** is **$55,000** for **tribal libraries** and $25,000 for all other entities.

- Applicants receive the funding floor ($55,000 or $25,000) when the C2 budget calculation for an entity results in a figure below their funding floor (less than 150 students or 5556 square feet of library space). Examples of entities eligible for the funding floor:
    - A **school** with fewer than 150 students ($167/student * 149 students = $24,883 therefore **$25,000**).
    - A non-Tribal **library** with less than 5,556 square feet ($4.50/square foot * 5555 square feet = $24,997.50 therefore **$25,000**).
    - A **Tribal library** with less than 12,223 square feet ($4.50/square foot * 12,222 square feet = $54,999 therefore **$55,000**).

- Watch the **Category Two Budgets Webinar Recording** and review the slide deck.

Calculating C2 Budgets with 10 or Fewer Sites

- School districts with 10 or fewer schools and library systems with 10 or fewer library branches have the option to calculate their C2 budgets on a per-site basis and then combine the results.

  - **Small school district example:** A school district consists of three schools – one school with 50 students, one school with 100 students, and one school with 200 students. This school district can calculate its C2 budget as $25,000 + $25,000 + $33,400 = $**83,400**, because the first and second schools would be eligible for the funding floor.

  - **Small tribal library system example:** A library system consists of a bookmobile with 75 square feet, a library branch with 4,000 square feet, and a library branch with 12,500 square feet. This library system could calculate its C2 budget as $**55,000** + $**55,000** + **$56,250** = $**166,250**, rather than multiplying the square footage by $4.50 (16,575 x $4.50 = $74,587.50) because the bookmobile and the smaller library branch would be eligible for the Tribal library funding floor of $55k.

    - This Tribal library system would have a C2 budget of **$166,250** for the 5-year period. For Tribal Library entities at the **90% discount rate**, E-Rate would pay **$148,500 of these costs** through E-Rate for these eligible pre-approved services/equipment during invoicing.

Filing FCC Form 471

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FCC Form 471 Overview

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

- Applicants must:

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

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

  - certify compliance with program rules.

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

- FY2024 Filing Window will close in **mid-March 2024.**

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

Eligible Equipment or Services: Key Reminders

- Equipment and services fall into a particular **Category of Service.**

- Commitments for different categories of service can be for different term lengths.

  - Internal Connections – **All years** of the contract can be billed in a single funding year

    - e.g., For a 3-year contract for 100% eligible Internal Connections equipment or services at a pre-discounted amount of $12,000, the full amount of $12,000 could be entered into a single FRN for that funding year.

  - BMIC – Only the **current year** of service can be included in a single funding year and multi-year contract amounts must be prorated.

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

Eligible Equipment or Services: Key Reminders

- **E-Rate Eligibility:** Equipment or services may be partially eligible under E-Rate depending on the nature of the services and the Eligible Services List (ESL) for a particular year.

- **Applicants are responsible for determining before filing FCC Form 471:**

  1. Total Costs, and

  2. Ineligible portions

How To Determine

Contact the manufacturer or Customer Service Center (CSC) to determine a particular equipment item or service's eligibility before submitting your FCC Form 471 to:

  1. Determine eligibility under E-Rate, and

  2. Confirm the category of service for that eligibility.

Funding Commitment Decision Letter (FCDL) Terms Defined

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

- **Discount Amount:** Pre-Discount Amount *times* discount rate.

- **Post-Discounts & Invoicing Amounts**:

  - Total Eligible Charges *times* discount rate equals FRN committed amount on the FCDL.

  - The "Commitment Request" in 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 applicant pays for the services/equipment using **non** E-Rate funds. The non-discount amount cannot be paid or credited by the service provider.

Relationship Between Unique Numbers

Choose Category 1 or 2

- C1 and C2 are filed on separate FCC Form 471s

Application Number
FCC Form 471

- Each FCC Form 471 is assigned a unique number

Funding Request Number (FRN)

Each FCC Form 471 can have one or multiple FRNs

- Each FRN must have all of the following information in common: BEN, contact information, category of service (C1 or C2), Service type (Data Transmission and/or Internet Access, Internal Connections, BMIC, Managed Internal Broadband Services), FCC Form 470, Service Provider (SPIN), purchase type (contract, month-to-month, tariff), Contract ID (if you have one), service start and end dates, and recipients of service (ROS)

FRN Line Item

- Each FRN line item must have all of the following information in common: equipment or service, rates and quantities, ROS. Each may have unique or overlapping ROS. (Duplicative or redundant services are ineligible.)

E-Rate FCC Form 471 Application Terms

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

- **Funding Request Number (FRN)** - A unique number that USAC assigns to each funding request in an FCC Form 471. Each FCC Form 471 application can have one or multiple FRNs.

  - Each FRN must have all of the following information in common: BEN, contact information, category of service (C1 or C2), Service type (Data Transmission and/or Internet Access, Internal Connections, BMIC, Managed Internal Broadband Services), FCC Form 470, Service Provider (SPIN), contract (if you have one), dates of service, recipients of service

- **FRN Line Item** - A unique number assigned to each Line Item within the FRN, beginning with the funding request number. For example, the first line item within FRN 2399059243 would be number 2399059243.001. Each FRN can have one or multiple line items.

  - Each FRN line item must have all of the following information in common: equipment or service, rates and quantities, recipients of service

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E-Rate FCC Form 471 Application Terms

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

    - C1: Data Transmission or Internet Access

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

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

2. **Is this a contracted or month to month service or multiple contracts?**

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

    - If services are being provided by **multiple Service Providers**, then **separate FRNs** must be created.

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

    - C1 Example: Fiber Ethernet vs Copper Cable Modem

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

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

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

4. **Are the recipients of service or the dates of service different?**

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

Common FCC Form 471 Application Errors

1. **Not correctly classifying the category of service or equipment/service type on the <u>FCC</u> Form 470**

   - Determine the equipment/services you need and contact the CSC to verify correct classification of equipment/services.

   - Competitively bid for all necessary equipment and service types by filing an accurate <u>FCC</u> Form 470 that accurately describes the equipment and service(s).

2. **Filing an inaccurate FRN with the wrong equipment/service type**

   - Work with your service provider to ensure that equipment/services are accurately represented on the <u>FCC</u> Form 471.

   - Contact the CSC or your PIA reviewer with any questions.

3. **Failing to remove ineligible services/equipment.**

   - Work with your service provider to determine whether your requested service/equipment is 100% eligible.

   - Remove any ineligible amounts when creating your FRN(s).

After Your FCC Form 471

Application - Process Flowchart: FY2024
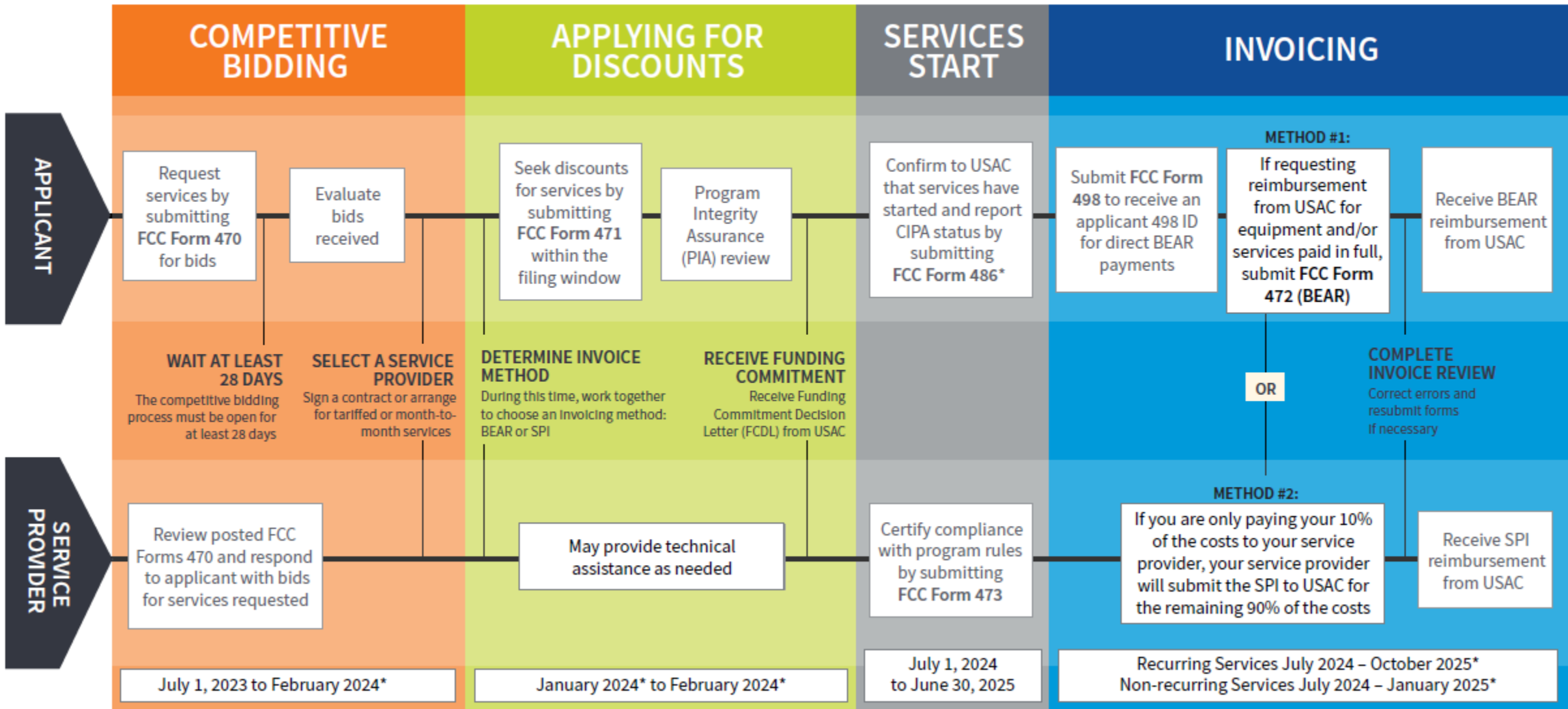
FCC Form 486: Receipt of Service Confirmation and Children's Internet Protection Act Certification Form

- Submit FCC Form 486 to tell USAC when your services have started.

- Services should start before the deadline noted in your Funding Commitment Decision Letter (FCDL).

- The FCC Form 486 **MUST be certified** no later than (whichever is later):

    - 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).

- Late submission of the FCC Form 486 can impact your commitment.

- Verify **your Children's Internet Protection Act (CIPA) compliance**.

- Answer USAC review questions.

Start Services

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FY2024 Dates

July 1, 2024
to
June 30, 2025

Invoicing Methods

- The invoicing method is chosen by the applicant.
  - Must be decided before certification of FCC Form 471 (Description of Services Ordered and Certification Form)
  - Method is Funding Request Number (FRN) specific
  - Non-reversible once the method is chosen

- Two Options (more info on next slides):
  - FCC Form 472 (Billed Entity Applicant Reimbursement (BEAR) Form)
  - FCC Form 474 (Service Provider Invoice(SPI) Form)

- Once USAC processes an invoice for a Funding Request Number (FRN), the method of invoicing is set for that FRN and cannot be changed.

BEAR FCC Form
472

SPI FCC Form
474

When to File an Invoice

- File after equipment and/or services are delivered and paid.

- Reminder, indicated your method on FCC Form 471:
  - For the BEAR Method, applicants pay service provider in full.
  - For the SPI Method, service providers bill applicant for their non-discount share first.

- You can choose the frequency.

- **Important! File invoices on or before the invoice filing deadline:**
  - Generally, October 28 for recurring services.
  - Generally, January 28 for non-recurring services.
  - If the deadline falls on a weekend or federal holiday, the deadline is extended to 11:59 p.m. ET on the following business day.

BEAR FCC Form

472

SPI FCC Form

474

Document Retention Requirement

Applicants and service providers are required to keep records relating to the application process for at least **ten years** after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

TIP: In your personal record keeping, use file names and folder names that are specific and descriptive to locate them more easily.

Learn more on the Document Retention page.

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 the written answers.

  - Write in full sentences.

  - Ask one question at a time.

  - Only ask questions related to the webinar's content.
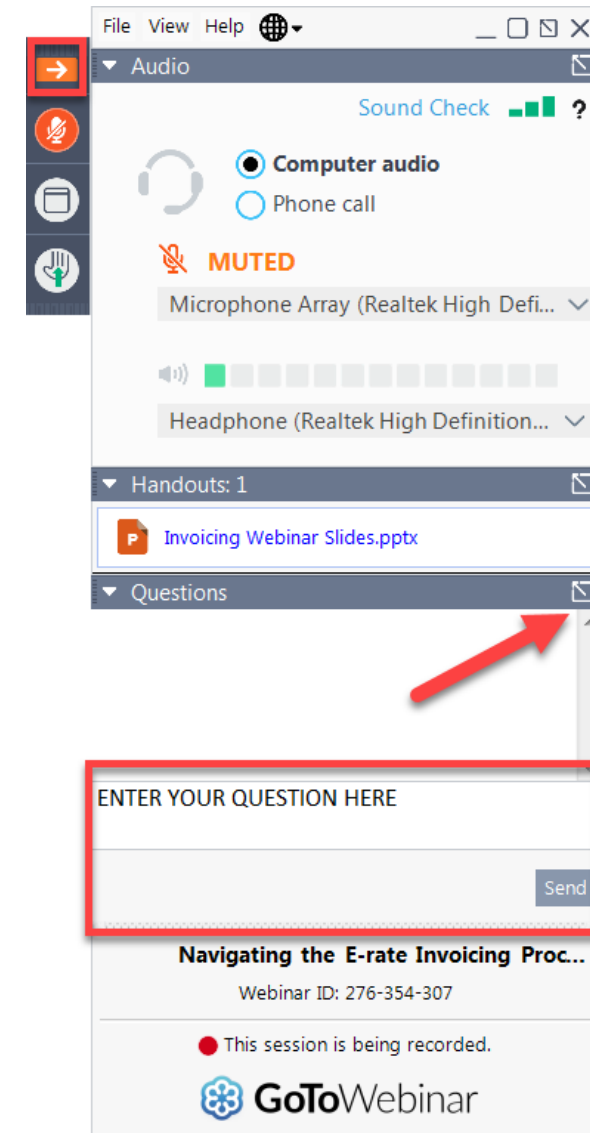
Questions?

E-Rate Customer Service Center (CSC)

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.
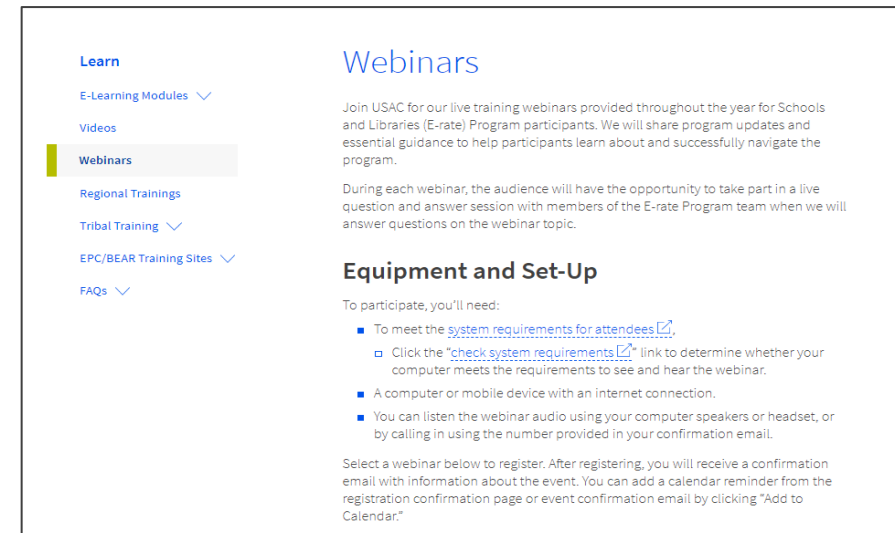
Upcoming Webinars

Our next webinar is on: October 5 at 2 p.m. ET

Pre-Commitment

Recommended for: Applicants and service providers

E-Rate Experience Level: All

Go to the E-Rate **Webinars** page for additional information.

Take Our Survey
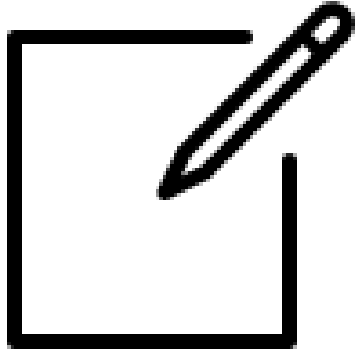
- We want to hear about your webinar experience.

- A survey will appear on your screen at the end of the webinar.

- If you are not able to complete the survey today, one will be emailed to you within two business days.

- We appreciate your feedback!

Thank You!

Glossary of Terms

- Eligible Services
  - ESL - Eligible Services List
  - Mixed Eligibility

- Competitive Bidding
  - CABIO - Commercially Available Business class Internet Option

- RFP - Request for Proposal

- PIA - Program Integrity Assurance

- Funding Commitment
  - FCDL - Funding Commitment Decisions Letter