



E-Rate Fall Training: Invoicing

2024 Program Participant

November 7, 2024

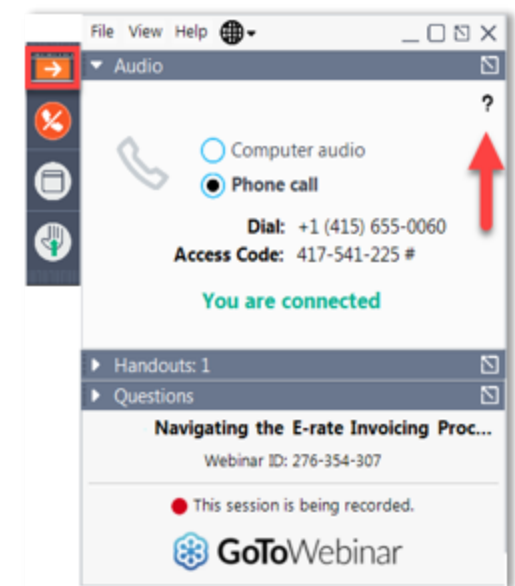
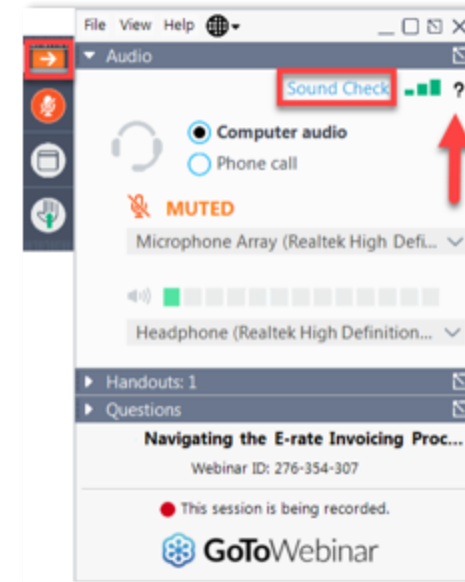
Housekeeping: General

- To accommodate all attendees, real-time closed captions will be present during this presentation. We apologize in advance for any transcription errors or distractions.
- Audio is available through your computer's speakers.
- The audience will remain on mute.
- Use the **Questions** box to ask questions at any time.
- You can download the slide deck from the **Handouts** section of the webinar panel.
- This webinar will be recorded.



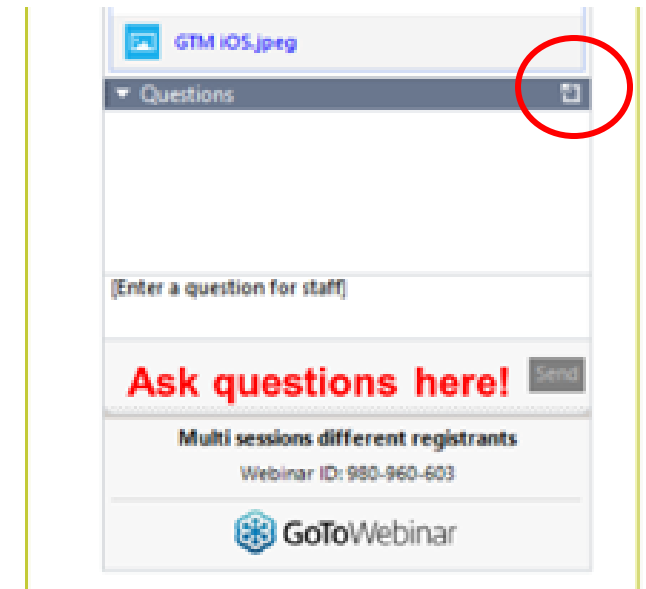
Housekeeping: Troubleshooting

- Use the **Sound Check** link and click the question mark icon for audio help.
- Exit the webinar and click the Check System Requirements link in the event confirmation email to determine whether your computer meets GoToWebinar's requirements.
- If issues persist, call (833) 851-8340 to troubleshoot with GoToWebinar.



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.
 - Write in full sentences.
 - Ask one question at a time.
 - Ask questions related to today's webinar content.



E-Rate Customer Service Center (CSC)



Call us at (888) 203-8100

Monday – Friday 8 a.m. to 8 p.m. ET

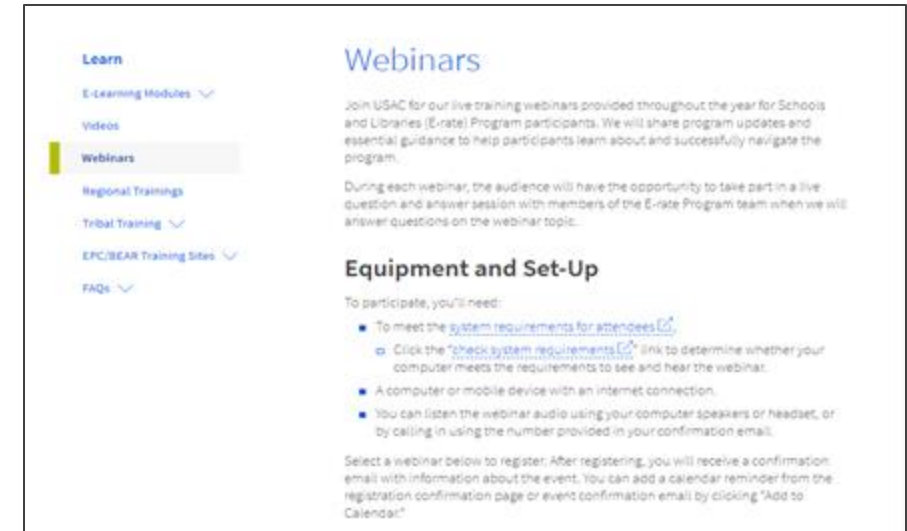


Create a customer service case in the
[E-Rate Productivity Center \(EPC\):](#)

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

E-Rate Fall Training Series 2024

- ✓ **E-Rate Program Overview: September 5, 2024**
- ✓ **Pre-Commitment: September 19, 2024**
- ✓ **Eligible Services: September 24, 2024**
- ✓ **Wi-Fi Hotspots: October 15, 2024**
- ✓ **Category Two Budgets: October 17, 2024**
- ✓ **EPC Admin Window: October 24, 2024**
- ✓ **Post-Commitment: October 31, 2024**
- ✓ **Invoicing: November 7, 2024**



- These webinars are suitable for all E-Rate experience levels; however, we recommend that those new to the program view these webinars in the order they are presented for the best learning experience.
- These webinars are recommended for both applicants and service providers, especially those new to E-Rate. A webinar tailored towards Service Providers was held in August 2024. Handouts and a recording of this webinar is available on the E-Rate [Webinars](#) page.
- Please visit the E-Rate [Webinars](#) page for additional information including course descriptions, registration links for future webinars, and access to recordings and handouts from previous webinars.

Meet the Team



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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: What's New

- Invoices for 2016 and onward – are now processed in EPC (Began in November 2023)
- Invoices 2015 and prior – are processed via customer service case
 - FY 2015 invoices and earlier will remain in the legacy system
 - Download form (dated 2016) in existing format, complete it, then open a customer service case to get it processed.
- Disbursement Schedule – Changing to once per week in October 2024
 - Even though a lot has changed, **many things have remained the same** including:
 - The program rules.
 - The required 10-year documentation retention period.
 - The eligibility of equipment and services.

There are Two Ways to Invoice USAC

Billed Entity Applicant Reimbursement (BEAR) Form (FCC Form 472)

- **Applicants pays the customer bill** (the bill you receive from your service provider) **in full**
- Applicant files the BEAR Form and invoices USAC for the approved equipment and services delivered to the approved Recipient(s) of Service (ROS) at quantities and rates not exceeding what was approved on the **FCC Form 471**.
- Respond timely to any USAC invoice review questions.
- Applicant must update and certify the FCC Form 498, providing your banking information and backup documents.

472
(BEAR)

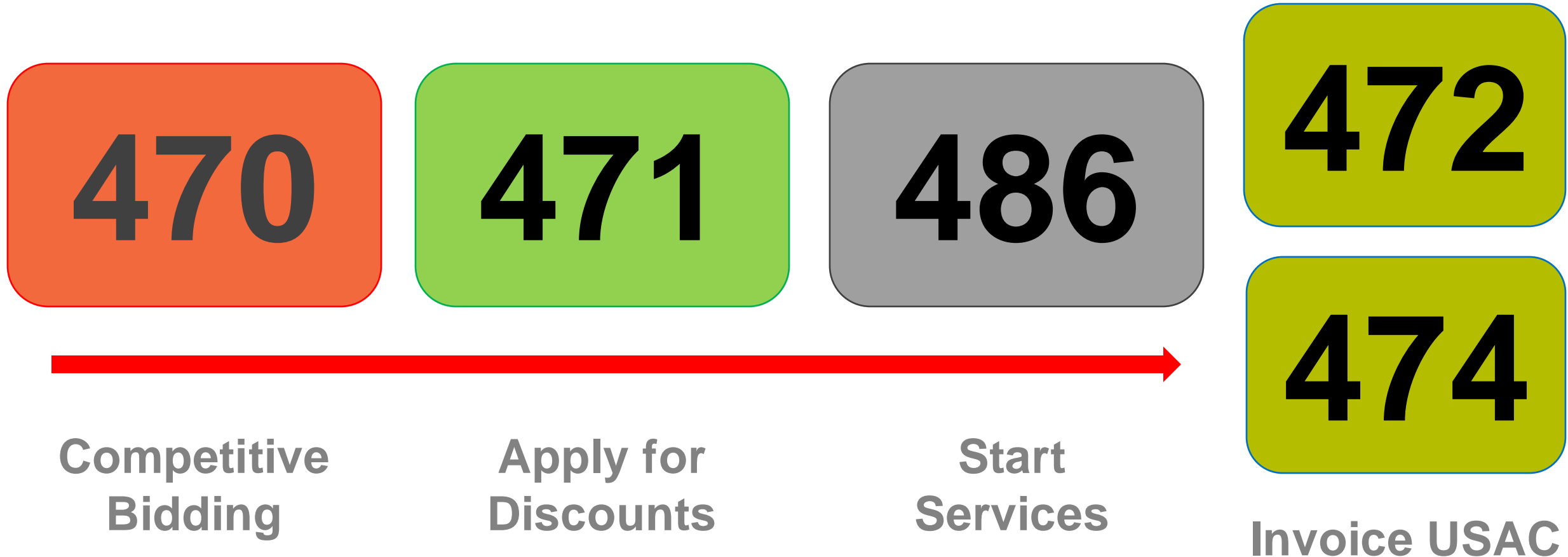
There are Two Ways to Invoice USAC (Continued)

Service Provider Invoice (SPI) Form (FCC Form 474)

- Applicants pay **only their non-discounted share** of costs on the customer bill (the bill from their service provider).
- Service providers invoice USAC for the discounted amount using the FCC Form 474 (SPI Form).
- Respond in a timely manner to any USAC invoice review questions.

474
(SPI)

What is the applicant process?



Preparing To Invoice

Before You Begin

Select invoicing method (either BEAR or SPI):

- The invoicing mode/method is the applicant's choice and is made for each Funding Request Number (FRN).
- The applicant must decide on a method before invoicing begins.
- Once USAC processes an invoice for an FRN, the method of invoicing is set. Applicants may only change the invoicing method via a customer service case and by returning the already disbursed funds.
- Applicants should notify their service providers of the invoicing method per FRN (FCC Form 472 or FCC Form 474).
- Both the applicant and the service provider should ensure that there is at least one full rights user for each BEN or SPIN. Two full rights users are recommended.

Before You Begin (Continued)

EPC User Rights

- Account Administrators are responsible for ensuring profiles are updated .
 - Names/emails/permissions should be reviewed, and updates made as changes occur.
- Updated profiles and permissions ensure timely communication, invoice reviews, and disbursements.
- Account admins must ensure proper invoicing permissions. Without the proper permissions under the below categories, invoicing reviews may be delayed or denied.
 - Applicant – BEAR/472 Permission
 - Service Provider – Invoice Permission

Types of EPC Rights

- **View Only Rights** – Can view certain information about invoices or post-commitment transactions.
- **Partial Rights** – Can view and prepare invoices and post-commitment requests but **cannot** certify any forms **nor** reply to USAC outreach . All certifications **must be sent to a Full Rights user**.
- **Full Rights** – Can view, prepare, submit, and certify the forms and any post-commitment requests. A Full Rights user **can provide responses** to outreach from USAC reviewers and sign/certify documents sent for review/response..
 - It is recommended that you have **at least two full rights users**, so if one is out of the office for any reason, your invoice is not delayed.

Note: *There should never be a circumstance in which the view only or partial rights user submits invoices or certifies any forms. This includes, completing a form and sending to the full rights user to submit. A certification signed by anyone other than a full right user, will be denied.*

Before You Begin (Continued)

Decide 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:

- 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 cost of the equipment and services before the E-Rate discount is applied.

Discount Amount: $(\text{Pre-Discount Cost}) * (\text{Discount rate})$

Invoicing Amount:

- $(\text{Pre-discount cost}) - (\text{Discount amount}) = \text{Committed Amount}$
- The "Funding 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 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 Rate:** (example: 40%)
- **E-Rate Discounts:** (example: $\$18,360 \times .4 = \$7,344$)
- **Non-Discount Amount:** (example: $\$18,360 - \$7,344 = \$11,016$)

FRN Calculation

Monthly Charges		Total Requested Amount	
Total Monthly Recurring Charges	\$1,530.00	Total Eligible Pre-Discount Recurring Charges	\$18,360.00
Total Monthly Ineligible Charges	- \$0.00	Total Eligible Pre-Discount One-Time Charges	+ \$0.00
Total Monthly Eligible Charges	= \$1,530.00	Total Pre-Discount Charges	= \$18,360.00
Total Number of Months of Service	x 12	Discount Rate	40%
Total Eligible Pre-Discount Recurring Charges	= \$18,360.00	Funding Commitment Request	= \$7,344.00

Service Provider Verifications

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

- Service Providers file the SPAC annually certifying that they will comply with program rules and guidelines.
- Service Providers must file the Service Provider Annual Certification (SPAC) form each funding year for each Service Provider Identification Number (SPIN).
- The SPAC form must be filed before USAC can pay invoices.
- For step-by-step directions on how to complete the SPAC online, please see E-Rate Program [FCC Form 473 \(SPAC\) User Guide](#).
- Utilize the [Open Data FRN Status Tool FY2016](#) to verify the status of your SPAC form.



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/or certify).
 - A **General Contact** can complete the form, but **not** certify the form.
- 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).
- [Unique Entity Identifier \(UEI\) through SAM.gov.](#)
- [FCC Registration Number \(FCCRN\).](#)

FCC Form 498 Review

USAC will verify your account information within two (2) business days, and the submitter will be notified of the 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:
 - A new entity
 - Update the "New Business Type" field
 - Add a [Unique Entity Identifier \(UEI\)](#)

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 for a new 498 ID, please make sure all invoices currently in process have been completed.
- Some 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 Dates (IDD) are posted in EPC on the FRN detail screen.
- The IDD is no later than 120 days after the latest of the following:
 - The last date to receive service (or service delivery deadline).
 - The date of the FCC Form 486 Notification Letter.
 - The date of an approved post-commitment RFCDL.
 - The date of an approved appeal RFCDL for a previously denied or reduced funding request.

Invoice Deadline Extension

- Filers are entitled to one, 120-day Invoicing Deadline Extension per FRN.
- You can file an invoice filing deadline extension request even if you do not use or need it.
- You must file your invoice or deadline extension request **BEFORE** the invoice deadline
- [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 USAC.**
 - 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 Recipient(s) of Service.**
- Invoiced amount to USAC must be for **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.

Invoicing User Rights Levels

Types of EPC Rights

- **View Only Rights** – Can view certain information about invoices or post-commitment transactions.
- **Partial Rights** – Can view and prepare invoices and post-commitment requests but cannot certify any forms nor reply to USAC outreach. All certifications must be sent to a Full Rights user.
- **Full Rights** – Can view, prepare, submit, and certify the forms and any post-commitment requests. A Full Rights user can provide responses to outreach from USAC reviewers and sign/certify documents sent for review/response.
 - It is recommended that you have at least two full rights users, so if one is out of the office for any reason, your invoice is not delayed.

	View Invoices	Create Invoices	Certify Invoices	View Outreach	Respond to Outreach
 Full	✓	✓	✓	✓	✓
 Partial	✓	✓		✓	
 View Only	✓			✓	

Note: There should never be a circumstance in which the view only or partial rights user submits invoices or certifies any forms. This includes, completing a form and sending to the full rights user to submit. A certification signed by anyone other than a full right user, will be denied.

Invoicing Reminders

Contract Expiration date (CED) versus Invoice Deadline Date (IDD)

- CED – USAC will not pay for services delivered outside of the contract expiration end date. For example, if the CED is 3/1/2024 and the funding year spans from 7/1/2023 - 6/30/2024, we can only pay until the contract expiration date of 3/1.
- Incorrect CED can be fixed via an FCC Form 500.
- IDD is the last day to submit an invoice to USAC for an approved FRN.

Equipment

- If an applicant returns equipment to the service provider **prior to invoicing** USAC, neither the applicant nor service provider should invoice USAC for the cost of this equipment.
 - If an invoice for returned equipment has been submitted but not yet been paid, the invoice can be cancelled by opening a customer service case.
 - If an invoice for returned equipment has already been paid, disbursements must be returned to USAC. The [USAC website](#) contains more information on this process.
- If the approved equipment is no longer available, a Service Substitution is required to request 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 prevent customers from submitting their invoice in EPC or result in rejection.

Invoices may also go through a manual review process.

Manual Invoice Review: Validations

The reviewer verifies, among other things, that:

- The customer's bill accurately reflects the invoiced amount
- Each FRN's discount rate is hard coded into the system, reducing submission errors
- Entities listed on bills are approved Recipients of Service on the approved FCC Form 471
- Amount requested is supported by the bills submitted
- Service provider named on the bills matches the FRN
- Bandwidth speeds
- Equipment and services are eligible and approved on the FCC Form 471's Funding Commitment Decision Letter.
 - Ineligible equipment and services that are not removed at submission are removed during the invoice review.
 - Changes in services or equipment not received requires USAC-approval via a service substitution.
 - Ensure that service substitution requests are submitted to the E-Rate program for approval when the original eligible equipment and services requested are substituted.
 - Ensure that processes are in place to guarantee that the invoiced services match the contracted services.

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 validates the documents to ensure the requested amount is for eligible equipment and or services.

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

Applicant and service provider should be timely in responding to outreach as failure to respond may result in the invoice being denied.

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

Manual Invoice Review: Outreach

USAC may conduct outreach to request additional information / documentation 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 submit a worksheet in lieu of bills.
- Lack of response may result in invoice denial.

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
 - Services for a future date not yet received

Common Causes for Invoice Denial

- Documentation
 - Service certification is invalid/incomplete
 - BEN's Partial or View Only rights user or any point of contact from the Service Provider
 - No response/incomplete response to outreach
 - Incomplete documentation provided
 - Outside the eligible timeframe
 - Inaccurate invoice submission
 - Bills do not support the invoiced amount
 - Duplicate submission
- FCC Form 471
 - ROS not approved on the FCC Form 471
 - Charges not approved on the FCC Form 471
 - Service provider bill does not match the approved FCC Form 471 (i.e., speed mismatch)
 - Service provider on the bill does not match the FCC Form 471
- Ineligible equipment and/or services

Service Certification – Example Form

Verbiage sent in the EPC outreach window regarding request:

Please see the attached service certification that I am requesting in order to complete an invoice request from your service provider. Please ensure an authorized party review and signs, returning the signed document timely for review. if you have any questions. please contact me.
Thank you for you cooperation and continued support of the Universal Service Program.

Applicant Service Certification for E-Rate Invoices		
1	Invoice Number	«SLD_Invoice_No»
2	Invoice Line Number	«Line_ID»
3	Service Provider Name / Service Provider SPIN	«Service_Provider_Name» «SPIN»
4	Service Provider Invoice #	«SP_App_Invoice_No»
5	Undiscounted Invoice Amount	«Undiscounted_Amt»
6	Discounted Invoice Amount	«Discounted_Amt»
7	Applicant Name	
8	Applicant Authorized Representative / Contact Name & Title	
9	Applicant Authorized Representative / Contact Phone	
10	Billed Entity Number (BEN)	«BEN»
11	471 Number	«FORM_471»
12	FRN	«FRN»
13	Date Goods/Services Delivered	
14	Date Goods/Services Installed	
15	Date Applicant Portion Paid and Check No. or Date will be paid	

By signing below, you, the Applicant certify that:

A. I am authorized to represent the above-named Applicant.

B. The equipment/services described on the attached vendor invoice(s) have been delivered as indicated on row 13 above.

C. For FRNs which include installation, of the equipment/services described on the attached vendor invoice(s), provide the installation date. This is required only for non-recurring services (products that need installation) and paid for with E-Rate funds have as indicated on row 14 above

D. 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/ installed at ROS locations approved on the FCC Form 471 listed on the date provided above

Applicant Authorized Representative Name _____

Applicant Authorized Representative Signature _____

Date _____

E-Rate / Revised 10/16/2023

Service Certification – Example Email

Verbiage sent in the EPC outreach window regarding request:

Please see the attached service certification that I am requesting in order to complete an invoice request from your service provider. Please ensure an authorized party review and signs, returning the signed document timely for review. if you have any questions. please contact me.
Thank you for you cooperation and continued support of the Universal Service Program.

SERVICE CERTIFICATION

Please also provide the attached Service Certification form. **Only an authorized representative of the applicant (school/library) (with “Full” rights for BEAR/472 permission or the account admin rights in the E-Rate Productivity Center (EPC)) is authorized to complete, sign, and send this form to USAC.**

The form must be completed in order to be valid documentation.

Service Certification **must** include:

1.) The Representative/Contact Name, Title, and Phone of Applicant (School/ Library):

- The contact name should match as signatory.
- If the signatory is any other than the Representative/Contact Name identified on the form, please provide the full Name, Title and Phone Number of the signatory and a reason for the mismatch.

2.) Date Goods/Services Delivered: except for installation only invoice, required for all other products/services delivered.

3.) Date Goods/Services were or will be installed. Required only for non-recurring services (products that need installation). This date is required regardless of the party providing the installation.

4.) Date Applicant Portion Paid and Check No., or Date to be Paid: This is required.

5.) If services are not yet delivered, please provide a contract to indicate provision for up-front charges.

6.) Signed and dated: by the authorized Applicant contact.


Note: By signing this Form you are authorizing that:

- 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/ installed at Recipients of Service (ROS) locations approved on the FCC Form 471 listed on the date provided on document.

Please note: Service Certification forms are Invoice number specific. Due to audit requirements, the re-submittal of an earlier Service Certification form is not acceptable and will result in rejection of the current invoice line(s).

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.



Universal Service
Administrative Co.

Available for Public Use

Decision Code	Plain Language Decision Explanation	Historical Decision Explanation (Letters issued before October 1, 2020)
40	Either a Customer Billed Date or a Shipping Date to Customer must be entered on this invoice line.	Either Billed Date or Shipped Date must be entered.
41	Either a Customer Billed Date or a Shipping Date to Customer, but not both, must be entered on this invoice line.	Both Bill and Ship Date cannot be entered
42	The Total (Undiscounted) Amount was not provided on the invoice line.	Total (Undiscounted) Amount for Service per FRN (Not Provided)
44	The Discount Amount Billed to SLC was not provided on the invoice line.	Discount Amount Billed to SLC (Null or Zero)
48	The undiscounted amount multiplied by the discount percentage for this FRN is lower than the requested invoice amount.	Discount Amt. Billed Not Valid
60	The service provider has not certified an FCC Form 473 for the funding year.	Service provider must be certified
67	The Shipping Date to Customer is after the Contract Expiration Date or the Service End Date (whichever is earlier).	Ship Date > [%s] days (486) Early Term Dt
68	The Shipping Date to Customer is after the Contract Expiration Date or the Service End Date (whichever is earlier).	Ship Date> [%s] days 471 Term or Cnt Ext
75	The Customer Billed Date entered on the invoice line is outside of the funding year for this FRN.	Billed Date after [%s] fund yr;one time cost
76	The Customer Billed Date entered on the invoice line is outside of the funding year for this FRN.	Billed Date after [%s] fund yr;mnthly cost
77	The Shipping Date to Customer entered on the invoice line is outside of the funding year for this FRN.	Shipped Date after [%s] fund yr;one time cost
78	The Shipping Date to Customer entered on the invoice line is outside of the funding year for this FRN.	Shipped Date after [%s] fund yr;mnthly cost
80	This invoice was submitted after the invoicing deadline for the FRN.	Invoice Received Date is later than Invoice Received Extension Date for FRN
81	The Customer Billed Date entered on the invoice line is after the Invoice Deadline Date.	Bill Date [%s] > [%s] Billed Extension Date; one time cost

Invoicing Appeals

- If your timely filed invoice is rejected or modified, you have two options:
 - If it is before the IDD, re-submit a corrected invoice.
 - If it is after the IDD, 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 dismissed** 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**.
 - BMIC services can only start at the beginning of the funding year (i.e., 7/1/FY).
 - Category 2 services can be purchased as early as April of the FY, and a contract/service period can be included on the bill to indicate when service will start/end. This prevents service from being considered as outside the FY.
- 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 also be eligible itself 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 provides a **maintenance functionality** should be requested under **BMIC** on the FCC Form 470/471 (not access or right to use licenses)

BMIC Services - Does 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**).

BMIC & IC License Overview

Licenses are either BMIC or IC service types based on their function.

- An Internal Connections (IC) license is a license for software that allows the eligible internal connections equipment to function and distribute high-speed broadband throughout school buildings and libraries. Internal connection licenses frequently include Right-to-Use and Access licenses. For example, although you may pay once to purchase a wireless access point (WAP), you may need to pay an annual fee to the manufacturer to allow you to use the WAP. The annual fee is the internal connections license (e.g., right-to-use software or client access license).
- A Basic Maintenance of Internal Connections (BMIC) license is a license that includes Maintenance Support Service (software upgrades and patches, including bug fixes and security patches, as well as technical support). For example, after purchasing a switch, you may need to pay a separate annual fee to be able to download software updates and receive technical support for the device.
- During invoice submission, or after applicants receive outreach from USAC, it is helpful to provide the manufacturer's part numbers for the licenses upfront to avoid invoice failures. Not providing this results in incomplete documents, and this is a large reason of why some BMIC lines fail.
- For multi-year licenses, we can cover the entire cost for IC, whereas for BMIC, we prorate payments based on the funding year.

What's the difference?

Basic Maintenance of Internal Connections: Covers the repair and upkeep of eligible internal connections. Examples include: the repair and upkeep of eligible hardware, wire and cable maintenance, configuration changes, basic technical support like online and telephone based technical support, bug fixes, and security patches (which are considered software upgrades and patches). Best way to distinguish BMIC is to remember that it is limited to actual work performed under the contract.

Internal Connections: Is equipment needed to utilize a broadband connection within a school or library.

Managed Internal Broadband Services: Services provided by a third party for the operation, management, and monitoring of eligible IC equipment. Examples are managed Wi-Fi, managed switches and managed services.

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**).

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 ineligible services:
 - 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).

Single-Year Maintenance Support Services (Continued)

- 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

- An 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 the 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 ($\$96 / 12 \text{ months}$) = \$8 / month
 - Invoice quarterly after services are received ($\$96 / 4 \text{ quarters}$) = \$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 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 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 equipment and/or 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

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.
- Corrections to the service type must be made on the FCC Form 470 in order to update FCC Form 471 prior to certification.
- 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

Record Retention and Open Data

Documentation

Ensure adequate documentation is retained for 10 years 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.



Available for Public Use

Update June 2022

E-Rate Program List of Documents to Retain for Audits and to Show Compliance with Program Rules

E-Rate program rules require program participants to retain all documents demonstrating compliance with the rules for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request. This list provides guidance regarding the types of E-Rate program documents that should be retained by all program participants – school and library applicants, service providers, and consortia – to comply with FCC audit and [document retention](#) requirements. **Not** all documents may apply to every participant and the list is not an exhaustive list. Service providers should also review this list and “Additional Guidance for Service Providers” later in this document to ensure they retain documentation requested during audits and to demonstrate compliance with E-Rate rules.

FCC FORMS & CERTIFICATIONS		
Document	Applicant	Service Provider
FCC Form 470 (Description of Services Requested and Certification Form)	X	
FCC Form 471 (Description of Services Ordered and Certification Form)	X	
FCC Form 498 (Service Provider and Billed Entity Identification Number and General Contact Information Form)	X	X
FCC Form 472 (Billed Entity Applicant Reimbursement (BEAR) Form)	X	
FCC Form 473 (Service Provider Annual Certification (SPAC) Form)		X
FCC Form 474 (Service Provider Invoice (SPI) Form)		X
FCC Form 479 (Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act Form) consortium members and consortium leaders only	X	
FCC Form 486 (Receipt of Service Confirmation and Children's Internet Protection Act Certification Form)	X	
FCC Form 500 (Funding Commitment Adjustment Request Form)	X	
Delivery confirmations for forms filed outside of EPC (FY2015 and earlier)	X	X

For forms filed in the [E-Rate Productivity Center \(EPC\)](#), you can print/save a PDF copy of forms, notification letters, and correspondence for your records.

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.

Service Provider Bills				
Service Provider Bill	Billed Service/Product	Billed Qty	Billed Per Unit Cost	Billed Extended Cost
INV101	Product A	5	\$ 10.00	\$ 50.00
INV102	Product B	5	\$ 15.00	\$ 75.00
INV103	Product C	5	\$ 20.00	\$ 100.00
INV104	Product D	5	\$ 25.00	\$ 125.00
INV105	Product E	5	\$ 30.00	\$ 150.00
			Total Eligible (undiscounted) Amount for Service on BEAR	\$ 500.00

Sample Reconciliation Worksheet

Locating Key Invoicing Information

Current Invoice Deadline Date and/or Service Delivery Deadline Information

- EPC: The Invoice Deadline Date and Service Delivery Date are included in the Funding Commitment Decision Letter and Revised Funding Commitment Decision Letter.
- 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 7/1/2024
- Inv. amount \$842.00
- FRN 239947510
- Customer Bill Date of 7/1/2024

Second Invoice

- #1237895
- Submitted on 8/1/2024
- Inv. amount \$842.00
- FRN 239947510
- Customer Bill Date of 7/1/2024

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 8/1/2024.

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:	
<ul style="list-style-type: none">• 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 a SPI 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 the service certificate is signed by someone other than a full rights user, the invoice will be rejected.
- 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

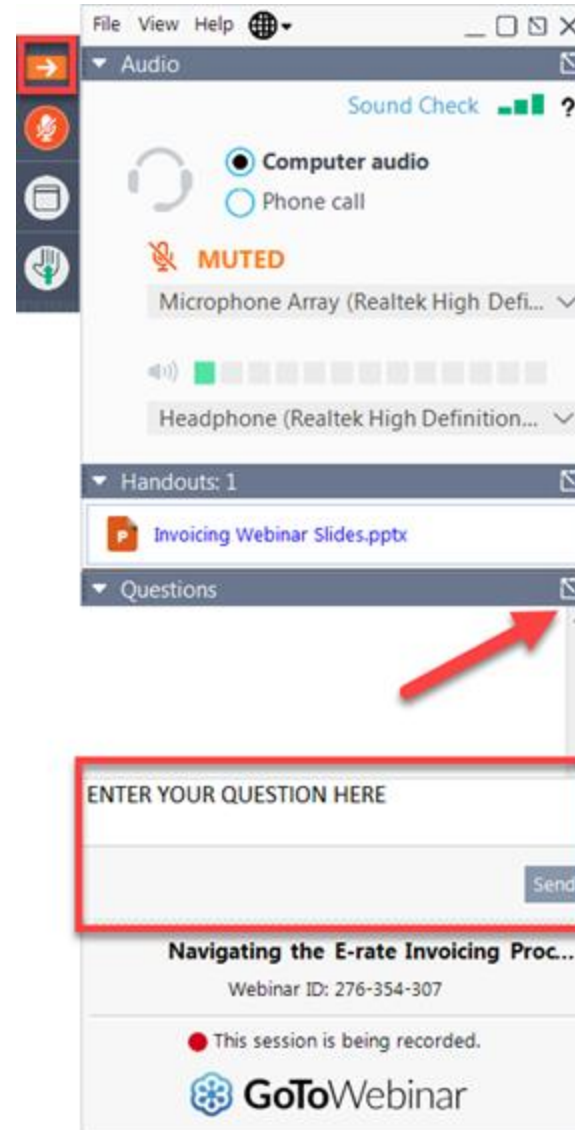
- Invoices can be submitted until the Invoice Deadline Date.
- Only a full rights user can certify forms.
- Request a one-time invoice deadline extension, even if you do not anticipate needing one.
- Only invoice for the specific equipment and services at the quantities and rates approved and only for the approved Recipients of Service (ROS) 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

- [Prepare to Invoice](#)
- [E-Rate Tips to Speed Up Disbursements](#)
- [Applicant Invoicing](#)
- [Service Provider Invoicing](#)
- [Open Data](#)
- [Applicant 498ID](#)
- [Webinars & Trainings](#)
- [E-Rate News Brief](#)
- [SPI Invoice Submission Demo](#)
- [BEAR Invoice Submission Demo](#)
- [Glossary of Terms](#)
- [EPC Invoice Process](#)
- [Practice Forms](#)

Live Q&A

- Submit your questions about today's topics:
 - 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



Q&A Tips

- ✓ Type your queries into the “Questions” box in your webinar control panel.
- ✓ Write in full sentences.
- ✓ Ask one question at a time.
- ✓ Click the box with the arrow above the questions box to expand it and see all the written answers.

Questions?

E-Rate Customer Service Center



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 2024 Fall Training series.

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Webinars

Join us to learn about E-Rate program updates, including E-Rate program rules and orders, guidance about compliance and filings, stakeholder support, and more.

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.

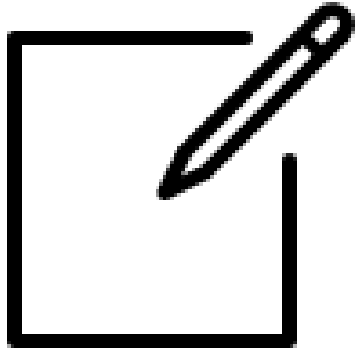
Equipment and Set-Up

To participate, you'll need:

- 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.
- 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."

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