Category Two (C2) Budget Management Guide

Contents

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Each independent school, school district, library, or library system receiving C2 funding has a five-year, pre-discount budget for C2 equipment and services (e.g., internal connections) based on the number of students in the school district or the number of square feet in the library system. As the applicant requests C2 funding, gets funding commitments, and gets funding disbursed, USAC has tools to see the available budget (i.e., budget available that hasn't been requested).

The initial five-year C2 Budget cycle ran from FY2021-2025. The next five-year C2 Budget cycle is FY2026 through FY2030. FY2021-2025 available budget amounts that go unused will not roll over into the FY2026-2030 budget cycle.

View Available C2 Funding

There are three different versions of C2 budgets in the tool: forecast, preliminary, and confirmed.

- The **forecast** version of an entity's C2 budget is based on the current student count or square footage in the applicant organization's profile. If you change a student count or a square footage entry related to the C2 budget in the entity profile, the forecast version of the C2 budget will show the result of the change the following day. You can update your entity profile during the EPC Administrative Window.

- The **preliminary** version of an entity's C2 budget is based on the information on the first certified FCC Form 471. Note, an independent school designated as new construction that provides an estimated student count will also show a preliminary budget until the actual student count is verified.

- The **confirmed** version of an entity's C2 budget is based on the information in an FCC Form 471 for which USAC has issued a funding decision for a C2 funding request, unless all funding requests have been canceled. Note, you will not see confirmed C2 budgets until after the first commitment wave.

View C2 Budget in the E-Rate Productivity Center (EPC)

You can view the C2 budget amount for the five-year budget cycles in EPC, which is based on data in your EPC Organization profile (e.g., student counts for schools or square footage for libraries). On the **My Applicant Landing Page**, click on the blue hyperlink for your entity next to **Welcome** at the top of the page. Then click the **Category Two Budget** link.

Next click the **Get Category 2 Budget Information** button.

You will now see links for the different five-year budget cycles.

You can expand the data to see details for a five-year budget cycle such as budget status, budgeted amount, committed and in-review amounts, and remaining budget.

Summary | Customer Service | Modifications | Additional Information | Discount Rate | **Category Two Budget** | Contracts | FCC Forms | FRN Appeals | News | Related Actions

Category Two Budget Status

Category Two Budget information presented below reflects data starting in FY2016.

> **2026 - 2030**

∨ **2021 - 2025**

∨ **2021 - 2025 (Budgeted Entity)**

> Show column definitions

Budget Status	Budget	Total In-Review Requested Costs	Total Committed Costs	Total In-Review Requested and Committed Costs	Remaining Budget	
Confirmed	$231,746.00	$0.00	$5,477.13	$5,477.13	$226,268.87	View Details

Your student count has changed relative to the count used to establish your existing C2 budget. To request a replacement C2 budget in 2025, click **Request Replacement C2 Budget.**

> **2015 - 2020**

Click **View Details** to see more granular information for each funding year of the cycle. You can also click **Show Allocation Breakdown** to see which applications and funding request number line items were associated with your requested C2 funding.

Category Two Budget Details

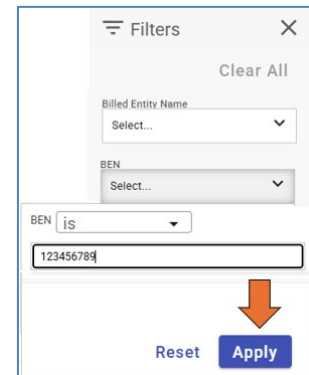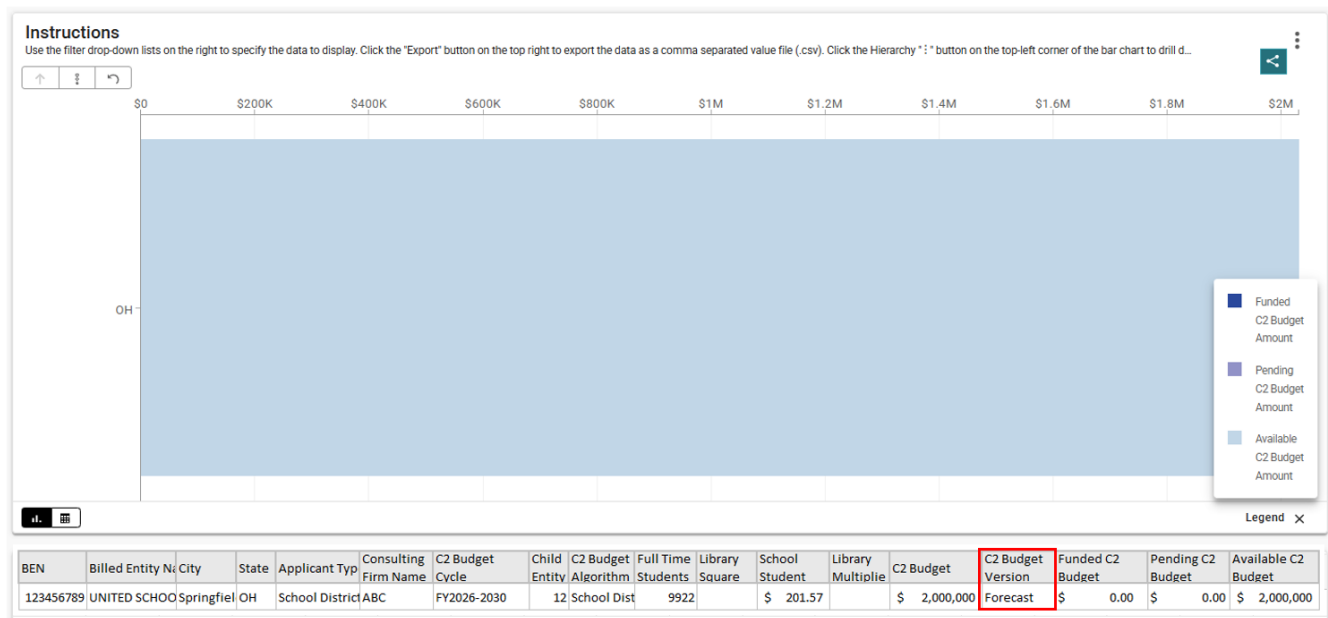| Funding Year	Budget Status	Budget	Funding Year In-Review Requested Costs	Total In-Review Requested Costs	Funding Year Committed Costs	Total Committed Costs	Total In-Review Requested and Committed Costs	Remaining Budget
2021			-	-	-	-	-	-
2022			-	-	-	-	-	-
2023	Confirmed	$231,746.00	$0.00	-	$5,477.13	-	-	-
2024			-	-	-	-	-	-
2025			-	$0.00	-	$5,477.13	$5,477.13	$226,268.87

5 items

SHOW ALLOCATION BREAKDOWN

View C2 Budget Information in USAC Open Data
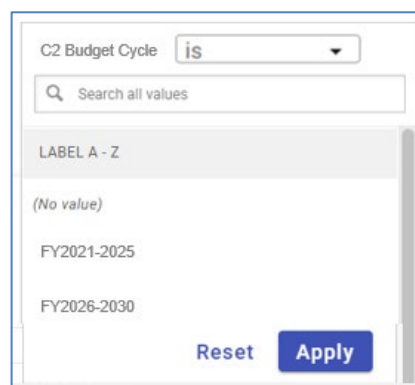
Applicants can also view available funding for any C2 budget cycle (FY2021-2025 or FY2026-2030) using the Category Two (C2) Budget Tool FY2021+ (view a video on how to use the tool). To view your C2 budget amounts, enter your entity name or entity number in the corresponding filter and click **Apply**.

The tool defaults to the FY2026-2030 budget cycle and you can see that this entity has a **forecast** budget of $2 million based on the number of students.

Go to the Category Two Budgets page to learn how budgets are calculated.

Instructions
Use the filter drop-down lists on the right to specify the data to display. Click the "Export" button on the top right to export the data as a comma separated value file (.csv). Click the Hierarchy " ⋮ " button on the top-left corner of the bar chart to drill d...

BEN	Billed Entity Na	City	State	Applicant Typ	Consulting Firm Name	C2 Budget Cycle	Child Entity	C2 Budget Algorithm	Full Time Students	Library Square	School Student	Library Multiplie	C2 Budget	C2 Budget Version	Funded C2 Budget	Pending C2 Budget	Available C2 Budget
123456789	UNITED SCHOO	Springfiel	OH	School District	ABC	FY2026-2030	12	School Dist	9922		$ 201.57		$ 2,000,000	Forecast	$ 0.00	$ 0.00	$ 2,000,000

You can display the data for either cycle by selecting "FY2021-2025" or "FY2026-2030" from the **C2 Budget Cycle** filter and clicking **Apply**. You can also export your data in various formats.

Expired Funding Commitments in FY2021-2025 C2 Budget Cycle

If an applicant is still working on C2 funding requests or appeals from the FY2021-2025 budget cycle and needs to cancel funding commitments to make funding available for other FY2025 requests, you can use the E-Rate FRN Invoice Deadline Tool to identify committed funds for the C2 budget cycle that weren't disbursed and are beyond their Invoicing Deadline Date (IDD).

> Note: For the FY2026-2030 budget cycle, FY2027 is the earliest funding year that you will need to cancel expired commitments for a future funding year FY2021-2025 available budget amounts that go unused will not roll over into the FY2026-2030 budget cycle.

If you have "expired" commitments (i.e., funding requests not invoiced before the IDD) for a Funding Request Number (FRN) for a C2 five-year cycle (e.g., FY2021-2025), you can file an FCC Form 500 to reduce those commitments and have them available for commitment in a future funding year. The invoice deadline tool is updated with funding year data as commitments and disbursements are issued throughout the year. Please note that it will not capture if a funding request has a **pending** appeal or waiver request or invoice.

To check for expired C2 FRNs, set the data filters on the Invoice Deadline Tool as follows:

- o **Billed Entity Number**: Enter the **BEN** for the C2 budgeted entity.
- o **C2 Expired Pre-Discount $ FY2021+**: Is greater than 0 and remove the checkmark from "Include missing or null values".

You can export the results by clicking **Export** in the top right corner, selecting the **Filtered Data** radio button, and clicking **CSV for Excel**.

Below is a screenshot of the results for entity 111111 for the FY2021-2025 C2 budget cycle, with annotations (in red text) for committed, disbursed, and expired funding.
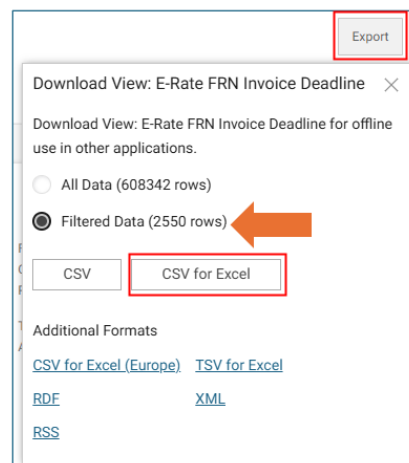
Subtracting the disbursed amount from the committed amount, this applicant has $73,706 (**post-discount $**) in prior-year commitments that could be returned to their C2 budget. You can export the results to Excel and find the **pre-discount** amount that can be returned to your C2 budget. The pre-discount total that can be returned is the amount in the **C2 Expired Pre-Discount $ FY2021+** column (Column V on the export) for the FRN. In our example, this applicant has $117,931 in **pre-discount** funding that could be returned (their C2 discount rate is 60%).

> When calculating your expired funding, the data in this tool does **not reflect any pending invoice amounts**. Be sure to account for these before submitting the FCC Form 500 to reduce an FRN.
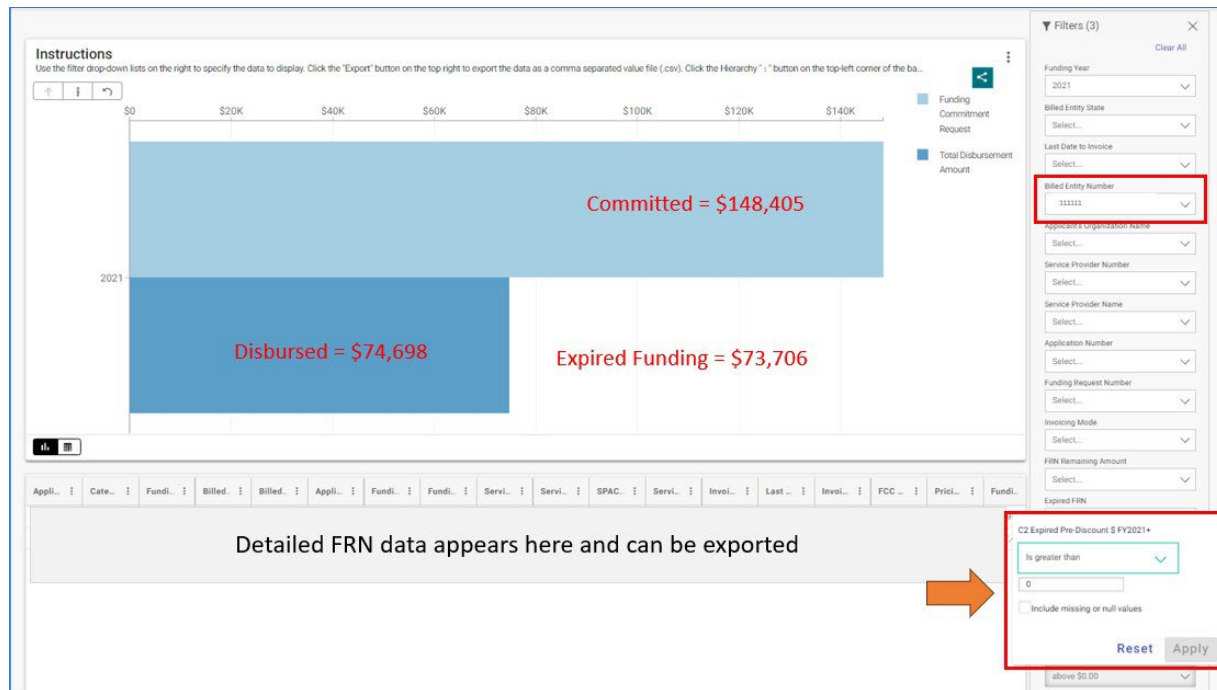
Submitting an FCC Form 500 to Reduce Expired or Unused Commitments

The FCC Form 500 (Funding Commitment Adjustment Request Form) is used to request changes to funding requests after USAC has issued commitments for those FRNs. There are multiple changes that can be made using the FCC Form 500, including service substitutions and SPIN changes. If an applicant wants to return funding to its Category Two budget, and make the funding available for a future funding year, the applicant must file the FCC Form 500 to cancel or reduce the FRN's commitment amount. Applicants may do this for the expired commitments described above, or even for commitments that they know they will not be using where the invoice filing deadline has not yet passed.

Below are the steps on how to submit an FCC Form 500 and reduce the funding commitment for one or more FRNs.

1) On the **My Applicant Landing Page** select the **FCC Form 500** link.

2) Answer **No** to the first question, then select the **Funding Year** from the dropdown, provide a form

Nickname, add the Contact Person, and search for and select the FCC Form 471 Application Number(s) to include in your request.

Form Details

Is this FCC Form 500 being filed to request a change to an FRN filed for FY 2015 and prior? *

YES NO✓

Funding Year *

2020

Nickname *

201111111 Reduction FY2020 C2

Contact Information

Main Contact Person *

John Smith

Please select a main contact person by typing the contact person's name or email address.

Filters

Application Number	Application Nickname
Enter part/all of FCC Form 471 Application #	Enter part/all of FCC Form 471 Application Nickname

Category of Service

Category 2

CLEAR SEARCH FILTERS   SEARCH

Please associate only one FCC Form 471 to this FCC Form 500.

☑	Application Number	↓ Application Nickname	Category of Service
☑	201111111	FY2020 C2 for ABC School District	Category 2

3) Select **YES** for "I want to partially reduce the funding in one or more of the FRNs" and Select **NO** for all the other change types. Be careful **not to select** YES for "I want to cancel one or more of the FRNs" unless you want to cancel the entire FRN(s). This will cause issues if you have any disbursed funding. Click **Continue** when you are done.

Type of Change

I want to change the service start date. * *(More Info)*
Complete if you wish to change the Service Start Date you listed on a previously filed FCC Form 486. This action will NOT increase funding.

YES NO✓

I want to change the contract expiration date. * *(More Info)*
Complete if the contract expiration date has changed and you wish to report the change to USAC. This action will NOT increase funding but you could combine it with a funding reduction.

YES NO✓

I want to request more time to get the services delivered and/or installed. * *(More Info)*
Complete if you are requesting an extension of the deadline for delivery and installation of non-recurring services or to complete Category One special construction and light the new fiber. For most non-recurring services, you must submit this request to USAC on or before the September 30 following the close of the funding year. For an extension of the deadline to complete Category One special construction and light the associated fiber, you must submit this request to USAC on or before the June 30 of the funding year. This action will NOT increase funding.

YES NO✓

I want to cancel one or more of the FRNs. *

YES NO✓

I want to partially reduce the funding in one or more of the FRNs. *

YES✓ NO

I want to notify USAC that I have moved equipment to another location. * *(More Info)*
Complete this section if you are transferring equipment from a closed entity to other eligible entities within three years of the date of purchase. Both the transferring and receiving entities must maintain detailed records documenting the transfer and the reason for the transfer for at least 10 years (or whatever retention period is required by the rules in effect at the time of this certification).

YES NO✓

CANCEL   CONTINUE

4) Select the FRN(s) you would like to reduce funding from and click the **Add (#) FRNs** button.

5) Click on the blue **FRN hyperlink** to edit the funding. The yellow exclamation point under **Status** will change to green after you make the requested FRN modifications.

6) You will now see the **"From"** and **"To"** sections of the modification screen. The **From** section shows the original amounts for the FRN and the **To** section will display the updated **pre-discount** amounts that you are requesting after you edit the line item(s) for the FRN. Click on the FRN line item hyperlink(s) under **Revised Line Items** to make the modifications to the selected FRN.

From (Original Request)

FRN Calculation for FRN #2011111111 – Elementary 1

Monthly Charges	
Total Monthly Recurring Charges	$0.00
Total Monthly Ineligible Charges	- $0.00
Total Monthly Eligible Charges	= $0.00
Total Number of Months of Service	x 12
Total Eligible Pre-Discount Recurring Charges	= $0.00

Total Requested Amount	
Total Eligible Pre-Discount Recurring Charges	$0.00
Total Eligible Pre-Discount One-Time Charges	+ $12,984.88
Total Pre-Discount Charges	= $12,984.88
Discount Rate	70%
Original Funding Commitment Request	= $9,089.42

One-Time Charges	
Total One-Time Charges	$12,984.88
Total Ineligible One-Time Charges	- $0.00
Total Eligible Pre-Discount One-Time Charges	= $12,984.88

Line Items

FRN Line Item Number ↑	Monthly Quantity	Unit	One Time Quantity	Monthly Recurring Unit Cost	One Time Unit Cost	Total Eligible Line Item Cost
2011111111.001	0	Each	46	$0.00	$69.44	$3,194.24
2011111111.002	0	Each	46	$0.00	$212.84	$9,790.64

To (FCC Form 500 Request)

Revised FRN Calculation for FRN #2011111111 – Elementary 1

Monthly Charges	
Total Monthly Recurring Charges	$0.00
Total Monthly Ineligible Charges	- $0.00
Total Monthly Eligible Charges	= $0.00
Total Number of Months of Service	x 12
Total Eligible Pre-Discount Recurring Charges	= $0.00

Total Requested Amount	
Total Eligible Pre-Discount Recurring Charges	$0.00
Total Eligible Pre-Discount One-Time Charges	+ $12,984.88
Total Pre-Discount Charges	= $12,984.88
Discount Rate	70%
New Commitment Amount AFTER Reduction	= $9,089.42

One-Time Charges	
Total One-Time Charges	$12,984.88
Total Ineligible One-Time Charges	- $0.00
Total Eligible Pre-Discount One-Time Charges	= $12,984.88

Revised Line Items

Click on the FRN Line Item link to edit the line item details.

FRN Line Item Number ↑	Monthly Quantity	Unit	One Time Quantity	Monthly Recurring Unit Cost	One Time Unit Cost	Total Eligible Line Item Cost
2011111111.001	0	Each	46	$0.00	$69.44	$3,194.24
2011111111.002	0	Each	46	$0.00	$212.84	$9,790.64

BACK

SAVE FRN LINE ITEM DETAILS

7) Modify the FRN line item amounts to the **new total pre-discounted amount**, as needed. The aggregate modifications total funding commitment for the FRN cannot exceed what was approved in the PIA review.

   In our example below, we changed the quantity from 46 to 26 without changing the unit costs. The original cost for this line item changed from $3,194.24 ($69.44*46 units) to $1,805.44 ($69.44*26 units).

   Click **Save** and the Recipients of Service entries will update to show the new **pre-discounted** in the column titled "Eligible Cost per BEN".

8) You will return to the **"From"** and **"To"** sections of the modification screen and you can see that the data for **Revised Line Items** has updated. Next click the **Save FRN Line Item Details** button.

9) You will return to the Selected FRNs page and the modified FRNs will show a green checkmark under **Status**. Provide an explanation of why you are requesting the change and upload any supporting documentation, if needed. Next, click Continue to answer the form certification questions on the next screen.

10) Check the box next to each certification and click **Certify** if you are authorized to submit the form or click **Send for Certification** if you are not.

11) You will receive a message that the form was created with a hyperlink to view the FCC Form 500 record that was created.

FCC Form 500 #123456 - 201111111 Reduction FY2020 C2 has been successfully created

Click here to view FCC Form 500 record dashboard

Once this FCC Form 500 record is processed and approved by USAC, the additional funding will be available in your C2 budget for that budget cycle.