

E-Rate 2024 Fall Training: Frequently Asked Questions

Content

E-Rate Program Overview	2
Consortium.....	4
Pre-Commitment Process.....	4
Eligible Services 101.....	7
Category Two Budgets.....	8
Administrative Window.....	9
Post Commitment Actions.....	10
Invoicing.....	11

E-Rate Program Overview

- 1) Can a school district apply as a NIF?

Answer: No. A school district must apply for the E-Rate program as a school district. A district is a group of schools and libraries that meet the respective statutory definitions to be eligible for Schools and Libraries (E-Rate) program support. A school district may include a [non-instructional facility \(NIF\)](#) but a NIF cannot file an application on their own as a billed entity (or a BEN).

- 2) Do applicants need to have a signed contract or another type of legally binding agreement in place loaded in EPC prior to submitting the FCC Form 471? Is this a new requirement that contracts MUST be uploaded now?

Answer: Applicants are required to have a contract or other legally binding agreement with a service provider before they can submit an FCC Form 471. A contract is the best evidence of a legally binding agreement. A verbal agreement is not considered legally binding. Applicants are not required to upload a signed contract in EPC, but it is recommended as the documentation must be retained for at least 10 years under the FCC's document retention and production rules. Visit our [Contracts page](#) for more details.

- 3) How do we provide feedback on instances of rule violation?

Answer: If you believe someone is misusing funds, failing to comply with the E-Rate rules, or otherwise participating in fraud, waste, or abuse, please submit a [Whistleblower Alert form](#), email WhistleblowerReports@usac.org or hotline@usac.org, call (888) 203-8100, or send your report by U.S. mail to:
Universal Service Administrative Company
Attn: Fraud Risk Group
700 12th Street, NW, Suite 900
Washington, DC 20005.

You also may report waste, fraud, or abuse to the FCC Office of the Inspector General by emailing hotline@fcc.gov, calling 1-888-863-2244 or 202-418-0473, faxing 202-418-2811, or by U.S. mail to:
Office of Inspector General
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

Additionally, to ensure the highest level of program integrity, USAC conducts audits of beneficiaries. USAC operates the Beneficiary and Contributor Audit Program (BCAP) and

Payment Quality Assurance (PQA) Program. More information on E-Rate Program Integrity is [available on the website](#).

Any aggrieved party (including, but not limited to, entities filing an FCC Form 499, federal universal service program applicants, and service providers) that wishes to appeal a USAC decision [may file an appeal](#).

- 4) Would it be considered a gift if a company does not have any bandwidth caps?

Answer: E-Rate program rules impose significant restrictions on applicants and consultants regarding the direct or indirect solicitation or acceptance of gifts from service providers or prospective service providers. Gifts are defined as gratuities, favors, entertainment, loans, or any other thing of value. Applicants may not accept gifts with a retail value greater than \$20, which include but are not limited to gifts for attending seminars, marketing calls, loans of products, including those characterized as on-site product demonstrations, services, or equipment, or training. If a service provider is waiving charges for usage exceeding bandwidth caps (“overage charges”), this could be considered a free gift. Please call our Customer Service Center (CSC) at (888) 203-8100 for additional assistance or view the [Program Integrity webpage](#) for more details on how to report this to the E-Rate program.

- 5) At what point should an applicant stop accepting bids when they have a multi-tiered vendor selection process if they have not included a bid submission deadline in the RFP of the FCC Form 470?

Answer: If applicants do not add a deadline to their FCC Form 470 narrative or RFP, they should consider all bids received until they evaluate the bids. Any deadlines for bid responses should be memorialized in applicants’ records. For more details, visit the [28-Day Waiting Period](#) page.

- 6) Do recurring services require outreach each year for a 3-year contract? Can this be streamlined?

Answer: PIA outreach can vary, and it is driven by the funding request and available documentation at the time of the review. It is a good FCC Form 471 filing practice to check the multi-year FRN indicator in years 2 and 3 of the contract, and list the prior year FRN to help streamline the review of this FRN. Visit the [Step 4: Application Review](#) page for more details.

- 7) If the physical address is wrong on FCC Form 471 in EPC, how can it be fixed?

Answer: To correct a physical address on an FCC Form 471 or other such ministerial and clerical errors, submit a Receipt Acknowledgement Letter (RAL) modification request. Follow the entity modification guidance in the [FCC Form 471 Receipt Acknowledgment](#)

[Letter Modification Guide](#) to change the entity address. Review the [Modifications to the FCC Form 470 or FCC Form 471](#) page for more details on correcting ministerial and clerical errors.

Consortium

- 1) Can the Account Administrator work for a third party, or do they have to be an employee of the school, Tribe, or consortium?

Answer: The Account Administrator must be an employee of the school or library organization. For consortia, the consortium lead is responsible for the consortium's EPC profile and Account Administrator. You must have an Account Administrator who manages your [E-Rate Productivity Center \(EPC\)](#) account, grants rights to other users, and provides or updates information on the schools in your school district or libraries in your library system.

- 2) For applicants filing as a consortium, should they file one FCC Form 470 for Category 1 and another for Category 2 services?

Answer: Applicants, including consortia, may file one or more FCC Forms 470 to request Category 1 and Category 2 services. Review the [FCC Form 470 Filing](#) page for details.

- 3) I work for a pre-established library [consortium](#), formed for resource sharing. Can we include libraries that are not currently members in our FCC Form 470 if they provide letters of agency to confirm they are permitting us to bid on their behalf?

Answer: Yes, you may include these libraries in your FCC Form 470 and FCC Form 471 provided they have signed a letter of agency (LOA) allowing you to request bids and submit funding requests on their behalf as part of the consortium. The consortium [LOA](#) must be signed and dated on or before the date the FCC Form 471 is submitted and certified.

Pre-Commitment Process

- 1) Can I have the same service provider for my Category 1 and Category 2 services?

Answer: Yes. If the bid evaluation determined that the same service provider was the most cost-effective for each of the requested Category 1 and Category 2 service requests, an applicant can have the same service provider. The applicant will still need to file two separate FCC Forms 471 to account for the different categories.

- 2) Can I include ineligible services in my [Request for Proposal](#)?

Answer: Yes, you can include ineligible services in your RFP and should request the service providers submit bids clearly identifying any and all ineligible costs. When you're

conducting your bid evaluation, use only the price of the *eligible* services and equipment as the primary factor in the selection of the winning vendor(s).

- 3) Can I submit my FCC 471 early, and when does the FCC Form 471 filing window open?

Answer: No, you can only file the FCC Form 471 during the application filing window, which typically opens in January. You can [file the FCC Form 471](#) in the E-Rate Productivity Center (EPC) during the specific application filing window each year. Each year, in advance of the filing window, USAC announces the exact dates and times of the filing window on USAC's website. For FY 2025, the application filing window opened January 15, 2025, and will close on March 26, 2025.

- 4) Can I ask for "Internet services with basic firewall services" as a Category 1 service?

Answer: A basic firewall that is offered as part of a bundled Internet access service is eligible as a Category 1 service. However, if the price of the firewall can be determined separately, a service offering with an added firewall would not be considered a bundled service. For example, if a service provider offers an Internet service and presents a menu of service options that you can choose to add to your request, a firewall option (and other offered options) would not be eligible as a C1 service. Separately priced basic firewall service is eligible as a Category 2 service.

- 5) What are some examples of substantive changes and ministerial and clerical errors when filing the FCC Form 470 or FCC Form 471?

Answer: Ministerial and clerical (M&C) errors on an FCC Form 470 or FCC Form 471 include editing an application nickname, changing the main contact person, simple addition or subtraction errors, correcting the entity address, or correcting the service provider name. An example of a substantive change is adding a new category of service or type of equipment (e.g., requested only switches, but also seeking bids for wireless access points). Please see the [Ministerial and Clerical Errors](#) page on the E-Rate website or contact the Customer Service Center (CSC) at (888) 203-8100 with your specific questions.

- 6) How often are FCC Form 470 and 471 filed?

Answer: The frequency with which you file FCC Form 470 depends on the type of services you're applying for and whether you have a contract. If you sign a five-year Internet services contract, you do not need to file a new FCC Form 470 until the contract ends. If you are seeking month-to-month services, a FCC Form 470 must be submitted annually. In addition, the FCC Form 471 must also be filed each year during the application filing window.

- 7) What qualifies as a substantial change during the competitive bidding process?

Answer: A substantial change is something that materially affects the scope of the competitive bidding process and is outside the scope of an applicant's original requests. Substantial changes are evaluated on a case-by-case basis, as the type of questions and potential responses will determine if the subject matter materially changes the scope of the competitive bidding process. For example, an applicant that fails to provide the RFP when originally submitting the FCC Form 470 or changing the category of services/equipment that they are seeking bids for.

8) Are applicants allowed to use part of the \$3,600 to cover taxes and fees?

Answer: Yes, an applicant can include taxes and fees in a commercially available business class Internet option (CABIO) FRN as long as their total requested amount is \$3,600 or less.

9) What does "make a vendor selection" mean?

Answer: It means that the applicant chooses the vendor that will provide the services/equipment requested during the bidding process. The selected service provider is the one who most satisfies the selection criteria, with the price of the eligible services/equipment as the most heavily weighted factor. Review the [Step 2: Selecting Service Providers](#) page to learn more about how to select a service provider.

10) Where are RFPs and contracts uploaded?

Answer: An entity that has issued or will issue an RFP must upload that document concurrently with the FCC Form 470 in EPC. Do not upload a document containing a link to the RFP. The actual RFP or RFP document must be uploaded with the FCC Form 470. Contracts are subsequently uploaded to the entity profile under their entity's "Contracts" tab in EPC after selecting the winning vendor. EPC requires an RFP to provide more details with your FCC Form 470 if you are requesting the options for:

- i. Leased Dark Fiber and Leased Lit Fiber
- ii. Self-Provisioned Network and Services Provided Over Third-Party Networks
- iii. Network Equipment
- iv. Maintenance & Operations
- v. Cellular Data Plan/Air Card Service
- vi. Other
- vii. Review Module 5: [How to File an FCC Form 470 eLM](#) for more details on uploading an RFP to the FCC Form 470.

11) What are the rules around exemption from competitive bidding?

Answer: There are two competitive bidding exemptions. Category 1 services are exempt from competitive bidding if they are commercially available, cost less than \$3,600 per year per school or library, and provide basic conduit access to the Internet with bandwidth speeds of at least 100 Mbps downstream and 10 Mbps upstream. Library applicants

seeking E-Rate support for Category 2 equipment and services that total a pre-discounted amount of \$3,600 or less per library in a single funding year are also exempt from filing the FCC Form 470. Please note that this Category 2 exemption is not available for schools. In each case, the applicant must [create a contract record](#) to reference on their FCC Form

Eligible Services 101

- 1) Are school buses that are leased or contracted with a third party eligible for Wi-Fi funding?
Answer: Yes, school buses that are leased or contracted with a third party are eligible for school bus Wi-Fi funding if used primarily to transport students to and from school, or school-related activities for educational purposes. The applicant remains responsible for the asset inventory and other documentation demonstrating compliance with the E-Rate program rules even when using leased or contracted school buses.
- 2) What is the maximum term for a leased lit fiber contract or a leased dark fiber contract?
Answer: Program rules do not give limitations, but contracts must have a definitive end date. No-term, indefinite, or permanent contracts are not allowed in the E-Rate program.
- 3) Are servers other than caching servers eligible for maintenance or software maintenance services?
Answer: No.
- 4) If a BMIC service does not become active until after July 1 (the start of the funding year), but you purchased the service before July 1, are you able to invoice for this service before July 1?
Answer: No.
- 5) Is installation and activation eligible for school bus Wi-Fi hotspots?
Answer: Yes, school [bus Wi-Fi](#) installation and activation charges are eligible for E-Rate funding. Separate maintenance and operations services related to mobile broadband connectivity for school buses are not eligible.
- 6) What types of software are included in the right to use or the client access licenses?
Answer: Software that is used to make an eligible internal connection functional, e.g., software for routers and switches
- 7) Are firewall services considered internal connections?
Answer: Basic firewall services that are priced separately are considered Category 2 internal connections. Basic firewall services that are a component of a vendor's Internet service are eligible as Category 1 services. See slides 32 and 33 of the [E-Rate Fall Training 2024: E-Rate Program Overview presentation](#) for more information.

Category Two Budgets

- 1) When does the funding year 2025 begin?

Answer: Funding Year (FY) 2025 begins July 1, 2025, and goes through June 30, 2026. For FY 2025, applicants can begin the competitive bidding process as early as July 1, 2024. This is the last funding year of the current Category 2 budget cycle, and a new budget cycle will begin in FY 2026.

- 2) Which category of service, Category 1 or Category 2, does service provider software that manages network components (routers, switches, etc.) fall under?

Answer: Service provider software that manages network components falls under the second category of equipment and services eligible for E-Rate support, Category 2.

- 3) Do I have to update my student count if I already reported it at the beginning of the funding cycle?

Answer: No. Applicants must validate their student counts or library square footage in the first year they apply for Category 2 funding in the relevant five-year funding cycle. If the total student count or square footage changes during the five-year funding cycle and additional budget would be helpful, applicants may request a Category 2 budget recalculation but are not required to do so. This is referred to as a “replacement C2 budget” request. If an applicant does not request a recalculation, the Category 2 budget student count for the school district or the Category 2 budget library square footage for the library system remains fixed throughout the five-year cycle. For instructions on how to request a Category 2 budget adjustment, please see Module 6: How to File a C2 Budget Replacement Request in the How to Update Your EOC Profile During the Administrative Window eLM linked [here](#).

- 4) How do I return Category Two funds in preparation for the new funding cycle?

Answer: Making unused funds available for FY 2025 FRNs is a three-step process:

- I. View available Category 2 Funding, using the [Category Two \(C2\) Budget Tool](#)
- II. Identify unused funds using the [E-Rate FRN Invoice Deadline Tool](#), and
- III. Submit an FCC Form 500 to reduce the commitment of unused funds by Q1 of 2025.

- 5) If I have eligible Category Two services, but I did not submit an FCC Form 471 during the funding year that I received them, can I submit a Form 471 for those previous years as long as it's still within the five-year funding cycle?

Answer: No, applicants cannot retroactively request funds that they may have been eligible for previously.

- 6) Can expired funds be used for equipment other than what was originally approved?

Answer: If funds were previously committed for services that are no longer needed, the applicant may use the FCC Form 500 to return the expired amount to their Category 2 budget if needed. In the next funding year of that Category 2 budget cycle, the applicant can submit an FCC Form 471 for the equipment and services they need, after seeking competitive bids for the requested services/equipment.

Administrative Window

- 1) How will we be notified of the actual administrative window dates?

Answer: Dates are announced on the Announcements page of the E-Rate website, linked [here](#). The dates are also published in the E-Rate News Brief, which you can subscribe to [here](#).

- 2) If you've added or removed a child entity, will EPC automatically update your C2 budget, or do you have to request the Replacement Budget for it to update?

Answer: If the total student count or square footage changes during the five-year funding cycle, applicants may request a C2 budget recalculation but are not required to do so. This is referred to as a “[replacement C2 budget](#)” request. However, if an applicant does not request a recalculation, the Category 2 budget student count for the school district or the C2 budget library square footage for the library system remains fixed throughout the five-year cycle. Replacement C2 budgets can be requested during the EPC administrative window and during the FCC Form 471 filing window (up until the budgeted entity’s first C2 FCC Form 471 for that funding year is certified). For instructions on how to request a Category 2 budget recalculation, please see Module 6: How to File a C2 Budget Replacement Request in the How to Update Your EPC Profile During the Administrative Window eLM linked [here](#).

- 3) If we want to update our district’s student count to be used for the new Category 2 budget 5-year cycle that starts with USAC funding year 2026, do applicants do that during the open admin window? Am I understanding correctly that if we make any updates in counts during the current open admin window, it will not adjust the current C2 budget?

Answer: You may request a Category 2 budget recalculation in FY 2025 if your total enrollment numbers increased. An adjusted Category 2 budget applies to the year it was requested within the five-year cycle but does not apply retroactively. For instructions on how to request a Category 2 budget recalculation, please see Module 6: How to File a C2 Budget Replacement Request in the How to Update Your EPC Profile During the Administrative Window eLM linked [here](#). In FY 2026, all entities will need to validate their student counts or square footage if they request Category 2 services/equipment. You will have to wait for the FY 2026 Administrative Window to update your student count/square footage for the new five-year Category 2 budget cycle.

- 4) If you update student counts now, will it affect this current 5-year cycle category two budget amount?

Answer: If the total student count or square footage changes during the five-year funding cycle, applicants may [request a C2 budget recalculation](#), but are not required to do so. For instructions on how to request a Category 2 budget recalculation, please see Module 6:

How to File a C2 Budget Replacement Request in the How to Update Your EPC Profile During the Administrative Window eLM linked [here](#).

- 5) Are square footage updates only for libraries? What if a school added a new building to an existing school?

Answer: Schools only count full-time students as [budget multipliers](#) for their Category 2 budget calculations.

- 6) When should users update their entity profile information in EPC?

Answer: Entity updates should be made during the [EPC Administration Window](#).

- 7) Are entity profile updates overwritten by EPC window updates?

Answer: No, EPC does not overwrite entity profile updates.

Post Commitment Actions

- 1) Do applicants or service providers submit service substitutions?

Answer: Applicants or service providers may request and be approved for [service substitutions](#).

- 2) Where do I view the total of available unused Category Two budget funds?

Answer: There are two ways to view available unused funds: The E-Rate [FRN Invoice Deadline Tool](#) and the [Category Two Budget Tool](#). Please visit the “[Tools](#)” page on the E-Rate website access each tool.

- 3) Do applicants need to post a public notice and hold at least one public meeting addressing the Children's Internet Protection Act each funding year?

Answer: No, additional meetings are not necessary – even if the policy is amended – unless those meetings are required by state or local rules or the policy itself. For a school or library to be able to meet [CIPA](#) requirements, it must be able to demonstrate that a public notice and public hearing/meeting were held regarding its policy. If a school or library cannot locate records of a public notice and hearing that was held after August 2024, the school or library could provide public notice and hold a hearing or meeting to be able to demonstrate compliance with the CIPA statute. *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Report and order, 26 FCC Rcd 11819, 11828, para. 20, n. 69 (2011) (*2011 CIPA Order*). This documentation must be retained and may be requested during an audit or other review.

- 4) How do we file service substitutions and make corrections?

Answer: Applicants must submit service substitution requests in the [E-Rate Productivity Center \(EPC\)](#). For step-by-step instructions, refer to the [EPC User Guide: Service Substitutions](#).

- 5) What is the length of time for an FCC Form 500 review?

Answer: FCC Form 500 review time varies depending on the nature of the request.

Invoicing

- 1) Can invoicing happen before July 1st?

Answer: No. Requests for reimbursement (FCC Form 472 and FCC Form 474) for a particular funding year cannot be submitted before July 1 of that funding year. For information on when installation can occur before July 1, see [Advance installation](#).

- 2) For closing entities, what should be the official date when there are still invoices to be processed?

Answer: Ensure all invoicing is complete before submitting the request to close the entity. Please provide the Customer Service Center the official date that the entity will close.

- 3) How do you change a service provider user to be a full rights user?

Answer: You must work with your [EPC](#) Account Administrator for the service provider. If you do not know your Account Administrator, please call the Customer Service Center at (888) 203-8100. You must have an Account Administrator who manages your account, grants rights to other users, and provides or updates information on the schools in your school district or libraries in your library system. The Account Administrator must be an employee of the service provider organization. If you do not have an account in EPC or need assistance, call our Customer Service Center (CSC) at (888) 203-8100.

- 4) How does an Account Administrator correct or change an account?

Answer: The Account Administrator should call the Customer Service Center at (888) 203-8100 for assistance.

- 5) When an invoice audit is denied for a view-only rights user turning in the certification, do applicants need to file an appeal, or can we refile the invoice?

Answer: If the last date to file invoices for the FRN has not passed, you may refile. If another outreach is sent, ensure that a full rights user signs and certifies the request for reimbursement. Each BEN and SPIN must have at least one full rights user for the FCC Forms 472 or 474. It is recommended to have at least 2 or 3 full rights users per BEN and SPIN for each form.

- 6) If it's audited again, should an applicant have the correct right user send in the documentation?

Answer: The full rights users should be the only ones to sign and certify.

- 7) Is there a way for the service provider to see the applicant's authorized signers?

Answer: Service providers will need to work with the applicants to check to see if the right users have the correct permissions.

- 8) Can a school assign anyone to have full rights to certify?

Answer: The Account Administrator can assign user rights to anyone supporting the school entity. However, the person who is certifying the form is a representative/agent of the school entity, and the school entity is liable for the actions taken by its representative/agent.

- 9) If a customer had 500 Mbps Coax internet access for FY2023 and were upgrading to 1 Gbps Fiber Internet for FY2024, and the fiber installation had delays due to permit permissions, can the school file a service substitution for the couple of months for the old speed?

Answer: Yes, a service substitution should be filed, and applicants need to specify the dates of service for the current and new service.

- 10) Are applicants still able to file BEAR invoices after the invoice filing deadline?

Answer: No. An applicant cannot file a BEAR after the invoice filing deadline. Each funding request number (FRN) is entitled to a one-time automatic 120-day invoice deadline extension. You should request an extension if there is a possibility that you will not file the BEAR Form by the invoice filing deadline. An invoice deadline extension request must be filed on or before the invoice filing deadline date. Visit the E-Rate website for more information on [how to request an invoice deadline extension](#). NOTE: If you do not see a particular FRN listed, the invoice filing deadline has likely passed, and you would need to seek a waiver from the FCC to be able to submit an invoice for that FRN.

- 11) Can a service substitution be filed for the old speed at the lower cost for July and August?

Answer: Yes. [Service substitutions](#) encompass changes in the technical components (products, services, or both) specified in the FCC Form 471. Applicants who file service substitution requests must comply with the deadlines for certifying the FCC Form 486.

- 12) Are changes made to the service provider FCC Form 498 in E-File automatically updated in EPC?

Answer: Yes, the service provider FCC Form 498 should be updated automatically once the changes have been approved.

13) Should it be a requirement that service providers offer both invoicing methods?

Answer: It is the applicant's choice of what method will be used for invoicing for each FRN. Both BEAR and SPI options must be available to the applicant. The invoicing method must be chosen before invoicing begins for each funding request.

14) What date should be entered into the cell on the form for a BEAR form for a one-time invoice for internal connection equipment?

Answer: For one-time charges, the applicant should enter the customer billed date OR the installation date. They must enter one or the other, but not both dates.

15) For a monthly MIBS contract, is it better to invoice monthly or can you wait until the end of the contract and invoice for the full discount amount?

Answer: You can choose to bill month to month, bi-monthly, quarterly, or yearly.

16) Is the FCC Form 498 required to be submitted each year, even if there are no changes?

Answer: The FCC Form 498 does not need to be resubmitted if no changes are needed.

17) When applying for a 5-year MIBS contract, can applicants get a funding commitment for all 5-years in the first year?

Answer: Applicants need to request funding for each individual year of the multi-year MIBS contract.

18) During invoicing, what to do if applicants need to add an additional entity?

Answer: If during invoicing an entity needs to be added, you can resubmit it provided the invoice deadline has not expired.