

FY2021-2025 Category Two (C2) Budget Management Guide

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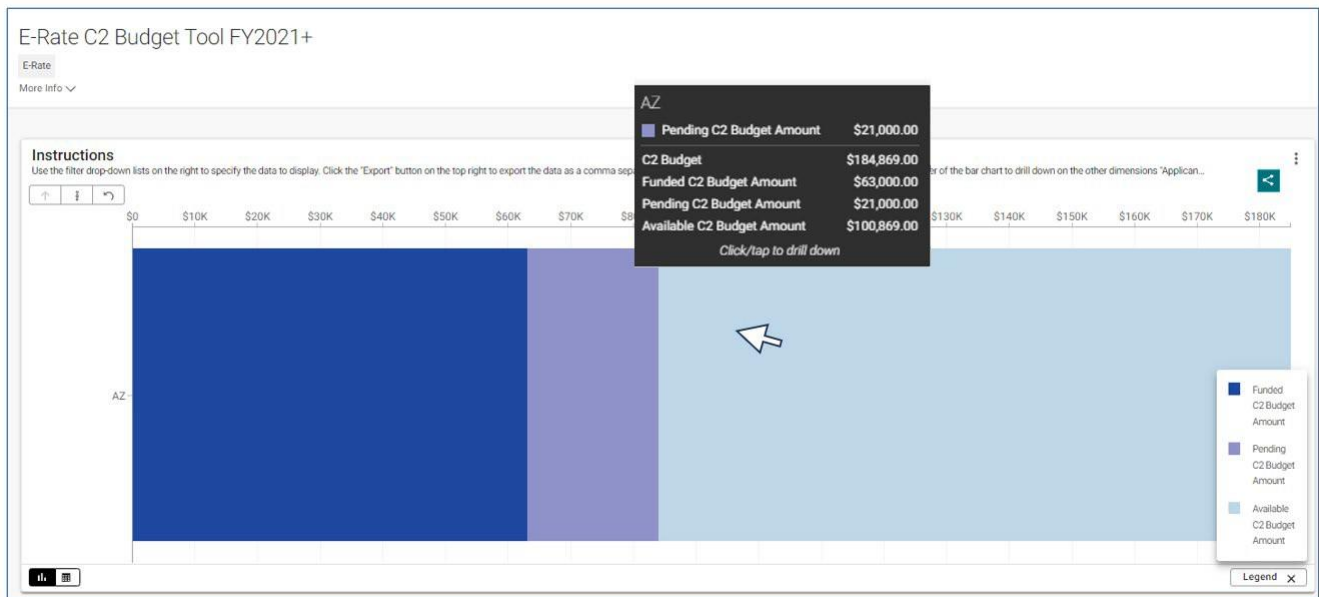
FY2021-2025 Category Two (C2) Budget Management Guide

The C2 budget mechanism provides a maximum amount of funding for Category Two equipment and services (e.g., internal connections) over a five-year budget cycle for schools and libraries. Most schools and libraries have used some or all their available funding but if you aren't sure, you can use the tools below to see your available budget (i.e., funds available but you haven't requested), or what you can do for already committed C2 funding requests whose invoice filing deadline has passed.

The current C2 budget cycle is from funding years (FY) 2021 to FY2025, after which the C2 budgets will reset for FY2026 to FY2030. Current C2 available budget amounts that go unused will not roll over into the next budget cycle.

View Available C2 Funding

Applicants can view available funding for the current C2 budget cycle (FY2021 to FY2025) using the [Category Two \(C2\) budget tool](#) (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**. If you hover over the resulting bar graph, you can see the total, funded, pending, and available C2 budget amounts. Below, this entity has a total C2 budget of \$184,869 of which \$100,869 is still available for FY2025.



Expired Funding Commitments in Current C2 Budget Cycle

You can use the [E-Rate FRN Invoice Deadline Tool](#) to identify committed funds for the current C2 budget cycle that weren't disbursed and are beyond their Invoicing Deadline Date (IDD).

If you have "expired" commitments (i.e., funding requests not invoiced before the IDD) for a Funding Request Number (FRN), you can file an FCC Form 500 to reduce those commitments and have them available

for commitment in the final funding year of the current C2 budget cycle (i.e., FY2025). The invoice deadline tool is updated with FY2024 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:

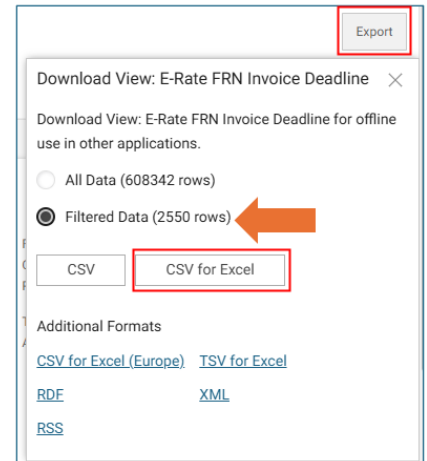
- **Billed Entity Number:** Enter the **BEN** for the C2 budgeted entity.
- **C2 Expired Pre-Discount \$ FY2021+:** Is greater than 0 and remove the checkmark from “Include missing or null values”.

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, 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.




Expired funding can be made available for FY2025 by submitting an FCC Form 500 to reduce those FRNs' commitment amounts.

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 to request in FY2025, 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? *

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

Enter part/all of FCC Form 471 Application #

Application Nickname

Enter part/all of FCC Form 471 Application Nickname

Category of Service

Category 2

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

<input checked="" type="checkbox"/>	Application Number	Application Nickname	Category of Service
<input checked="" type="checkbox"/>	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.

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.

I want to request more time to get the services delivered and/or installed. * [\(More Info\)](#)

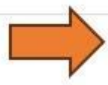
Complete if you are requesting an extension of the deadline for delivery and installation of non-recurring services or to complete Category One special construction and light the new fiber. For most non-recurring services, you must submit this request to USAC on or before the September 30 following the 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.

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

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

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).



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

<input type="checkbox"/>	FRN	Application Number	Application Nickname	FRN Nickname	Category of Service	SPIN	SPIN Name
<input checked="" type="checkbox"/>	2011111111	2011111111	FY2020 C2 for ABC School District	Elementary 1	Category 2	143000000	XYZ Wireless
<input type="checkbox"/>	2022222222	2011111111	FY2020 C2 for ABC School District	Middle School	Category 2	143000000	XYZ Wireless
<input type="checkbox"/>	2033333333	2011111111	FY2020 C2 for ABC School District	Elementary 2	Category 2	143000000	XYZ Wireless
<input type="checkbox"/>	2044444444	2011111111	FY2020 C2 for ABC School District	High School	Category 2	143000000	XYZ Wireless
<input type="checkbox"/>	2055555555	2011111111	FY2020 C2 for ABC School District	Elementary 3	Category 2	143000000	XYZ Wireless

5 Items

ADD (1) FRNS

Selected FRNs

To complete the Reduce FRN details for the listed FRN(s), please click on the FRN number hyperlink.

<input type="checkbox"/>	FRN	Status
No FRNs are selected.		

REMOVE (0) FRNS

- 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.

Selected FRNs

To complete the Reduce FRN details for the listed FRN(s), please click on the FRN number hyperlink.

<input type="checkbox"/>	FRN	Status
<input type="checkbox"/>	2011111111	!

REMOVE (0) FRNS



- 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 #201111111 – Elementary 1

Monthly Charges		Total Requested Amount	
Total Monthly Recurring Charges	\$0.00	Total Eligible Pre-Discount Recurring Charges	\$0.00
Total Monthly Ineligible Charges	-\$0.00	Total Eligible Pre-Discount One-Time Charges	+\$12,984.88
Total Monthly Eligible Charges	=\$0.00	Total Pre-Discount Charges	=\$12,984.88
Total Number of Months of Service	x 12	Discount Rate	70%
Total Eligible Pre-Discount Recurring Charges	=\$0.00	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
201111111.001	0	Each	46	\$0.00	\$69.44	\$3,194.24
201111111.002	0	Each	46	\$0.00	\$212.84	\$9,790.64

To (FCC Form 500 Request)

Revised FRN Calculation for FRN #201111111 – Elementary 1

Monthly Charges		Total Requested Amount	
Total Monthly Recurring Charges	\$0.00	Total Eligible Pre-Discount Recurring Charges	\$0.00
Total Monthly Ineligible Charges	-\$0.00	Total Eligible Pre-Discount One-Time Charges	+\$12,984.88
Total Monthly Eligible Charges	=\$0.00	Total Pre-Discount Charges	=\$12,984.88
Total Number of Months of Service	x 12	Discount Rate	70%
Total Eligible Pre-Discount Recurring Charges	=\$0.00	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

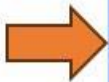
Revised Line Items

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
201111111.001	0	Each	46	\$0.00	\$69.44	\$3,194.24
201111111.002	0	Each	46	\$0.00	\$212.84	\$9,790.64

BACK

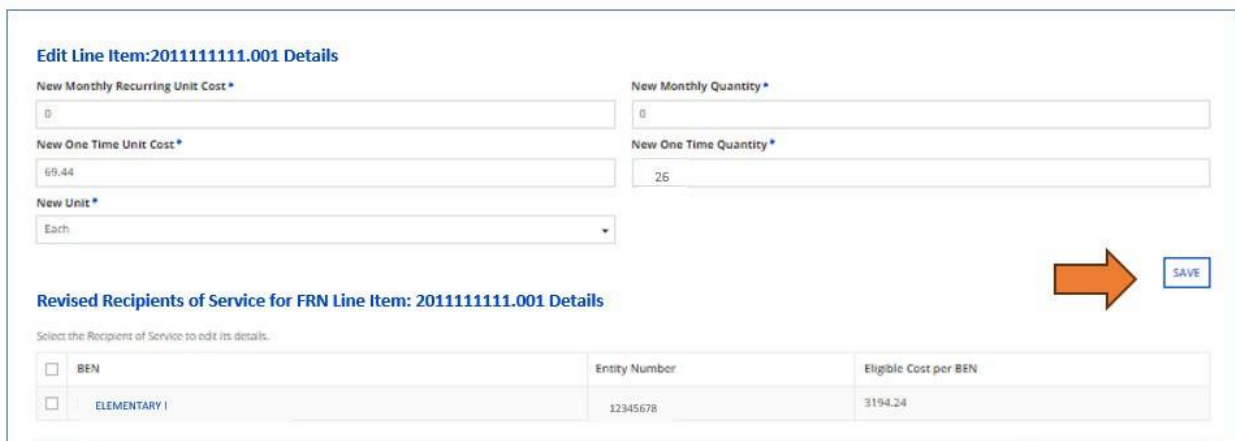
SAVE FRN LINE ITEM DETAILS



- 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 amount** in the column titled “Eligible Cost per BEN”.



Edit Line Item: 2011111111.001 Details

New Monthly Recurring Unit Cost *
0

New One Time Unit Cost *
\$69.44

New Unit *
Each

New Monthly Quantity *
0

New One Time Quantity *
26

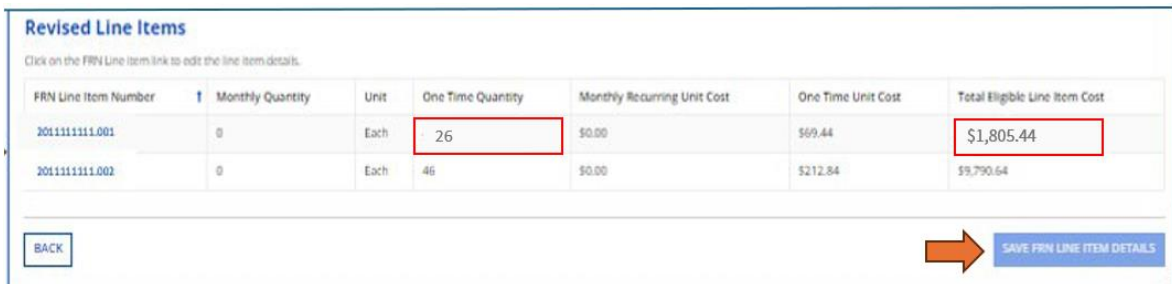
SAVE

Revised Recipients of Service for FRN Line Item: 2011111111.001 Details

Select the Recipient of Service to edit its details.

	BEN	Entity Number	Eligible Cost per BEN
<input type="checkbox"/>	BEN		
<input type="checkbox"/>	ELEMENTARY I	12345678	3194.24

- 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.



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	26	\$0.00	\$69.44	\$1,805.44
2011111111.002	0	Each	46	\$0.00	\$212.84	\$9,790.64

BACK **SAVE FRN LINE ITEM DETAILS**


- 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.

Selected FRNs


To complete the Reduce FRN details for the listed FRN(s), please click on the FRN number hyperlink.

FRN	Status
<input type="checkbox"/> 2011111111	

[REMOVE \(0\) FRNS](#)


Please provide an explanation of why you are requesting the partial reduction of one or more of your FRNs. 

0 out of 2000 characters

Upload supporting documentation 

Document	Description	Uploaded On	Remove
No Supporting Documents have been uploaded			

[Upload Document](#)

[CANCEL](#) [BACK](#)  [CONTINUE](#)

- 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.


Certifications

☒ I certify that I am authorized to submit this form on behalf of the above-named billed entity, that I have examined this request, and that, to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

☒ I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the services receive an appropriate share of benefits from those services.

☒ I will retain for at least ten years (or whatever retention period is required by the rules in effect at the time of this certification) after the later of the last day of the applicable funding year or the service delivery deadline for the funding request (1) any and all records that I rely upon to complete this form and (2) all documents necessary to demonstrate compliance with the statutory or regulatory requirements for the schools and libraries universal service support program. I recognize that I may be audited pursuant to this application and the applicant must produce such records as required by 47 C.F.R. § 54.516.

Name John Smith **Phone** 123-456-7890
Title VP Finance **Email** John.Smith@abcschools.edu
Employer ABC School District **Address** 123 Main Street
Date May 14, 2024 **SPRINGFIELD, MA 12345**

[CANCEL](#) [BACK](#) [SEND FOR CERTIFICATION](#) [CERTIFY](#) 

- 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 - 2011111111 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 funding will be made available in your C2 budget for the current budget cycle. However, as noted above, unused C2 budget funds will not be rolled into the next C2 five-year funding cycle (i.e., FY2026 through FY2031).