



Beginners Session

Helping You Succeed

Schools and Libraries Division

Washington, DC • Newark • Atlanta • Chicago • Orlando • Los Angeles • Portland • Houston
September/October 2009

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Notes



Overview

- General information about E-rate
- Technology planning
- Request services (Form 470)
- Competitive bidding
- Choose/contract for services (Form 471)
- Application review & funding commitments
- Start services (Form 486)
- Invoice USAC (Form 472 or Form 474)

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General information

- Federal Communications Commission (**FCC**), an independent U.S. government agency, oversees the E-rate program
- Universal Service Administrative Company (**USAC**), a not-for-profit, administers E-rate along with three other programs
- Schools and Libraries Division (**SLD**) is the part of **USAC** with responsibility for E-rate

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General information

- **FCC** sets rules and policies through orders
 - Rules are compiled in the Code of Federal Regulations (**CFR**)
 - Policies are defined in the text of orders
- **USAC/SLD** sets procedures for specific actions, such as how to process applications
 - **USAC** sends its procedures to the **FCC** for approval each year

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General information

- Commitments for E-rate are made by funding year, which runs from July 1 through the following June 30
 - E.g., FY2010 is July 1, 2010 – June 30, 2011
- Commitments are capped at \$2.25 billion for each funding year
 - Once each year, **FCC** can roll over unused funds from previous funding years into the current funding year

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Timetable

- **Form 470**: File from April before the **Window** to 28 days before the **Window** closes
- **Form 471**: Must be filed during the **Window**, generally mid-November to early February before the start of the funding year
- **Funding waves**: Groups of funding decisions issued after USAC review – waves generally start in April before the start of the funding year
- **Invoices**: Can file after services are received for the funding year

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General information

- Who can apply?
 - Schools and school districts
 - Libraries and library systems
 - Consortia – groups of eligible entities that band together to aggregate demand and negotiate lower prices

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General information

- How large are the discounts on eligible products and services?
 - Discounts: 20% to 90% of eligible costs
 - Discount for a school or library depends on:
 - Percentage of eligibility of students for National School Lunch Program (NSLP) in:
 - (for a school) the school
 - (for a library) the school district in which the library is located
 - Urban or rural location of the school or library

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General information

- What services are eligible?
- Priority 1 (funded first)
 - Telecommunications Services
 - Internet Access
 - Priority 2 (funded beginning with neediest applicants first)
 - Internal Connections
 - Basic Maintenance of Internal Connections

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General information

- How do I file a program form?
 - In general, you have three options:
 - File online, certify online
 - File online, certify on paper
 - File and certify on paper
 - USAC encourages you to file online
 - Online filing speeds processing and reduces errors

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General information

- Each time you file a program form, **USAC** sends you a letter
 - Letters are color-coded by funding year
 - 1998 and 1999 White
 - 2000 Canary (Yellow)
 - 2001 Pink
 - 2002 Blue
 - 2003 Canary
 - 2004 Pink
 - 2005 Blue etc.

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1. Technology planning

- You must write a technology plan that contains the following elements:
 - Goals and strategies for using technology to improve education or library services
 - Staff training
 - Needs assessment
 - Budget
 - Evaluation plan
- Note: if you are only requesting **basic telephone service**, a technology plan is not required

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1. Technology planning

■ Acronyms and terms

- **Five elements** – the five required topics you must address in your technology plan
- Technology Plan Approver (**TPA**) – the agency certified by **USAC** that approves your technology plan
- **Basic telephone service** – no-frills dial-tone service (wired or wireless)

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2. Request services (470)

■ You post a Form 470 to:

- Open a competitive bidding process
- Notify potential bidders (service providers) of the types and quantities of services that you need
- Define the scope of your needs (e.g., a school building, a library system, a state network)

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2. Request services (470)

■ Acronyms and terms

- Billed Entity Number (**BEN**) – an identification number assigned by **USAC** to each school or library building
- Personal Identification Number (**PIN**) – a code assigned by **USAC** to applicants for use in certifying program forms online
 - USAC issues a PIN to every new authorized person filing a paper Form 470, 471, or 486

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2. Request services (470)

■ Acronyms and terms (cont.)

- Request for Proposals (**RFP**) – a bidding document (not required by E-rate) that provides detailed information about your services, locations, bid submission requirements, etc.
 - Some states or procurement agencies refer to these documents by other names, e.g., Invitation for Bids (IFB)

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2. Request services (470)

■ Acronyms and terms (cont.)

- Form 470 Receipt Notification Letter (**RNL**) – a letter issued by **USAC** to the applicant that summarizes the information provided in the Form 470
- Allowable vendor selection/contract date (**ACD**) – the date 28 days after the Form 470 is posted to the **USAC** website

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3. Competitive bidding

- When you open a competitive bidding process for your services:
 - Potential bidders have the information from your Form 470 and **RFP** and can respond to your requests
 - You must ensure that the competitive bidding process is open and fair
 - You must be prepared to evaluate bids

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3. Competitive bidding

■ Acronyms and terms

- **Bid** – A service provider response to your Form 470 and/or RFP that contains services and prices and any other information you have requested
- **Price as the primary factor** – In evaluating bids, the price of the eligible products and services must be the most heavily-weighted factor in your evaluation of bids

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3. Competitive bidding

- After you close the competitive bidding process for your services (on or after the **ACD**):
 - You can evaluate the bids received
 - You can choose your service provider(s)
 - You can sign a contract
 - You can post a Form 471

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4. Choose services (471)

- You post a Form 471 to:
 - Report information on the service providers and services you have chosen
 - Provide a list of the schools and libraries that will receive services
 - Include discount calculation information including student **NSLP** counts
 - Certify your compliance with program rules

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4. Choose services (471)

■ Acronyms and terms

- Funding Request Number (**FRN**) – the identification number assigned to a Form 471 Block 5 funding request
- Service Provider Identification Number (**SPIN**) – the identification number assigned by **USAC** to a service provider
 - Service providers may have more than one **SPIN** in order to identify separate business units, different states in which they operate, etc.

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4. Choose services (471)

■ Acronyms and terms (cont.)

- Non-instructional facility (**NIF**) – a school building with no classrooms or a library building with no public areas
 - **NIFs** are eligible for Priority 1 services
 - **NIFs** are eligible for Priority 2 services only if necessary to provide effective transport of information to classrooms or public areas of libraries

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4. Choose services (471)

■ Acronyms and terms (cont.)

- Item 21 Attachment (**Item 21**) – the description of services associated with a funding request (Item 21 on Form 471)
 - Item 21 attachments can be submitted online or on paper
 - USAC encourages online filing, especially for simpler applications

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4. Choose services (471)

■ Acronyms and terms (cont.)

- Form 471 Receipt Acknowledgment Letter (**RAL**) – a letter issued by **USAC** to the applicant and the service provider that summarizes the information provided in the Form 471
 - Many of the entries on the form can be corrected after submission by using the **RAL**

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5. Application review

- **USAC** reviews your Form(s) 471 to:
 - Check the eligibility of the schools and libraries and their discount levels
 - Verify that the services you requested are eligible for discounts
 - Give you an opportunity to make allowable corrections to your form
 - In some cases, ask for additional verification of your compliance with program rules

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5. Application review

■ Acronyms and terms

- Program Integrity Assurance (**PIA**) – the **USAC** group that reviews and makes funding decisions on program applications
- Funding Commitment Decision Letter (**FCDL**) – a letter issued by **USAC** to the applicant and the service provider that contains commitment decisions on funding requests

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6. Start services (486)

- You post a Form 486 to:
 - Notify **USAC** that services have started and invoices for those services can be processed and paid
 - Provide the name of the **TPA** that approved your technology plan
 - Report your status of compliance with **CIPA**

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6. Start services (486)

- **Acronyms and terms**
 - **Form 486 Notification Letter** – a letter issued by **USAC** to the applicant and service provider after a Form 486 has been processed
 - **Children's Internet Protection Act (CIPA)**
 - a law with specific requirements on Internet safety policies and filtering

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7. Invoicing USAC (472/474)

- Applicants have a choice of two invoicing methods to receive discounts on eligible services:
 - Billed Entity Applicant Reimbursement (**BEAR**) Form 472
 - Service Provider Invoice (**SPI**) Form 474

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7. Invoicing USAC (472/474)

- **BEAR** Form is filed by the applicant and approved by the service provider after the applicant has paid for the services in full
- **SPI** Form is filed by the service provider after the applicant has been billed for the non-discount portion of the cost of eligible services

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7. Invoicing USAC (472/474)

- **Acronyms and terms**
 - **BEAR Notification Letter** – a letter issued by **USAC** to the applicant and service provider after a **BEAR** has been processed
 - **Quarterly Disbursement Report** – a report issued to the applicant detailing all invoicing activity (**BEARs** and **SPIs**) during the previous quarter

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Getting help

- Client Service Bureau (**CSB**)
 - 1-888-203-8100
 - [Submit a Question](#)
- [SL News Briefs](#)
- [Tip Sheets](#)
- USAC website – www.usac.org/sl
 - [E-rate Binder](#)

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Questions?

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