

# School and Library Eligibility

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Schools and libraries must meet statutory definitions to be eligible for E-rate funding.

## Schools

For purposes of universal service fund (USF) support, schools must meet the statutory definition of elementary and secondary schools found in the No Child Left Behind Act of 2001 (20 U.S.C. § 7801(18) and (38)):

An elementary school is a non-profit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under state law.

A secondary school is a non-profit institutional day or residential school, including a public secondary charter school, that provides secondary education, as determined under state law, except that such term does not include any education beyond grade 12.

Schools operating as for-profit businesses or that have endowments exceeding \$50 million are not eligible.

## Non-Traditional Education

The E-rate program classifies students enrolled in Head Start, Pre-K, juvenile justice and adult education programs as “non-traditional” education. E-rate eligibility of these students depends on state law definition. Every two years SLD sends a survey is sent to each state department of education to obtain information about which of these groups of students are included in the state’s definition of elementary or secondary education. State officials are required to provide legal support for the information they supply and to certify the accuracy of their determinations.

## E-rate Eligibility of Pennsylvania Non-Traditional Education Programs/Groups

**Head Start:** These schools/programs and students are eligible if the Head Start program is part of a public school entity.

**Pre-Kindergarten:** Both the students and buildings are eligible for E-rate discounts.

**Adult Education:** Students and buildings are eligible for E-rate only insofar as standard evening high school is provided (GED classes).

**Juvenile Justice:** Students and buildings are eligible for E-rate.

## School Residential Facilities

The following school residential facilities are eligible for discounts beginning in FY 2011:

- Schools on Tribal lands;
- Schools that serve children with physical, cognitive, and behavioral disabilities;
- Schools that serve children with medical needs;
- Juvenile justice schools, where eligible; and

- Schools with 35 percent or more students eligible for the National School Lunch Program (NSLP).

## **Libraries**

Libraries must meet the statutory definition of library or library consortium found in the 1996 Library Services and Technology Act (Pub. L. 104-208) (LSTA) and must be eligible for assistance from a state library administrative agency under that Act.

A library includes:

- A public library
- A public elementary school or secondary school library
- An academic library
- A research library, which for the purposes of this definition means a library that:
  - makes publicly available library services and material suitable for scholarly research and not otherwise available to the public; and
  - is not an integral part of an institution of higher education
- A private library, but only if the state in which such private library is located determines that the library should be considered a library for purposes of this definition

A library's eligibility for support also depends on its funding as an independent entity. Only libraries whose budgets are completely separate from any schools (including, but not limited to, elementary and secondary schools, colleges and universities) shall be eligible to receive discounted services. For example, an elementary school library is only eligible to receive discounted services if its budget is completely separate from the elementary school. If its budget is not completely separate from the elementary school, the elementary school library is not eligible for support independent from the school with which it is associated.

# Entity Numbers & Billed Entity Numbers

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## **Entity Numbers - BUILDINGS**

SLD assigns a unique identifying number to each eligible entity (building) that participates in the E-rate Program. An entity can be an individual school, a library, library outlet/branch, a bookmobile, an administrative office or other Non-Instructional Facility (NIF). This number assigned by USAC is called an Entity Number.

## **Billed Entity Numbers (BENS) - ORGANIZATIONS**

A Billed Entity does not refer to a building, but rather to an organization. The entity that pays the service provider for products and/or services delivered to eligible schools and libraries, is called a Billed Entity. USAC assigns this entity a Billed Entity Number (BEN). There is no visible difference between a number assigned as a BEN and a number assigned as an entity number.

A Billed Entity is not required to be - but may be - an eligible entity. An ineligible entity, such as city or local government, may be assigned a BEN if it pays the bills to service providers for eligible services on behalf of eligible entities.

Beginning in FY 2016, each Billed Entity is assigned a single and distinct entity classification and must file forms using this entity classification. The classifications are:

- School
- School District
- Individual Library
- Library System
- Consortium

If a billed entity wants to file forms as two different entity types, the organization must obtain a separate Billed Entity Number. This new requirement usually will affect consortia that previously relied on the Billed Entity Number of the lead consortium member to file forms. The consortium now requires its own unique BEN in order to file forms.

The Form 470 applicant is not required to be the Billed Entity that will appear on the Form 471, but it is in most situations.

**New in FY 2016:** All buildings and non-instructional facilities (NIFs) associated with a Billed Entity are required to be included in the billed entity's EPC portal. If an entity is missing, contact CSB by creating a customer service case inside your EPC portal. If an entity's name or other information needs to be revised, this can be done in the EPC Portal.

## **Obtaining New Entity Numbers**

To create an entity, the following information should be on hand when contacting CSB:

- Entity's legal name (this field is limited to 64 characters - be prepared to provide abbreviations if needed)
- Physical address (cannot be a PO Box and this field is limited to 49 characters)
- Mailing address or PO Box, if different than physical address
- Telephone number
- Fax number
- If the entity provides non-traditional elementary or secondary education, indicate the appropriate category (Head Start, pre-kindergarten (Pre-K), juvenile justice, adult education, non-instructional facility)
- Sector (public, private, religious)
- County name
- Email address (the address for the entity itself, not for any specific person)
- For schools, the district entity number to link the school to the district
- For library branches, the library system entity number where the new library should be added.  
Note: This would not include independent libraries.

In general, CSB can process requests for up to two new entity numbers, new or existing, over the phone at (888) 203-8100.

If you need more than two new entity numbers, you may submit a request using the EPC portal and create a customer service case. Alternately, you can send your request using Submit a Question (choose "Entity Number" from the Topics menu and then choose "I need an entity number for a new entity") or by fax to (888) 276-8736. Be sure to provide the information outlined above for each entity.

# Non-Instructional Facilities

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A non-instructional facility (NIF) is a school building without classrooms or a library building without public areas. A non-instructional facility must have an entity number and be included in your billed entity's EPC Portal so that it can be accurately reflected on your Form 471.

Examples of non-instructional facilities on school property include, but are not limited to, administrative buildings, school bus barns and garages, cafeteria offices, and facilities associated with athletic activities. Examples of non-instructional facilities on library property include, but are not limited to, administrative buildings, bookmobile garages, interlibrary loan facilities, and library technology centers.

## **Eligibility of Category 1 Services**

Telecommunications Services, including voice services, and Internet Access provided to non-instructional facilities located on school or library property are eligible for support under the definition of Educational Purposes.

## **Eligibility of Category 2 Services**

A Non-Instructional Facility (NIF) is not eligible for its own Category 2 budget or the purchase of equipment for that building. This includes NIFs with classrooms. The key determination of these kinds of buildings is whether the State recognizes the building as a school or administrative building.

When a NIF houses the WAN/WLAN central equipment (such as the network operations center) or other central equipment such as Wi-Fi controllers, that is used to provide services to school buildings, the equipment may be funded by E-rate. Because the NIF does not have its own budget, a portion of the budget of each school or library that will benefit from the equipment must be used to pay for the shared equipment.

Tab 5 of this Binder contains more information about Category 2 funding budgets.

## **Entity Numbers - Anomalies**

- A non-instructional facility that is not located on the same campus as a school or library must have an entity number. An example of this type of facility is a school stadium on school property but not on the campus of any school that hosts the sporting events for the entire school district.
- An administrative office or wing in a school or library is considered part of that school or library, not a separate non-instructional facility, and does not need a separate entity number.
- A non-instructional facility does not need a separate entity number if it serves only one eligible school or library and is located on the same campus as that school or library. An example of this type of facility is a separate cafeteria building on a high school campus that is only used by students from that high school. The applicant should use the entity number of the school or library on the funding request.

- A non-instructional facility that serves multiple schools or libraries must have an entity number. An example of this type of facility is a separate administrative building on a high school campus that serves as a central kitchen for the entire school district.

# Consortia Authorization Requirements

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Eligible applicants may form consortia when seeking competitive bids in order to aggregate demand and hopefully obtain lower pre-discounted costs. Consortia members may include both eligible and ineligible entities.

Each consortia lead must be prepared to demonstrate to SLD that the consortia lead is authorized to act on behalf of the members in submitting a FCC Form 470 and Form 471. This reflects a change from past practice. Prior to the issuance of the E-rate Modernization Order in July 2014, it was widely accepted pursuant to SLD guidance and FCC orders that a LOA or other documentation of authorization was not required to be collected as part of the posting of a consortium Form 470. This was because the Form 470 is simply a solicitation and does not bind a consortium member to any financial obligation.

The E-rate Modernization Order states that consortia leads are required to show that they are authorized to undertake Form 470 procurements on behalf of various members.

In the case where a consortia lead is authorized by statute or regulation to procure technology on behalf of a group of entities, the consortia lead can rely on that statutory or regulatory authorization and not obtain prior written authorization from consortium members if questioned by SLD. Where there is no explicit statutory or regulatory authorization, it is advisable for the consortia lead to have the consortia members sign a Letter of Agency prior to the submission of the Form 470 application. A sample LOA is included in this tab of the E-rate Resource Binder.

There may be some situations where a consortium member may wish to participate in a Form 470 consortia procurement but may not yet be prepared to decide to be part of a Form 471 application. In other situations, the consortia lead will conduct the Form 470 procurement and the members will enter into their own agreements for services and/or equipment and submit their own Form 471 applications.

In these other situations, the consortia lead should request each consortia member to confirm the member's agreement to be part of the Form 470 application. This may be done by email or letter provided that the member makes clear they are aware and consent to being included in the Form 470. Later, if the member decides to become part of a consortia Form 471 application, the member should be required to sign a LOA before the Form 471 application is submitted.

## **Lead Member Responsibilities**

The consortium leader is responsible for ensuring that necessary certifications are made and for responding to USAC inquiries on behalf of the eligible consortium members during both pre- and post-commitment processes.

## **Form 470 and Form 471 Certifications**

The consortium leader can be an entity or person that files the application and makes certifications on the Form 471. When the consortium leader makes the Form 471 certifications, the leader is certifying to all of the certifications on behalf of all consortium members.

During consortia application reviews and/or post funding commitment audits, USAC may ask the consortium leader to present the consortium members' Letter of Agency (LOA) or other documentation to demonstrate that each consortium member was aware – and had expressly authorized – that discounted services would be sought on its behalf.

The consortium leader is also responsible for ensuring that the services for which the consortium requests discounts are the services that the members have authorized in the LOAs. Failure to do so may result in the denial or modification of funding requests for consortium members.

**Post Commitment Process**

The consortium leader must collect a signed Form 479, Certification by Administrative Authority to Billed Entity of Compliance with the Children’s Internet Protection Act, from each consortium member prior to completing the Form 486, Receipt of Service Confirmation Form. See Tab 14 for more information.

**Record Retention**

Records must be retained for a period of ten years after the last day of service delivered and are subject to audit.