

# E-rate Webinar for Beginners

## Funding Year 2020



Presented by Julie Tritt Schell  
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Fall 2019

# What is E-rate?

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- Annual \$3.9 billion federal program
- 2 Categories:
  - **Category 1:** Services TO the building
  - **Category 2:** Equipment/services INSIDE the building
- Provides 20-90% discounts on eligible services
  - **C1:** 20-90% discounts
  - **C2:** 20-85% discounts
  - Applicants **MUST** pay their non-discounted share (cannot be waived)
- FCC sets all rules and policy
  - USAC (SLD) manages the program/application process
    - CSB = Client Service Bureau answers questions
      - **888-203-8100**
    - PIA = Program Integrity Assurance team reviews applications/invoices

# How to Be E-rate Successful

- Read (and distribute) listserve messages
- Document and retain everything
  - Stay organized!
- Use PA E-rate website: [www.e-ratepa.org](http://www.e-ratepa.org)
  - Helpful Documents
- Attend content-specific webinars
- Have patience



# USAC's New Website Design



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## Manage Your Account

Edit your profile and submit forms in the E-rate Productivity Center (EPC).

[Sign In](#)

Or file your invoices here:

- [Applicants](#)
- [Service providers](#)

## Resources

[Eligible Services List](#)

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# Application Process Overview

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E-rate Step	Suggested Timeline
1) Bid All New Services – Form 470	Now – early December
2) Bid Evaluation/Sign Contracts	January/February
3) Request E-rate Funding – Form 471	February – March 15? (deadline TBA)
4) Application Review – PIA	April - August
5) Funding Commitment – FCDL	April - August
6) Turn-On Funding/CIPA Compliance – Form 486	FCDL receipt – October 28
7) Receive Services	July 1, 2020 – June 30, 2021
8) Submit Invoice to USAC – Form 472 BEAR -- if not receiving discounted bills -- vendor submits Form 474 to USAC if they are providing discounted bills	October 28, 2021 (deadline)

# FY 2020 Application Cycle

- Funding years named for the year in which they begin
  - FY 2020 = July 1, 2020 – June 30, 2021
  - Application process begins 6-10 months ahead of start of next funding year

FUNDING YEAR 2020 APPLICATION CYCLE

									FY 2020 - Non-Recurring Services/Equipment Purchases - April 1, 2020 - Sept 30, 2021																								
									FY 2020 - Recurring Services - July 1, 2020 - June 30, 2021																								
Form	Description	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022			
470	Competitive Bidding Window (min. 29 days)	July 1, 2019 - February xx, 2020																															
AW	Administrative Window (EPC Profile Updates)		Oct 1 - Jan xx, 2020																														
	Newly Signed Vendor Contracts Uploaded to EPC																																
471	Funding Request Application Window						Jan xx - Mar xx, 2020																										
PIA/ FCDL	PIA Review/Funding Decision Letters (FCDL) Issued								Apr xx, 2020 - Sept 1, 2020																								
486	CIPA Certification/Turn on Funding																																
472	BEAR Deadline - Recurring Services																								Oct 28								
	BEAR Deadline - Non-Recurring Services																										Jan 28						

# What Entities are Eligible in PA?

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- Public libraries eligible for LSTA funding
  - Includes bookmobiles
- Public and non-public non-profit K-12 schools
  - Pre-k eligible (ages 3+)
  - Head Start (if operated by a public school entity)
- Consortia comprised of eligible schools/libraries
- Non-Instructional Facilities (NIFs)
  - Admin buildings, bus barns, data centers, etc.
  - Eligible for Category 1 funding; must house shared equipment for Category 2 funding to be used
- Every “organization” has an E-rate Billed Entity Number (BEN)
- Every “building” must have an Entity Number
  - Call USAC to obtain Entity Numbers for new buildings

# EPC = E-rate Productivity Center

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- Account and application management portal
  - Launched in FY 2016
- Almost all E-rate forms, letters and interactions are based in the EPC Portal system
  - Exception is Form 472 BEAR reimbursement form
- Every “Billed Entity” has an EPC Portal Account
- Every EPC Account has “Users”
  - Username is your e-mail address, all lower case
  - Passwords expire after 60 days
  - One of the Users is the Account Administrator (AA)
    - AAs create new users and set user permissions
  - Related Actions’ is where most account management tasks are found
- Call USAC at 888-203-8100 for EPC assistance



# Discount Calculations



# Calculating School Discounts

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## Discount level for schools based on 2 factors:

- Percentage of students – district wide - who are eligible for National School Lunch Program (**NSLP**)
  - Doesn't matter if school serves lunch or participates in NSLP
  - AVTS and nonpublic schools use their own students' data, not sending schools' data
  - CEP schools' 1.6 multiplier calculated automatically
    - PDE data will contain raw CEP data to use
  - Alternatives to using NSLP data available
- Whether a majority of schools buildings are considered **rural**
  - Designations already in EPC

# School District Example

School	Urban/Rural	Enrollment	NSLP	
DALLASTOWN EL SCH	R	185	83	
LOGANVILLE-SPRINGFIELD EL SCH	R	434	77	
YORK TWP EL SCH	R	463	176	
ORE VALLEY EL SCH	U	554	191	
DALLASTOWN AREA SHS	U	1715	366	
LEADERS HEIGHTS EL SCH	U	164	33	
DALLASTOWN AREA MS	U	1003	282	
Administration Office	n/a	1380	408	
<b>DALLASTOWN AREA SCHOOL DISTRICT</b>	<b>U</b>	<b>4518</b>	<b>1208</b>	<b>26.7%</b>

**% NSLP = 27%**

**Not a majority of schools are Rural**

# Discount Matrix

## Category 1

## Category 2

Income % of students in the school that qualify for the NSLP...	Category 1 Urban Discount	Category 1 Rural Discount
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Category 2 Urban Discount	Category 2 Rural Discount
20%	25%
40%	50%
50%	60%
60%	70%
80%	80%
85%	85%

# Calculating Library Discounts

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## Depends on library type:

- Independent Libraries (most PA libraries):
  - Percentage of students eligible for the NSLP in the school district in which that library is located, **and**
  - Whether the library is located in an urban or rural area
- Library Systems:
  - Percentage of students eligible for the NSLP in the school district in which the main library system outlet/branch is located, **and**
  - Whether a majority of libraries are considered rural
- Federated Library Systems
  - Made up of several independent libraries
  - Where System procures shared services, such as WAN/Internet
  - System would file as a **Consortium**

# Calculating Consortia Discounts

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- Based on the **simple average** of all consortia members' discounts

Consortia Members	District Discount
District A	50%
District B	60%
District C	80%
<b>Consortia Discount</b>	<b>63%</b>
	$(50+60+80)/3$

- Consortia are only entities that will have non-matrix discount
- Above example applies to both school consortia and library consortia
  - Federated library systems
  - Diocese systems
  - IU RWANs, etc.

# When to Enter Enrollment/NSLP Data?

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- All enrollment and NSLP data must be entered into each school's EPC profile during the "Admin Window"
  - System automatically calculates discounts
  - Data is then be ported into Form 471 from EPC
- For Funding Year 2020:
  - Can enter data now!
    - Oct 1 is the earliest this can be done each year
  - Oct 2019 draft data will be released by PDE mid-December
    - I will send to the listserve
    - Applicants will then have until January 7? to update their data in EPC
  - Data will then be "locked down"
  - If you don't update data, system will use data in EPC from FY 2019
    - Can use 2-year old data. No older
- Libraries do not enter this data
  - EPC linked to school district in which the library (or main library in a system) is located
  - Libraries just update square footage data during Admin Window

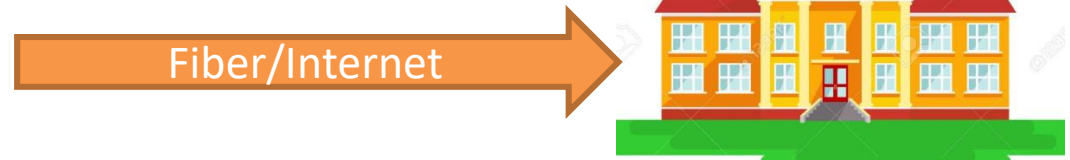


# Categories of Service

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- **Category 1** – Services that go TO the building

- Data Transmission Services
- Internet Access



- **Category 2** – Services/equipment that go INSIDE the building

- Internal Connections
- Basic Maintenance of Internal Connections
- Managed Internal Broadband Services (MIBS)





# What's Eligible for Category 1 Funding?



- Data Transmission Services
- Internet Access

# C1: Data Transmission Services

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## Most Common:

- Cable Modem/DSL
- Leased Lit Fiber
- Microwave Service
- Special Construction Charges
  - Costs to build-out network

## Voice services – Not Eligible

## Also Eligible:

- Broadband over Power Lines
- T-1, T-3, Fractional T-1
- DS-1, DS-2, DS-3
- OC-1, OC-3, OC-12, OC-n
- Frame Relay
- ISDN
- Satellite Services
- Wireless data plans
  - If no Wi-Fi access, must prove that data plans are most cost effective option
- Leased Dark Fiber \*
- Self-Provisioned Fiber (Build/Own Your Own Network) \*



\* Additional bidding requirements apply

# C1: Internet Access Services

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- Two main types:
  - Bundled Internet (most common)
    - Internet and transport are bundled together
  - Raw, commodity Internet
    - No transport included
- Installation charges are eligible if bid on 470 and requested on 471
- Be careful which Form 470 descriptions to use
- Filtering isn't eligible
- **“Commercially available”** Broadband/Internet packages that cost less than \$300 per month per building (prediscount) can be purchased without posting a Form 470
  - Cost must be based per building and cannot be averaged across multiple buildings
  - Minimum speed must be 100 mbps downstream and 10 mbps upstream
  - **Note: This is mostly geared toward small libraries and small non-public schools using cable modem services**

# C1 Drop Down Menu in Form 470

## FCC Form 470 - Funding Year 2019

### Lawrence School District - Lawrence SD FY 2019 470 for C1 and C2 - Form #190000072

Last Saved: 9/1/2018 3:44 PM EDT

Basic Information

Service Requests

Technical Contact Information

Procurement Information

FCC Form 470 Review

Certifications & Signature

Please select the option below that matches the services for which you are seeking bids.

### Add New Service Request

Function \*

Please select a value

Please select a value

Leased Lit Fiber (with or without Internet Access)

Internet Access and Transport Bundled (Non-Fiber)

Transport Only - No ISP Service Included (Non-Fiber)

Internet Access: ISP Service Only (No Transport Circuit Included)

Leased Dark Fiber and Leased Lit Fiber

Self-Provisioned Network (Applicant Owned and Operated Network) and Services Provided Over Third-Party Networks

Network Equipment

Maintenance & Operations

Cellular Data Plan/Air Card Service

Other

\* Select "Other" when the service you want is not otherwise listed. Be sure to provide additional details about this service by uploading an RFP document.

CANCEL

ADD

# Category 1 Form 470 Drop Down Cheat Sheet

		If you want...	Select this 470 Drop Down Option	RFP Required?
Broadband Transport		Leased Lit Fiber Connectivity	Leased Lit Fiber (with or without Internet Access) <i>Must explain service request in narrative text box</i>	No
		Leased Dark Fiber Connectivity	Leased Dark Fiber and Leased Lit Fiber <i>Must seek bids for both services, then evaluate all proposals. Also must state minimum and maximum capacity needs in the narrative text box plus # of leased lit fiber circuits being requested.</i>	YES
		Self Provisioned Fiber (applicant owned)	Self-Provisioned Network (Applicant Owned and Operated Network) and Services Provided Over Third-Party Networks <i>Must seek bids for all services, then evaluate all proposals.</i>	YES
		Non-Fiber Connectivity (coaxial cable, microwave, copper, etc.)	Transport Only – No ISP Service (Non-Fiber)	No
		Category 1 Network Equipment	Network Equipment	YES
		Maintenance and Operations	Maintenance and Operations	YES
Internet		Internet Access with FIBER Transport	Leased Lit Fiber (with or without Internet Access) <i>Must provide Internet bandwidth amounts in narrative text box.</i>	No
		Internet Access with NON-FIBER transport (for example, cable modem, DSL)	Internet Access and Transport Bundled <i>Cannot specify which transport type you're seeking.</i>	No
		Commodity Internet Access (no transport)	Internet Access: ISP Service Only	No

# What is Special Construction?

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- “Build” Charges - One time charges incurred for physical installation of fiber service
- Special PIA Review - Examples at: <http://e-ratepa.org/wp-content/uploads/2014/03/4-7-Fiber-Questions.pdf>
- E-rate Discounted Share
  - E-rate will pay for entire discounted amount in 1<sup>st</sup> year
- Applicant Non-Discounted Share
  - Applicants can ask vendors for up to a 4 year payment plan for the non-discounted share of these costs
- **For example:** If there is a \$100,000 SC Charge & applicant has 60% E-rate discount:
  - E-rate will pay discounted amount of \$60,000 in Year 1
  - Applicant may request to pay vendor the non-discount amount of \$40,000 over 4 years (\$10k/year)



# What's Eligible for Category 2 Funding?



## 3 Sub-Categories for C2

- Internal Connections (main)
- Basic Maintenance (BMIC)
- Managed Internal Broadband Services (MIBS)

# Internal Connections

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- Wireless Access Points/Controllers
- Structured Cabling
- Caching Servers
  - Only eligible servers
- Firewalls
  - No ancillary modules/functions are eligible, like anti-spam, anti-virus, etc.
- Network Routers & Switches
- Racks and UPSs
  - That support eligible equipment only
  - Network cards aren't eligible
- Equipment licenses
  - Multi-year licenses can be requested in first year
- Cloud-based functionality of this equipment
- Operating system software to support eligible equipment
- Installation and configuration
  - If wanted, be sure to specify this in your 470/RFP
- Taxes and fees
- Basic training on use of equipment
- Not eligible:
  - Storage Devices
  - Voice/Video Components
  - End User Devices



# Basic Maintenance (BMIC)

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- Limited eligibility
- Multi-year contracts must be amortized
  - Cannot apply for full cost of multi-year BMIC contract in Year 1
  - Must amortize and submit 471 each year
- Can only be for services/work performed from 7/1/2020 – 6/30/2021
  - Does not follow the 4/1/2020 – 9/30/2021 schedule
  - Does not follow the first 12 months of ownership schedule
- 100% eligible = basic tech support, configuration changes
  - Costs common when purchasing new equipment
- Conditionally eligible = repair of equipment, cable maintenance
  - E-rate will commit based on amount of contract
  - BUT.... Will only reimburse for time/parts used
  - C2 budget takes “hit” based on full commitment, not funds “used”



**For these reasons, I do not recommend applicants use their C2 budgets for BMIC.  
Rather, use C2 budgets for eligible equipment/installation.**

# Managed Internal Broadband Svcs

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- Managed Internal Broadband Services (MIBS)
- Has traditionally not been popular among applicants
- Covers the operation, management, or monitoring of a LAN
- 2 Options:
  - Paying an outside vendor to own/maintain the equipment
  - Paying an outside vendor to maintain school-owned equipment
- Subject to the C2 budget caps

# Category 2 E-rate Budgets – Old

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- From FY 2015 – FY 2019, each **school** was entitled to a pre-discount cap of \$150/pp (called the *multiplier*) over 5 years
  - Minimum building cap of \$9,800
  - Library 5-year multiplier was:
    - Urban Libraries (those with locale codes of 11, 12 or 21): \$5.21/sq. ft.
    - All other Libraries: \$2.39/sq. ft.
  - Non-Instructional Facilities (**NIFs**) don't receive C2 funding because there is no student population; however, if equipment is located in the NIF and serves several schools, those schools' budgets can be used to fund the equipment
- Money was allocated **per school/library** and could not be shared from one building to another

# Category 2 Funding Budget Example

School	Maximum Density Student Count – FY 2019	Budget Multiplier	5-Year Budget Cap*	E-rate Discount	E-rate Funding Cap	District's Share %	District's Share \$**
School A	625	\$156.23	\$97,643	60%	\$58,585	40%	\$39,057
School B	300	\$156.23	\$46,869	60%	\$28,121	40%	\$18,747

\* The Budget Cap is the **pre-discount price**. E-rate discounts will then apply **on top of** the budget cap

\*\* In this example, district would still owe their 40% non-discounted share

To determine what “**remains**” in a C2 budget for the other years in the C2 “cycle”, take the 5-Year Budget Cap and subtract the pre-discount amounts of what has been “committed” in the previous year(s) of the C2 cycle.

**What will the C2 Budgets look like for FY 2020 and beyond?**

# Category 2 E-rate Budgets - New

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- FCC expected to release Category 2 “Order” within the next 2 weeks. Key questions:
  - What will the multiplier be?
  - Will the minimum floor increase?
  - Will they move to district-wide budgets?
  - Will there be a “transition year” and the new C2 plan will begin in FY 2021?
  - When will they reset everyone’s C2 budgets?
- Watch listserve and then attend ‘C2 Changes’ webinar
- In the meantime, figure out what equipment you need/building
  - Additional C2 webinars will be held to explain bidding for both public schools and non-pubs/libraries
    - Plan to attend! Requirements are diverse and not as easy as C1 bidding

# Requesting More Funding Than Remains in C2 Budget

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**Don't Do It.**

**Ever.**

**Ever.**

- What happens if you do?
  - Your Form 471 will go into manual PIA review
  - Will be required to identify exactly what FRN line items should be reduced or eliminated to come into budget

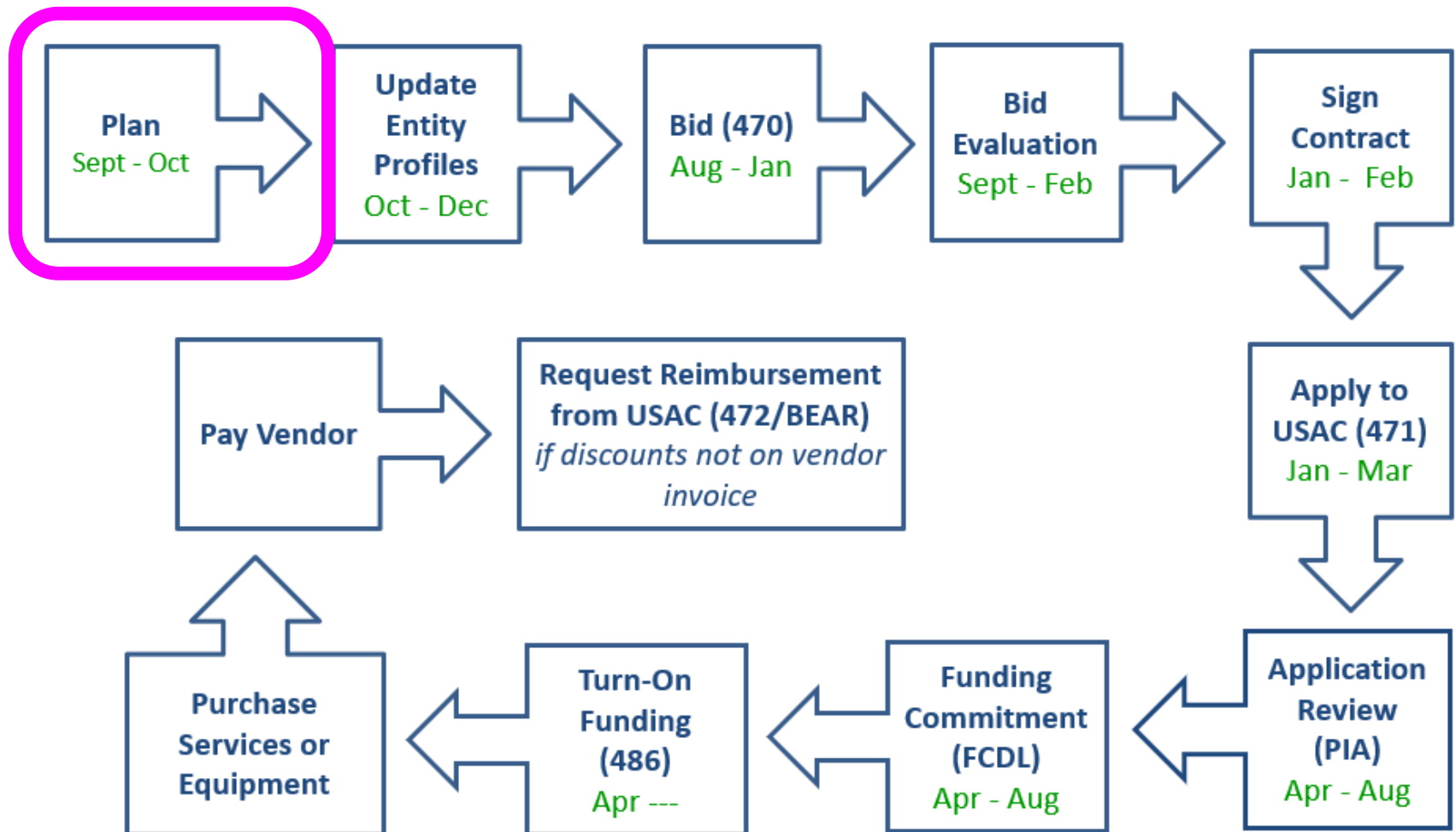


# The Application Process



# Step 1... Plan

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# Step 1: Research & Plan

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- **When?** September/October
- **Category 1:** Review existing contracts to determine when they expire
  - Extend, if options available
    - Must have documentation to vendor of request to extend
  - If contract expiring, decide if upgraded services are needed
- **Category 2:** Determine what equipment/wiring is needed for each school over next 12 months
  - Research options, prepare bid-list



**Review Julie's List of Contract Expiration Dates**

# Plan, Plan, Plan

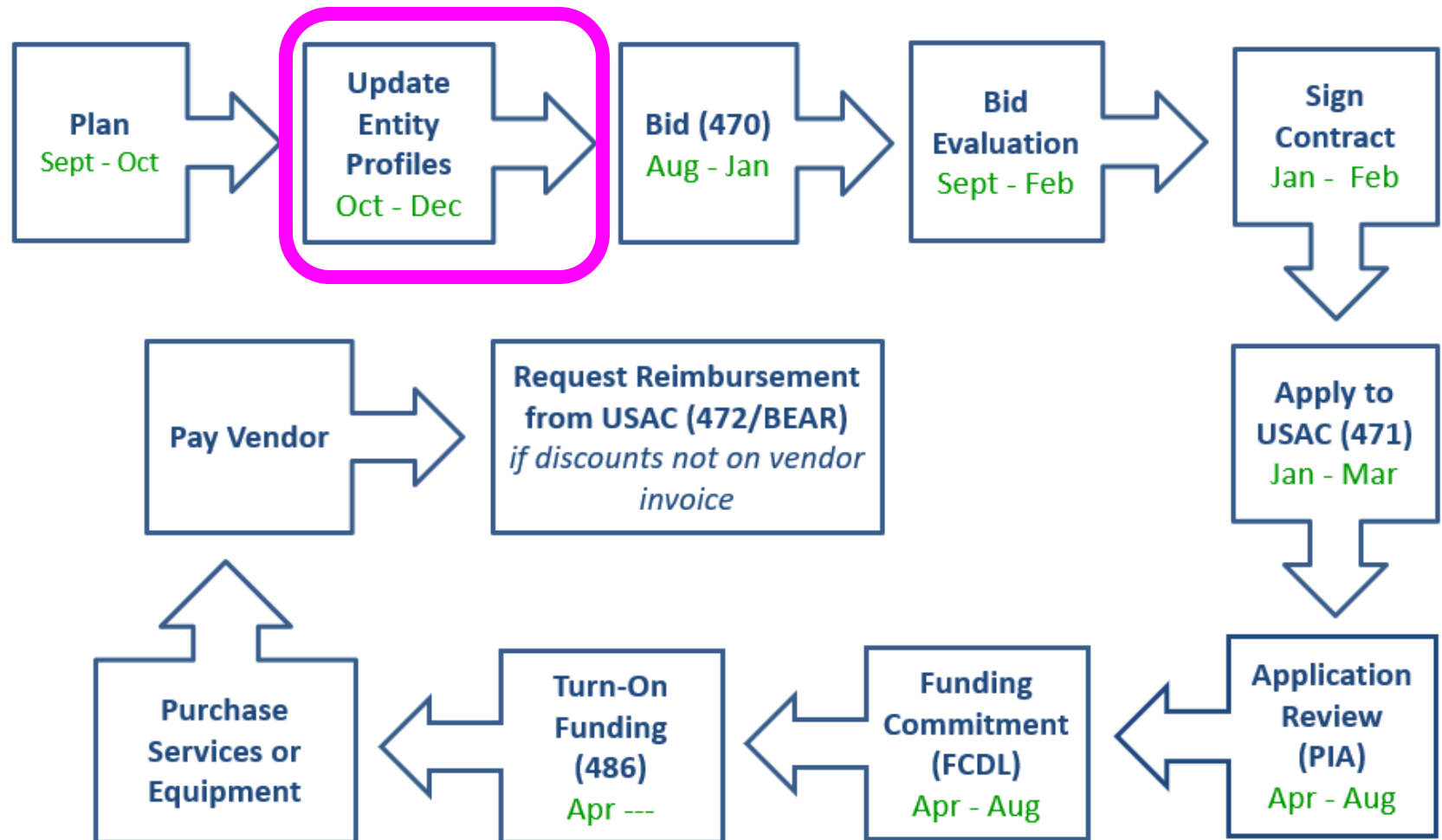
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- Create your FY 2020 E-rate Action Plan
  - Is a Form 470 needed?
  - If so, what will be my bidding dates?
  - What date will I obtain board approval?
    - What is the deadline to add items to the board agenda?
    - Be sure board meeting date is before Form 471 due date which is likely to be mid-March
  - When will I file the Form 471?
    - The earlier you file the sooner you're likely to be funded!
  - Update entity profiles in late December



**Create a detailed timeline, mark it on your calendar, and follow your plan!**

# Step 2... Update Entity Profiles



# Step 2... Update Entity Profiles

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- **Update Entity Profiles during Administrative Window each fall**
  - 3-months when schools must update enrollment/NSLP data for each school
  - Data cannot be changed when Admin Window closes
  - Why? Libraries and consortia rely on schools' discount data to calculate their discounts
    - Their forms don't work unless data is "locked down"
  - PDE NSLP *draft* data should be available mid-December
- Confirm all entities, including NIFs, are in EPC portal
  - Contact CSB at 888-203-8100 to make entity adjustments
- Libraries do not enter this data
  - EPC linked to school district in which the library (or main library in a system) is located
  - Libraries just update square footage/address changes

# FY 2020 Admin Window

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- Admin Window for Funding Year 2020:
  - Likely early October – early January
  - Cannot yet enter updated data
    - Soon! Watch listserve...
  - Oct 2019 draft data hopefully will be released by PDE mid-December
    - I will send to the listserve
    - Applicants will then have until early January to update their data in EPC
  - If you don't update data, system will use existing data in EPC
  - Note: Can use 2-year old data. No older



# Step 3: Posting the Form 470

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## Purpose of the Form 470

- Online form to notify vendors of services and equipment for which you are seeking proposals
  - All equipment/services for which you will seek funding on the Form 471 must have been posted on a Form 470
- Vendors are invited to submit bids/price quotes for 28 days from the date of certifying your Form 470
  - List bid due date in text box
- You are NOT obliged to purchase any service/equipment listed on Form 470
- Category 1 and Category 2 can be filed on the same 470

# When Must a Form 470 be Used?

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## Form 470s must be posted...

- 1) Annually for all MTM services
- 2) At the beginning of any new contract
  - If you signed a multi-year contract in a previous year, after posting a Form 470 and waiting 28 days, you are NOT required to post a 470 for the “remaining” years of that contract

## Contract extensions:

- Contract extensions are permitted to be included in the original contract
- Must have a definite end
  - For example, a 3-year contract, with two 1-year renewals is ok and will not require new 470 until the end of 5 years
  - 3-year contract that automatically renews is not ok and will require new 470 at the end of 3 years
- Must notify vendor if you want to exercise one of your contract extensions
  - Can be as simple as an e-mail
  - USAC will ask for this during your application review



# Requests for Proposals (RFPs)

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- USAC considers any bidding document provided to vendors an RFP
- If issuing an RFP (etc.), it must be uploaded with Form 470 at time of filing
  - **Important:** Any addenda or other documents given to vendors after 470 filing must be uploaded to existing 470
    - Must restart 28-day clock if any changes are made
- RFPs not required, except for:
  - Minimum state bidding threshold requirements (public schools)
  - All applicants seeking dark fiber or self-provisioned fiber projects
- Vendors cannot provide RFP language or bid lists

# When to File the Form 470

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**Deadline:** Form 470 must be posted online at least 29 days before the Form 471 window close

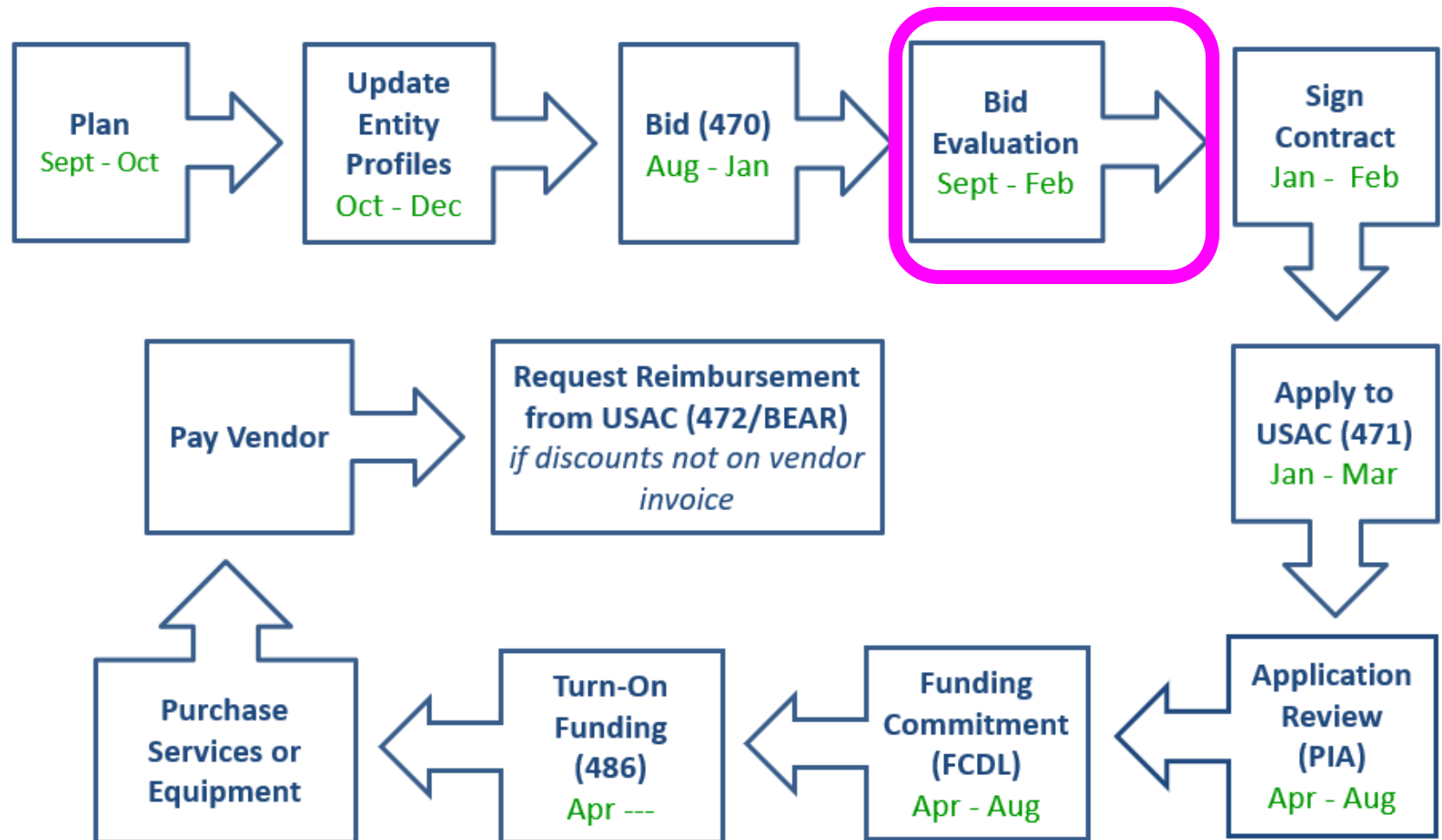
- March 20 = 471 Deadline; therefore...
- February 20, 2020 = 470 Deadline
  - DO NOT wait this long! Gives you 1 day to evaluate bids, negotiate contracts, seek board approval, sign contracts, and then file the Form 471 by the 471 deadline
  - File 470 before December 1 if possible

# Competitive Bidding

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- After the Form 470 has been posted online, vendors submit proposals to the school or library
- Proposals must be accepted for a minimum of 28 calendar days, but applicants may accept proposals after this date
- Vendors will contact you if they need additional information
- When contacted by a vendor, you must indicate your willingness to receive a proposal for services listed on Form 470
  - Do NOT say you are just going to stay with your current vendor

# Step 4... Evaluating Bids



# Step 4: Evaluating Bids

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- After the bid due date (which must be at least 29 days after 470 is posted), billed entity must review all qualified bids received for all services or equipment
- Must create and retain bid evaluation matrix
  - Price of eligible services/equipment MUST be the most heavily weighted factor during bid evaluation**
  - Recommended: Price of eligible services should be at least 51% of weight
- Examples of other evaluation criteria:
  - Quality of proposed solution
  - Cost of ineligible items
  - References
  - History with vendor
  - Ability to meet installation deadline
- Retain all winning and losing bids and all correspondence between applicant and all vendors (winning and losing)


# Disqualifying a Bid

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- In order to DQ a bid, the bid disqualification reason must have been stated in the Form 470 or in the RFP
- **DQ reasons must be yes/no (either they complied or they did not)**
- Examples:
  - Vendor must submit a proposal by the deadline stated in the 470/RFP
  - Vendor must bid on all services requested in the 470/RFP
  - Vendor must be authorized to do business in PA
  - Equipment must be compatible with District's existing XXX equipment
    - Be sure to then list the existing equipment in the district
  - Equipment cannot be refurbished or “gray market”
  - Vendor must be willing to provide discounted bills
  - Vendor must attend pre-bid walk-through
  - Vendor must submit bid bond
- When disqualifying a bid, make a note of the exact reason for DQ reason and show where it was stated in the 470 or RFP

# Received No Bids?

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- Document via an email or file memo that no bids were received
- Existing Services: can continue to receive services from existing service provider
- New Services/Procurement: Solicit bid from willing vendor (who is not your brother-in-law) 
  - Make sure price is cost-effective
  - Check marketplace options from other vendors in your area or nearby areas
  - Save research and information to justify buying service from this vendor

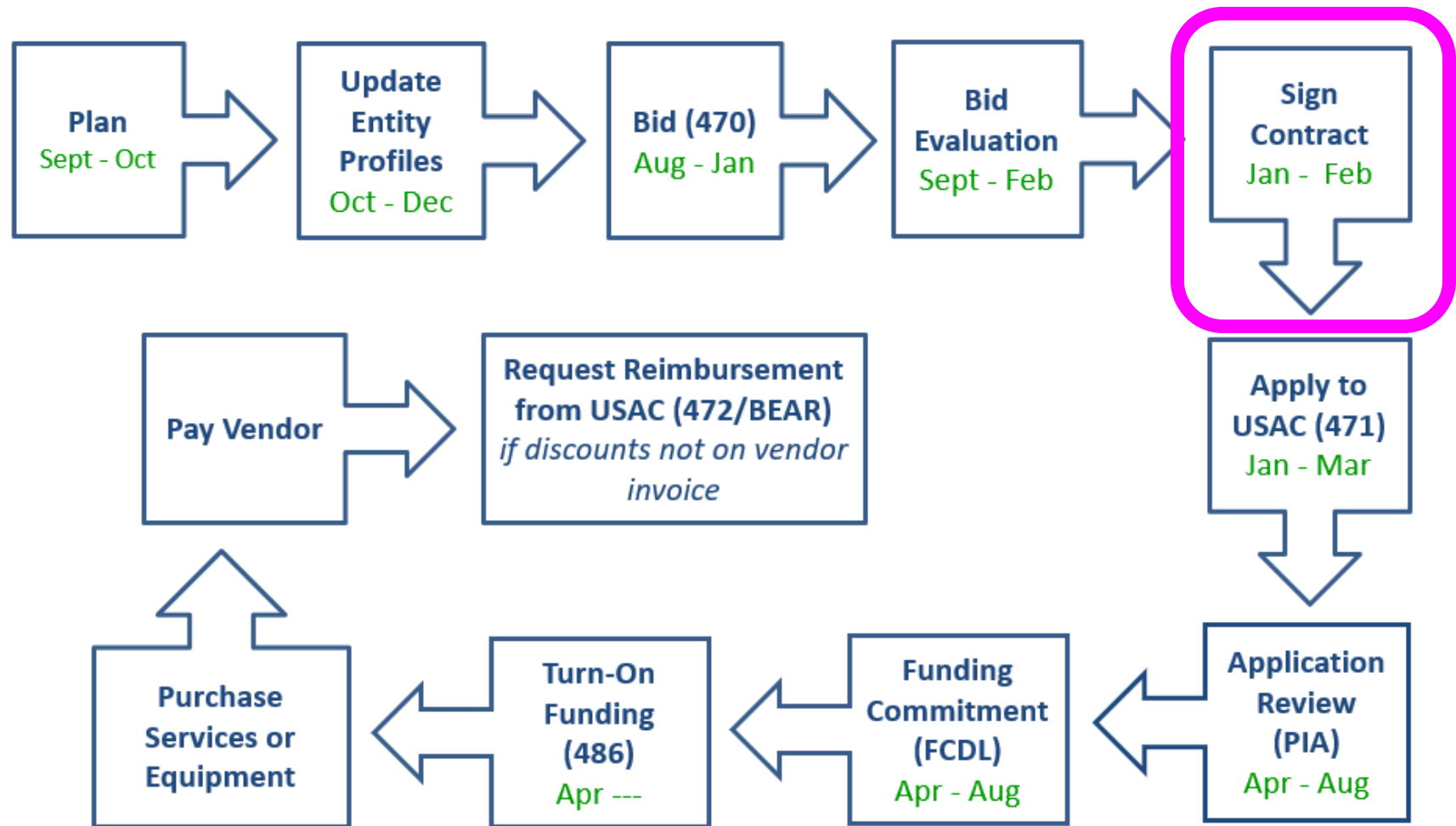
# Bid Evaluation Matrix Example

Factor	Points Available	Vendor A	Vendor B	Vendor C
Proposal Cost		\$750	\$800	\$1000
-- Weighted Points (% to lowest bid)		100%	80%	75%
Price of Eligible Services/Equipment (weighted)	60	60	48	45
Ability to Meet Installation Timeline	20	10	10	20
Quality of Proposed Solution	10	10	10	10
References	10	8	8	5
<b>TOTAL POINTS</b>		<b>88</b>	76	80





# Step 5... Signing Contracts



# Vendor Contracts

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- Contracts must be signed/dated by the applicant before you submit Form 471
  - Unless receiving services on month-to-month basis
  - Vendor can sign after the Form 471 deadline
  - Obtain board approval, if required, prior to signing vendor contract
- Cannot select 2 vendors to provide the same service
  - FCC believes there should always be one bidder that is more 'cost effective' than any other
- Do not accept vendor's standard Tc & Cs.

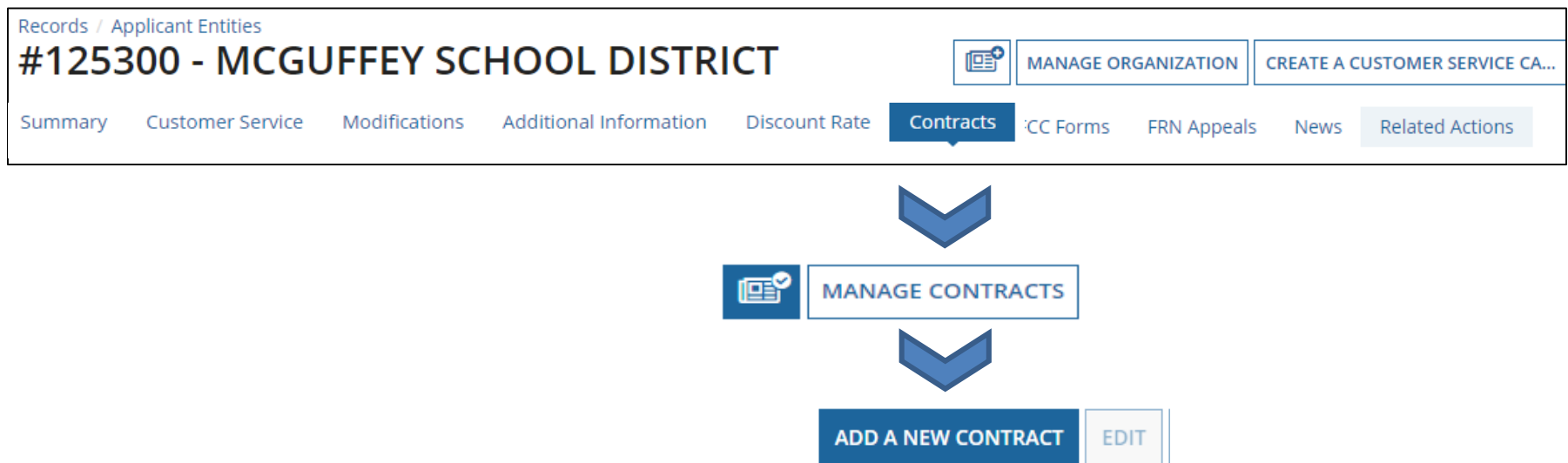
**Negotiate!**



# Step 5a: Upload New Contracts into EPC

- All NEW contracts must be uploaded into the EPC Contract Module before starting the Form 471

-- > EPC Landing Page > District Name > Contracts from top toolbar



There is no way to edit a Contract Record after it has been submitted  
Simply create a new Contract Record with the accurate information

# Purpose of Contracts Module

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- When completing a Form 471 Funding Request on the 471, you must indicate how you will be purchasing the requested services – either via a Contract, Tariff or Month-to-Month (MTM) basis:



The screenshot shows a web interface for selecting a purchase method. At the top, the heading "FRN Contract" is displayed. Below it, a question asks "How are the services for this FRN being purchased?". A descriptive note states: "Contract information is stored in your Profile; you can add a new Contract at any time. Details about your Tariff and Month-to-Month services will be entered in your FRN." At the bottom, there are three buttons: "Contract", "Tariff", and "Month-to-Month". The "Contract" button is highlighted with a red rectangular border.

- If you select 'Contract,' you will then be asked to select from the list of your Contract Records from the Contract Module
- The Contract Record selected will then be "linked" to the Form 471 Funding Request

# Contract Record Hints

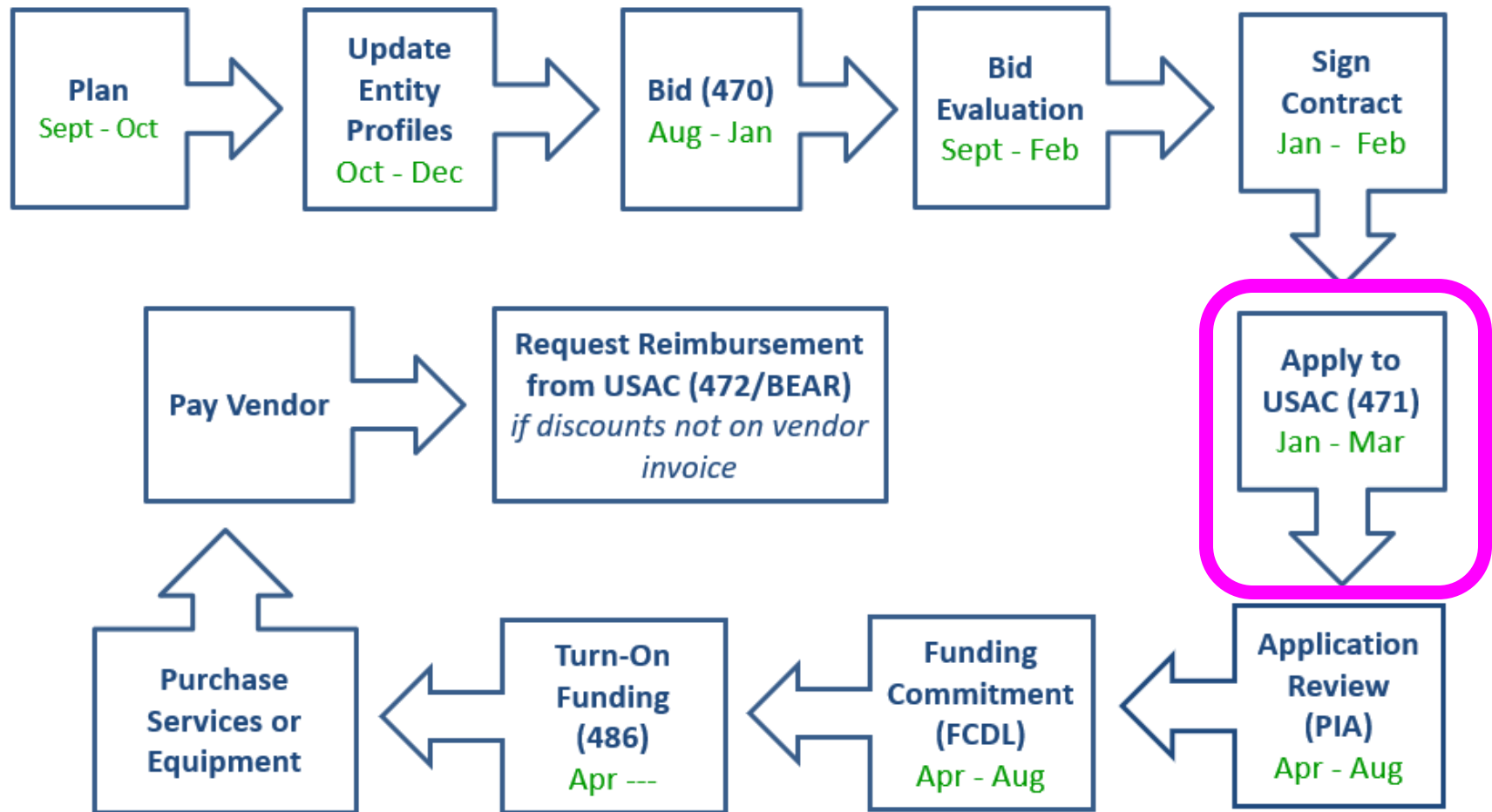
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- Assign is a very descriptive nickname
  - Recommended: Service – Vendor – Year Signed
  - Example: “Internet – Zayo – 2020”
- Upload copy of contract
  - If you don’t, USAC will simply ask you for it during their application review
- Enter following data:
  - 470 used to bid service
  - Contract signing date
  - # of bids
  - How many contract extensions, if any
  - Service provider selected (SPIN)
- Contract record will not ask for contract expiration date
  - This is listed with each funding request in the 471



# Step 6: Applying for Funding (Form 471)

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# Step 6: Filing the Form 471

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## Purpose of the Form 471

- Filed by entity that actually pays the bills (the Billed Entity)
- Formally requests E-rate funding commitments from USAC
- Asks detailed questions about services or equipment
- Shows which entities are receiving service
- Shows discount calculations (from EPC)
- Links to a Contract Record(s) to show which Form 470 was used to bid services, contract signing dates, contract amounts, etc.

## Funding Requests

- Each separate funding request is assigned a number, called a Funding Request Number (FRN)
- Each FRN is “built” by adding FRN Line Items

# When and How Many to File

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- **471 Application Window: early January – mid March**  
Do **NOT** miss this deadline!
- Must be filed in EPC
- Category 1 and Category 2 must be filed on separate applications
  - Multiple applications are ok
- Read the listserve messages!





# Form 471 Filing Hints

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- **Category 1:**

- Break out different circuit costs or sizes into separate FRN Line Items
- Have written documentation if extending a contract
- Have documentation of taxes/surcharges
- List taxes/surcharges on separate FRN Line Item
- Don't Select Month-to-Month if You Have a Contract

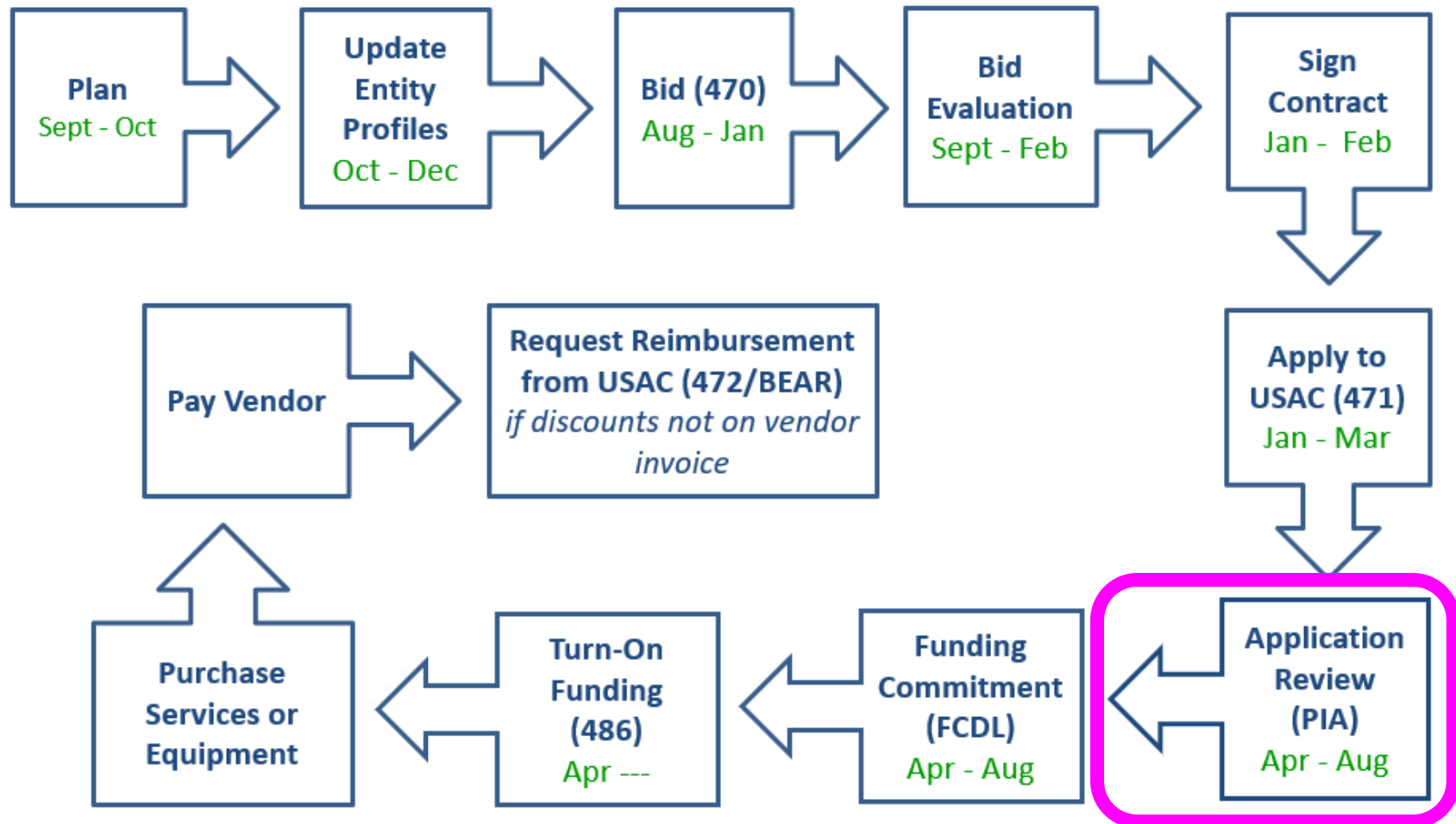


- **Category 2:**

- Use C2 Bulk Upload Templates for funding requests with multiple line items
- Never request more than your C2 budget
- Remove ineligible items
- Break out all equipment components into separate FRN Line Items – including switches
- Have structured cabling contracts be single priced, if possible
- Can apply upfront for a multi-year “license”
  - Note: Multi-year contracts for Basic Maintenance Services are NOT considered licenses and must be pro-rated

# Step 7: PIA Application Review

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# Step 7: PIA Review

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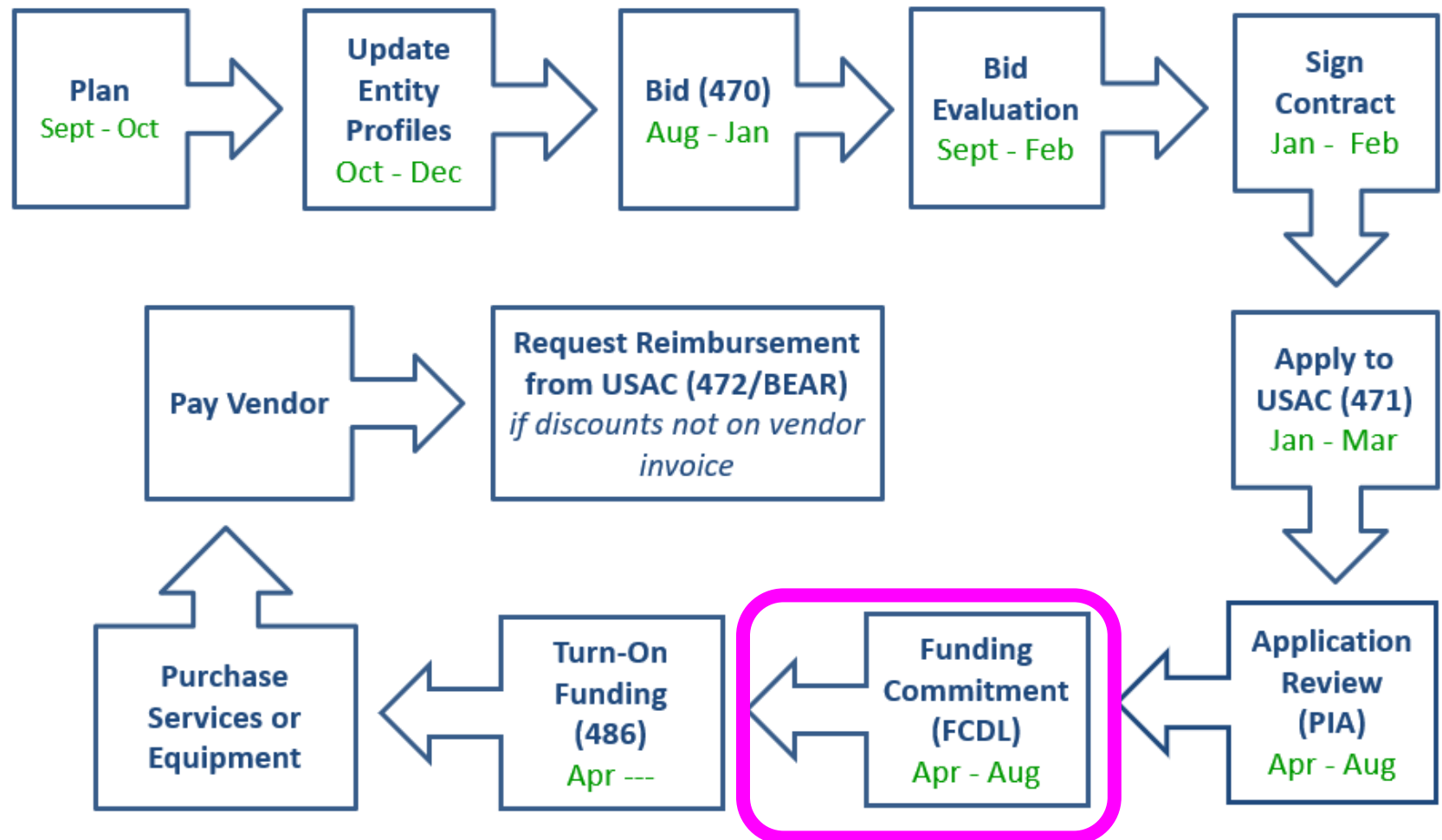
## Program Integrity Assurance (PIA) Review

- USAC team that reviews all applications submitted within the “Form 471 Window” and makes determination on funding approval/reductions/denials
- Checks for rule compliance
  - Eligible services
  - Eligible entities
  - Appropriate discount level
  - Competitive bidding violations
  - C2 budget levels
- The 471 main contact will receive an email notification that PIA questions are pending in EPC about their application
- Applicants have 15 days to respond
  - Can seek 1, 1-week extension
- PIA will notify if they intend to deny or reduce request



# Step 8: Funding Commitment Decisions

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# Step 8: USAC Issues FCDL

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## FCDL = Funding Commitment Decision Letter

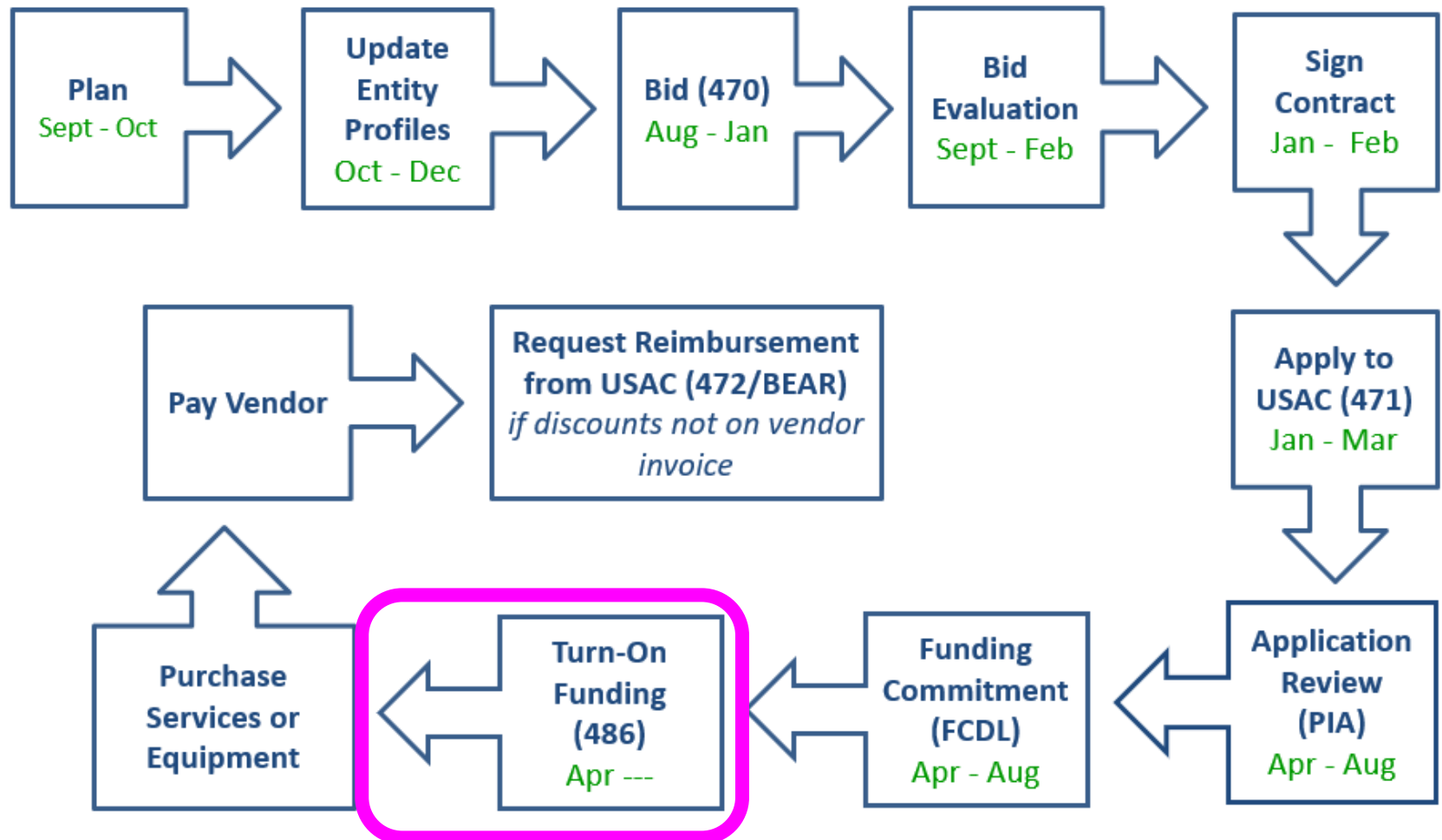
- Funding “waves” are released weekly (usually waves issued on Thursday nights)
  - Goal is to have all “workable” applications funded by Sept 1
- FCDLs e-mailed to 471 contact and AA
- Tells which funding requests of Form 471 are approved, denied, or reduced
- Can appeal within 60 days if you don’t agree with their decision
  - Appeal to USAC if they made an error
    - Can then appeal to the FCC if USAC denies
  - Appeal to FCC for waivers and policy issues



➤ Watch PA E-rate listserve for weekly wave notices! ◀

# Step 9: Filing the Form 486

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# Step 9: Form 486

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## Form 486 Receipt of Services Form

- Informs the SLD that services have (or will) **start**, and
- Informs the SLD that your school or library is **CIPA** compliant
- Can only be filed after the FCDL has been issued
- Neither BEAR and Vendor invoices can be paid until the Form 486 has been submitted and approved
  - Approval is usually instantaneous unless you check a wrong box
- Most vendors will not discount bills until the Form 486 has been submitted
  - Most Category 2 vendors will not order equipment until Form 486 has been submitted
- Form 486 is **very** simple! Almost all data fields pre-populated



**Deadline:** 120 days after FCDL date or October 28, whichever is later

- Can be filed immediately after FCDL received, even before July 1
- USAC will deduct 1-month's funding for each month the form is late

**Hint:** Always list Service Start Date as July 1

***Who still has to file Form 486 for FY 2019?***

# CIPA Requirements

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**Any school or library receiving either Internal connections or Internet access must...**

- Filter all Internet access
- Have an Internet Safety Policy that addresses required elements
  - Policy must have been adopted after public hearing
- Schools' (not libraries) Internet Safety Policies must include "...  
*educating minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.*"
  - This means that schools are required to teach online safety to students as a prerequisite to receiving E-rate funding
- Recipients only receiving telecommunications services are exempt from E-rate CIPA compliance
- Consortium members submit Form 479 to consortium leader certifying compliance in order for consortium lead to submit Form 486





# Category 1 Delivery Timeline

- Category 1 services must be delivered between July 1 – June 30
- Installation may occur as early as January 1 or contract signing date, whichever is later
  - Services may not BEGIN until July 1

FUNDING YEAR 2020 APPLICATION CYCLE

										FY 2020 - Non-Recurring Services/Equipment Purchases - April 1, 2020 - Sept 30, 2021																					
										FY 2020 - Recurring Services - July 1, 2020 - June 30, 2021																					
Form	Description	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	
470	Competitive Bidding Window (min. 29 days)	July 1, 2019 - February xx, 2020																													
AW	Administrative Window (EPC Profile Updates)	Oct 1 - Jan xx, 2020																													
	Newly Signed Vendor Contracts Uploaded to EPC																														
471	Funding Request Application Window	Jan xx - Mar xx, 2020																													
PIA/ FCDL	PIA Review/Funding Decision Letters (FCDL) Issued	Apr xx, 2020 - Sept 1, 2020																													
486	CIPA Certification/Turn on Funding																														
472	BEAR Deadline - Recurring Services																								Oct 28						
	BEAR Deadline - Non-Recurring Services																												Jan 28		

# Category 2 Delivery Timeline

- C2 equipment may be purchased/installed anytime after **April 1** (3 months before funding year begins)
- Equipment must be installed before **September 30** (3 months after funding year is complete)
  - Even if installation isn't included on the FRN
  - Can request 1-year extension if request is made before September 30

## FUNDING YEAR 2020 APPLICATION CYCLE

		FY 2020 - Non-Recurring Services/Equipment Purchases - April 1, 2020 - Sept 30, 2021																												
		FY 2020 - Recurring Services - July 1, 2020 - June 30, 2021																												
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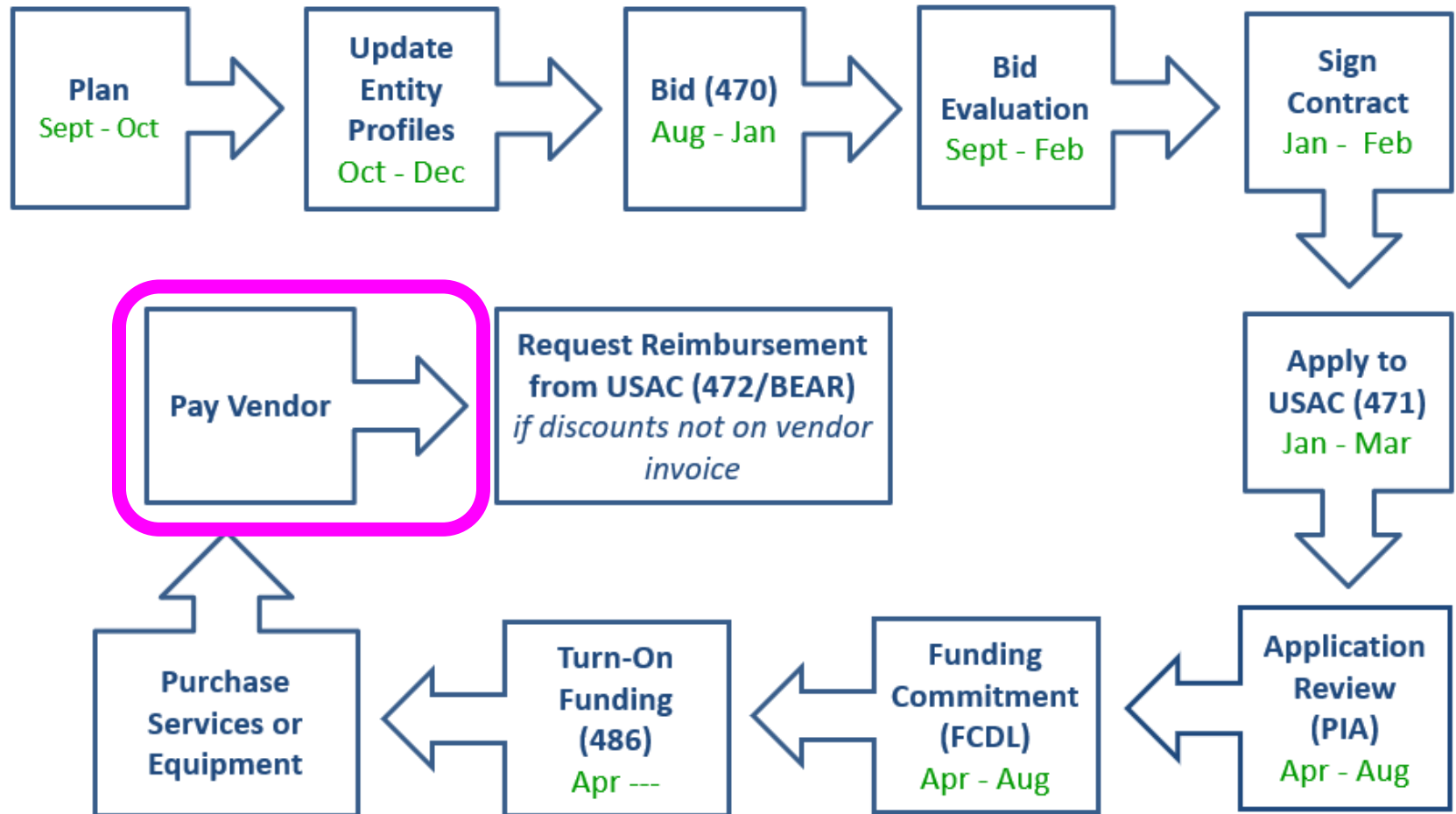
# Category 2: Purchasing Reminders

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- ✓ C2 invoices (BEARs or SPLs) cannot be submitted to USAC prior to July 1
  - Vendor invoices to *applicants* may be dated as early as April 1
- ✓ Create and Maintain Asset Inventory
  - All audits require this to be submitted
  - Sample: <http://e-ratepa.org/wp-content/uploads/2014/03/Asset-Register-Sample.xlsx>
- ✓ Only purchase exact equipment that was approved on 471
  - If equipment is different, seek a **Service Substitution** from USAC
- ✓ Keep everything
  - E-rate rules now require you to keep all documents related to procurement, purchasing, discount calculations, invoicing for 10 years from the last date to receive service or service delivery deadline, whichever is later

# Step 11: Paying for Services/Equipment

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# Paying for Equipment/Services

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- Applicants must always pay their non-discounted share
- Rules require it will be paid within 90 days of receiving service/equipment
  - Even if vendor is delayed in sending invoice

# Paying for Equipment/Services

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- Applicant's choice
  - **Discounts** on bills (vendor invoices USAC)  
*or*
  - **Reimbursement** process (applicant pays bills in full, then invoices USAC)
- Must select one or the other for entire year
- Vendors often have additional form to complete so they know exactly which option is selected, and which account # to discount
- If you want discounted bills, notify your vendor after contract signing, as soon as you are funded
  - Vendors sometimes have additional forms to complete to proceed with discounted bills



# Discounted Billing Method

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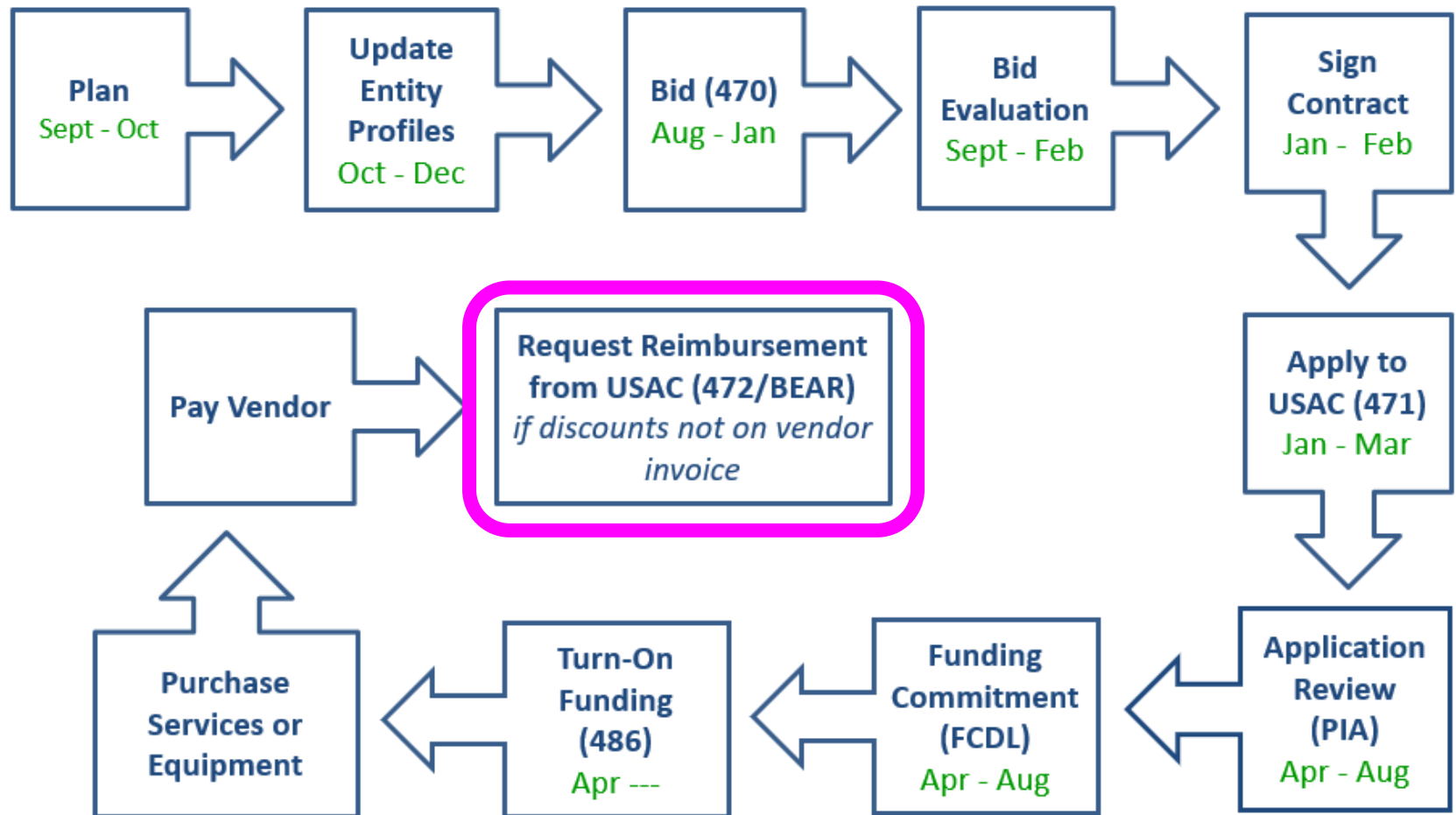
- Discounts appear on applicant's bill
- Service provider submits Form 474 to USAC after providing discounted bill
  - the Service Provider Invoice Form (SPIF)
- Applicants do nothing except make sure they are receiving the discounts they deserve on bills
  - Do the math!





# Step 12: Requesting Reimbursements

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# Reimbursement Method - BEAR

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- If applicant pays the vendor invoice in full, applicant submits Form 472 – BEAR Form to USAC for reimbursement
  - Quarterly, semi-annually, or at end of year (for recurring services)
  - Complete one BEAR for each SPIN
- BEAR is filed in “legacy” system (not in EPC)
- Must have a PIN to file BEAR (not same as EPC password)
  - Upload BEAR PIN template in EPC – PIN e-mailed within a week
- Calculated based on eligible charges on actual bills

## Deadline:

- October 28 (following close of funding year) for recurring services;
- January 28 for non-recurring services/equipment
- Can request 1 extension if submitted by original invoice deadline

# Reimbursement Method - BEAR

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- USAC approves BEAR and sends payment to applicant's bank account via EFT
- Payments typically take less than a week
  - Payments made on Mondays and Thursdays
  - *Remittance* contact receives e-mail notification
  - *Form 486* contact receives paper BEAR notification
- Bank account info submitted on Form 498
  - Only submitted once
- To determine if you have an approved Form 498:
  - Log into EPC > Records > Form 498s > Click on 498 if one is showing to see the Status
  - If no 498 is showing, then there isn't one on file with USAC



# What's Next? Get Started Now!

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- Review C1 contracts for expiration dates
  - File FY 2020 Form 470s in the next 2-3 weeks
- Determine what schools need C2 equipment
  - Wait for FCC to release Category 2 Order
  - Then start your C2 bidding
- Update enrollment/NSLP in EPC

**Make and follow your FY 2020 E-rate Plan!**

# Where to Go For E-rate Help

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- **USAC's Client Service Bureau (CSB)**
  - E-rate “Help Desk” where applicant & service providers can get answers to questions
  - Call **888-203-8100**
  - Submit a ‘Customer Service Case’ in EPC
- **PA E-rate Coordinator**
  - E-mail [jtschell@comcast.net](mailto:jtschell@comcast.net)
  - [www.e-ratepa.org](http://www.e-ratepa.org)
  - Attend webinars!
  - Read listserve messages!



**That's All!**  
**Any questions?**

