

A Beginner's Guide to Terms

What We Do and Why We Do It

Schools and Libraries Division

Washington, DC • Seattle • Denver • Chicago • Newark • Los Angeles • Atlanta

September/October 2008

- General information about E-rate
- The seven steps to success
 - 1. Technology planning
 - 2. Request services (Form 470)
 - 3. Competitive bidding
 - 4. Choose/contract for services (Form 471)
 - 5. Application review & funding commitments
 - 6. Start services (Form 486)
 - 7. Invoice USAC (Form 472 or Form 474)

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

General information

- **Telecommunications Act of 1996**
 - Congress directed the **FCC** to “take the steps necessary to establish support mechanisms to ensure delivery of affordable telecommunications service to all Americans, including ... schools and libraries...”
 - The **FCC** laid out the basic aspects of the E-rate program in its First Order, FCC 97-157, issued May 8, 1997

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

General information

- Commitments for E-rate are made by funding year, which runs from July 1 through the following June 30
 - E.g., FY2008 is July 1, 2008 – June 30, 2009
- 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

Funding timetable

- Recurring services (e.g., monthly telephone and Internet access) must be delivered during the funding year (July 1 – June 30)
- Non-recurring services (e.g., installations and equipment) have an additional three months (to September 30)
- The **Window**: Form 471 filing window (mid-November to early February before the start of the funding year)
 - We encourage you to file online

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

Eligibility

- To be eligible, a school:



- Must meet the statutory definition of an elementary or a secondary school in the No Child Left Behind Act of 2001
- Must not be operating as a for-profit business
- Must not have an endowment exceeding \$50 million

Eligibility

- To be eligible, a library:



- Must be eligible for assistance from a State library administrative agency under the Library Services and Technology Act
- Must not be operating as a for-profit business
- Budget must be completely separate from any schools (e.g., a school library would be included on the school's application)

Eligibility

- Consortia
 - Can include both eligible and ineligible entities
 - Only eligible entities can receive discounts
 - Consortium leader has record-keeping and administrative responsibilities

General information

- How large are the discounts on eligible products and services?
 - Discounts range from 20% to 90% of eligible costs
 - The discount for a school or library depends on:
 - Percentage of eligibility of students for National School Lunch Program (**NSLP**)
 - Urban or rural location of school or library

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

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
 - Two online versions of each form
 - Standard version follows the paper form
 - Interview version asks you questions and uses your answers to complete the form

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.

1. Technology planning

- You must write a technology plan to identify the following:
 - Technology/services you currently have
 - Technology/services you want to acquire
 - Funding to pay for both new and existing technology/services
 - Training for staff on technology
 - How you will evaluate your progress

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)

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)

FCC Form 470

Do not write in this area.

Approval by OMB
3060-0806

Schools and Libraries Universal Service Description of Services Requested and Certification Form 470

Estimated Average Burden Hours per Response: 4 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator Web Site and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org)

Applicant's Form Identifier (Create your own code to identify THIS Form 470)

[Grid for Applicant's Form Identifier]

Form 470 Application #:

(To be assigned by administrator)

Block 1: Applicant Address and Identifications

1 Name of Applicant

[Grid for Name of Applicant]

2 Funding Year

3 Entity Number

July 1, [Grid] through June 30, [Grid] [Grid]

4a Street Address, P.O. Box, or Route Number

[Grid for Street Address, P.O. Box, or Route Number]

[Grid for Street Address, P.O. Box, or Route Number]

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

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)

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

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

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

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

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

FCC Form 471	Do not write in this area.	Approval by OMB 3060-0806
<p>Schools and Libraries Universal Service Description of Services Ordered and Certification Form 471 Estimated Average Burden Hours per Response: 4 hours</p> <p>This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services. Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org.) The instructions include information on the deadlines for filing this application.</p>		
Applicant's Form Identifier <small>(Create your own code to identify THIS Form 471)</small>	<input style="width: 100%; height: 20px;" type="text"/>	Form 471 Application#: <small>(To be assigned by administrator)</small>
Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the services listed on this form.)		
1 a Name of Billed Entity	<input style="width: 100%; height: 20px;" type="text"/>	
2 a Funding Year: July 1, <input style="width: 40px;" type="text"/> through June 30, <input style="width: 40px;" type="text"/>	3 Billed Entity Number <input style="width: 100%; height: 20px;" type="text"/>	
4 a Street Address, P.O. Box, or Route Number	<input style="width: 100%; height: 20px;" type="text"/>	
City	<input style="width: 100%; height: 20px;" type="text"/>	
State <input style="width: 40px;" type="text"/>	Zip Code <input style="width: 100%; height: 20px;" type="text"/>	
b Telephone Number <input style="width: 100%; height: 20px;" type="text"/>	Ext <input style="width: 40px;" type="text"/>	c Fax Number <input style="width: 100%; height: 20px;" type="text"/>

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.

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

4. Choose services (471)

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

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**

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

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

5. Application review

- Acronyms and terms (cont.)
 - Funding wave (**wave**) – a group of **FCDLs** for a funding year that are issued on the same date
 - In general, **USAC** issues a wave each week for current funding years
 - **USAC** issues waves for previous funding years and appeal waves as applications are ready for commitment

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**

FCC Form 486	Do Not Write in this Area	Approval by OMB 3060-0853 Estimated time per response: 1.5 hours
Schools and Libraries Universal Service Receipt of Service Confirmation Form		
To be completed by the Billed Entity Please read instructions before completing.		
(You can also file online at www.usac.org/sl .)		
Applicant's Form Identifier (Create your own code to identify THIS Form 486)	Form 486 Application#: _____ (To be assigned by administrator)	
Block 1: Billed Entity Information		
1. Name of Billed Entity		
2. Billed Entity Number	3. Funding Year July 1, _____ through June 30, _____	
4. Complete Mailing Address of Billed Entity Street Address, P.O. Box, or Route Number		
City	State	Zip Code
Telephone Number	Extension	Fax Number

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

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

Form 472

FCC Form 472	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; width: fit-content; margin: 0 auto;"> <p>Do not write in this space.</p> </div>	Approval by OMB 3060 – 0856 Estimated time per response: 1.5 hours
<p>Universal Service for Schools and Libraries</p>		
<p>BILLED ENTITY APPLICANT REIMBURSEMENT FORM</p> <p>For reimbursement of discounts on approved services already paid for by the Billed Entity Applicant. Only one Service Provider Identification Number (SPIN) per form. Must be completed and signed by the Billed Entity Applicant and signed by the relevant service provider.</p>		
<p>Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.</p> <p>FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT</p> <p>Part 54 of the Commission's Rules authorizes the FCC to collect the information on this form. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.</p> <p>The public reporting for this collection of information is estimated to range from 1 to 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERF. Paperwork Reduction Act Project (3060-0856), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to PRA@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS FORM TO THIS ADDRESS.</p> <p>Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0856.</p> <p>THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.</p>		
BLOCK 1: HEADER INFORMATION		
1. 471 Billed Entity Name		
2. 471 Billed Entity Number		
3. Service Provider Identification Number (SPIN)		
4. Contact Name		
5. Contact Telephone Number		
6. Reimbursement Form Number		
7. Reimbursement Date to USAC		
8. Total Reimbursement Amount (total of Block 2, Item 15 – 14.2 digits maximum)		

Form 474

FCC Form 474	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; margin: 0 auto; width: 80%;"> <p>Do not write in this space.</p> </div>	<p>Approval by OMB 3060 – 0856 Estimated time per response: 1.5 hours</p>
<p>Schools and Libraries Universal Service Service Provider Invoice Form 474 This form can be filed online or by mail.</p>		
Please read instructions before completing	Form 474 Invoice # _____ (To be inserted by administrator)	
BLOCK 1: Service Provider Information		
1. Service Provider Name		
2a. Service Provider Identification Number (SPIN)		
3. Contact Person's Name		
4. Contact Telephone Number Area Code: Phone Number: Ext.		
Contact Fax Number Area Code: Fax Number:		
Contact Email Address		
5. Invoice Number		
6. Invoice Date to USAC		
7. Total Invoice Amount		

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

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

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](#)



Questions?