



Schools and Libraries (E-rate) Program Program Overview

TABLE OF CONTENTS

- Program Overview..... 3
 - Set Up an Organization Account in the E-rate Productivity Center (EPC)..... 3
 - Certify FCC Form 470 to Open Competitive Bidding for Desired Services..... 4
 - Certify FCC Form 471 to Seek Funding for Eligible Services 5
 - Receive Funding Commitment Decision Letter (USAC’s Decision on Funding Requests) 5
 - Certify FCC Form 486 to Report the Delivery of Services..... 6
 - Complete Invoicing (FCC Form 472 or FCC Form 474) to Request Reimbursement 6
- Appeals..... 7
- Retention of Records and Audits 7
- How to Get More Information 7
- E-rate Program Timetable and List of Deadlines 8

SCHOOLS AND LIBRARIES (E-RATE) PROGRAM

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Program Overview

The Schools and Libraries (E-rate) Program provides discounts to assist most schools and libraries in the United States to obtain affordable internet access and telecommunications services. E-rate funds five service types: Data Transmission Services and Internet Access, Voice Services, Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections. In general, discounts range from 20-90 percent of the costs of eligible services, depending on the level of poverty and the urban/rural status at the school district level. Eligible schools, school districts, and libraries, may apply individually or as part of a consortium.

The E-rate Program supports connectivity, which is the conduit or pipeline for communications using telecommunications services and/or the internet. The school or library is responsible for providing additional resources such as the end-user equipment (computers, telephones, etc.), software, professional development, electrical capacity, and the other elements that are necessary to realize the objectives of that connectivity.

The E-rate Program is one of four programs funded through a universal service fee charged to companies that provide interstate and/or international telecommunications services. The Universal Service Administrative Company (USAC) administers the Universal Service Fund at the direction of the Federal Communications Commission (FCC).

Below is an overview of the process schools and libraries follow to apply for and receive E-rate Program discounts. This high-level overview of the steps in the program process is not intended to be a substitute for form instructions or other official guidance materials.

Set Up an Organization Account in the E-rate Productivity Center (EPC)

EPC is the account and application management portal for the E-rate Program. This system is the primary point of entry for most applicant and consultant transactions and for service provider notifications (USAC continues to add additional EPC functionality for service providers). In EPC, applicants can complete and certify forms, obtain the status of their applications, submit requests, receive timely reminders and notifications, respond to Program Integrity Assurance (PIA) review questions, and ask program-related questions.

To get started, learn more about this new system on the [EPC webpage](#). There, you'll find links to instructional videos, user guides, a glossary of terms, and more.

Certify FCC Form 470 to Open Competitive Bidding for Desired Services

To begin the competitive bidding process, the applicant must certify an FCC Form 470, Description of Services Requested and Certification Form, in EPC. The form notifies service providers that the applicant is seeking the products and services identified on the form and in the Request for Proposal (RFP), when applicable. Note that “RFP” or “RFP document” does not refer specifically to formal competitive bidding documents, but can refer to any bidding document that describes the project and requested services in more detail than what the applicant provided on the FCC Form 470.

Before selecting a service provider, applicants must wait at least 28 days after the FCC Form 470 is certified in EPC and consider all bids that were received. In addition, applicants must comply with all applicable state and local procurement rules and regulations and competitive bidding requirements.

- An applicant cannot seek discounts for services in a service type on the FCC Form 471 if those services in those service types were not indicated on an FCC Form 470.
- The FCC Form 470 MUST be completed by the entity that will negotiate with potential service providers.
- The FCC Form 470 cannot be completed by a service provider who will participate in the competitive process as a bidder. If a service provider is involved in preparing the FCC Form 470 and that service provider appears on the associated FCC Form 471, this will taint the competitive process and lead to denial of funding requests.
- The FCC Form 470 applicant is responsible for ensuring an open and fair competitive process and selecting the most cost-effective provider of the desired services.
- The applicant should carefully consider whether to receive discounts on bills or reimbursements for services paid in full.
- The applicant must save all competing bids for services to be able to demonstrate that the bid they chose is the most cost-effective, with the price of the eligible products and services being the primary consideration. As with all documents that may be requested as part of an audit or other inquiry, such bids should be saved for at least ten years after the last date of service delivered.

Note that once an applicant has signed a multi-year contract in a prior funding year as a result of a posted FCC Form 470, they do not need to certify a new FCC Form 470 in future funding years to be eligible to apply for discounts on the services provided under that multi-year contract.

After USAC has posted an FCC Form 470 to the website, USAC sends the applicant an FCC Form 470 Receipt Notification Letter (RNL) in EPC that provides important information, including the Allowable

Vendor Selection/Contract Date (ACD) — the earliest date the applicant can select a service provider, execute a contract, and certify an FCC Form 471.

Certify FCC Form 471 to Seek Funding for Eligible Services

Having selected the service provider, the applicant is ready to complete the FCC Form 471, Services Ordered and Certification Form (the actual request for funding). The FCC Form 471 must be filed during a specific application filing window each year. Once the filing window opens, the applicant can certify the FCC Form 471 online. Applications that are not certified within that filing window likely will not receive funding. Available funding is capped at \$3.9 billion per funding year, indexed for inflation.

The FCC Form 471 calculates the discount percentage to which the applicant is entitled. In general, the E-rate Program discount is based on the percentage of the local school district population eligible for the National School Lunch Program (NSLP) (there are alternative discount mechanisms available for schools that do not participate in NSLP or choose not to use NSLP figures). The FCC Form 471 also lists the individual funding requests, which must be separated by service type and service provider.

- Schools and libraries are required to pay the non-discount portion of the services for which they receive discounts.
- Funding requests should be limited to the cost of eligible services that will be delivered to eligible entities for eligible purposes.
- There are a number of important certifications on the FCC Form 471. Applicants should be sure they can truthfully and correctly make these certifications. USAC checks the accuracy of the applicants' certifications and denies funding if they find that one or more of the certifications are untrue. False statements on the FCC Form 471 (and other FCC forms) can result in civil and/or criminal liability.
- The Form 471 must contain detailed information about the products and services ordered so that the SLD can verify eligibility.
- The FCC Form 471 Receipt Acknowledgment Letter (RAL) issued in EPC after the form is certified provides important information to the applicant and the service provider, including a link to the data from the FCC Form 471.

Receive Funding Commitment Decision Letter (USAC's Decision on Funding Requests)

After the FCC Form 471 is certified, USAC reviews the data on the form to make sure all of the funding requests on the form are accurate and compliant with E-rate Program rules. Once USAC has reviewed the FCC Form 471, they will issue one or more Funding Commitment Decision Letters (FCDLs) in EPC to both the applicant and the service provider, setting out its decisions for each funding request.

Certify FCC Form 486 to Report the Delivery of Services

In order to ensure that USAC pays service providers only for services that have actually been delivered, the applicant certifies the FCC Form 486, Receipt of Service Confirmation Form. This form lists the service start date for each separate funding request for which the service provider has begun to deliver services.

Applicants who have confirmed that they will begin to receive services on July of the funding year may be able to certify the FCC Form 486 early (on or before July 31 of the funding year).

The FCC Form 486 also tells USAC that the applicant's technology plan, if required (for Funding Year 2014 and previous funding years), has been approved, and informs USAC of the applicant's status of compliance with the Children's Internet Protection Act (CIPA).

Note that USAC may adjust the service start date and reduce the funding commitment if the form is certified after the FCC Form 486 deadline (see below) or if the applicant was not compliant with the technology plan or the CIPA requirements as of the reported service start date.

Complete Invoicing (FCC Form 472 or FCC Form 474) to Request Reimbursement

USAC must receive an invoice in order to pay the discount amount on services for which funds have been committed.

- SPI method – If applicants receive discounted bills from service providers, the service providers must submit the FCC Form 474, Service Provider Invoice (SPI) Form, to receive payment for the discounts they have provided.
- BEAR method – If applicants wish to request reimbursement for services for which they have already paid in full, they must submit the FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form. Before an applicant can submit the FCC Form 472, the applicant must have certified — and USAC must have reviewed and approved — an FCC Form 498, Service Provider and Billed Entity Identification Number and General Contact Information Form, to provide banking information for reimbursements.

The billing method for each funding request is based on the first type of invoice USAC processes for payment. Payment will not be made on an FCC Form 472 or an FCC Form 474 submitted after the invoice deadline (see below). Receipt of discounts or reimbursements completes the application process.

Appeals

If an applicant or service provider wishes to appeal a USAC decision, they must first file an appeal with USAC to seek review of the decision before filing an appeal with the FCC.

Parties must submit their appeal to USAC in EPC no later than 60 days after the date of USAC's decision letter. After USAC has reviewed an appeal and issued a decision, a party may appeal USAC's decision to the FCC.

Parties seeking a waiver of FCC rules (i.e., late payment fees, waiver of form deadlines, etc.) must file a waiver request directly with the FCC. USAC cannot waive FCC rules.

Retention of Records and Audits

Program participants must maintain their records for at least ten years after the last date of service delivered to be able to comply with audits and other inquiries or investigations.

How to Get More Information

All of the material covered in this overview is discussed in more detail on [USAC's website](#).

You can obtain specific information on completing the individual forms by reviewing the [form](#) user guides and by [watching video tutorials](#). The [Reference Area](#) of the website also contains useful documents.

The Client Service Bureau is also available to answer questions by telephone at (888) 203-8100, weekdays from 8 AM to 8 PM ET, or through EPC.

E-rate Program Timetable and List of Deadlines

Form or Event	Deadline or Dates
Funding Year	July 1 through the following June 30 (non-recurring services can be delivered and installed through September 30)
FCC Form 470	Certified at least 28 days before the filing of the FCC Form 471, keeping in mind (1) the timeframe for compliance with all competitive bidding requirements and (2) the FCC Form 471 application filing window opening and closing dates
FCC Form 471 window	Generally opens 5-6 months before the start of the funding year (exact dates for each funding year will be posted on the website)
FCC Form 471	Certified no later than 11:59 PM EDT on the day of the close of the FCC Form 471 application filing window (exact date will be posted on the website)
FCC Form 486	Certified no later than 120 days after the date of the Funding Commitment Decision Letter or 120 days after the Service Start Date, whichever is later
FCC Form 498	Certified by the applicant and approved by USAC once for each of the billed entity's associated banking account(s) before an applicant can receive reimbursements via the BEAR method
FCC Form 472 (BEAR) FCC Form 474 (SPI)	Submitted no later than 120 days after the date of the FCC Form 486 Notification Letter or 120 days after the last date to receive service, whichever is later
Appeals	Submitted no later than 60 days after the date of USAC's decision letter