



Navigating the E-rate Invoicing Process

2017 E-rate Training



Universal Service
Administrative Co.

AGENDA

- Getting Ready
- Invoice Methods
- Before You Begin
- BEAR and SPI Video Walkthroughs
- When to File / Deadlines
- Invoice Review Process
- Invoicing Tips

GETTING READY FOR INVOICING

- The applicant and service provider **receive an FCDL** with a positive commitment
- The applicant **certifies an FCC Form 486** and establishes actual service start date for FRN(s)
- USAC reviews and approves the FCC Form 486
- The service provider **certifies an FCC Form 473** (SPAC Form) for each SPIN that will be featured on an invoice for that funding year

GETTING READY FOR INVOICING

In order to get reimbursed, either the applicant (for a BEAR Form) or the service provider (for a SPI form) must have a 498 ID.

For BEAR Forms: Applicants must certify FCC Form 498 (applicant version) and provide proof of bank account information

- USAC must review and approve the form and assign applicants a 498 ID

GETTING READY FOR INVOICING

For SPI Forms: Service providers must certify FCC Form 498 (service provider version) and provide proof of bank account information

- USAC must review and approve the form and assign service providers a SPIN

For both: FCC Form 498 remains valid for multiple funding years, but it must be updated if any information changes

METHODS TO INVOICE

There are two methods to invoice USAC:

1. Applicant

FCC Form 472,
Billed Entity Applicant
Reimbursement (BEAR)
Form, filed online

2. Service Provider

FCC Form 474, Service
Provider Invoice (SPI)
Form, filed online
or
Electronic invoicing

METHODS TO INVOICE

Invoice method (BEAR or SPI) is the **applicant's choice**

- Service provider and applicant should have this discussion as early as possible
- Once the invoice method is set for a Funding Request Number (FRN), it cannot be changed
 - The invoice method is FRN-specific

BEFORE YOU BEGIN

- Verify that all the prerequisites are in place
 - e.g. FCDL, FCC Form 486, FCC Form 473, approved FCC Form 498, other approvals
- Have the **BEAR/SPI discussion**
- Collect the FCDL or Revised FCDL (RFCDL) information – discount level, cost of service, FCC Form 471 number, FRN, etc.



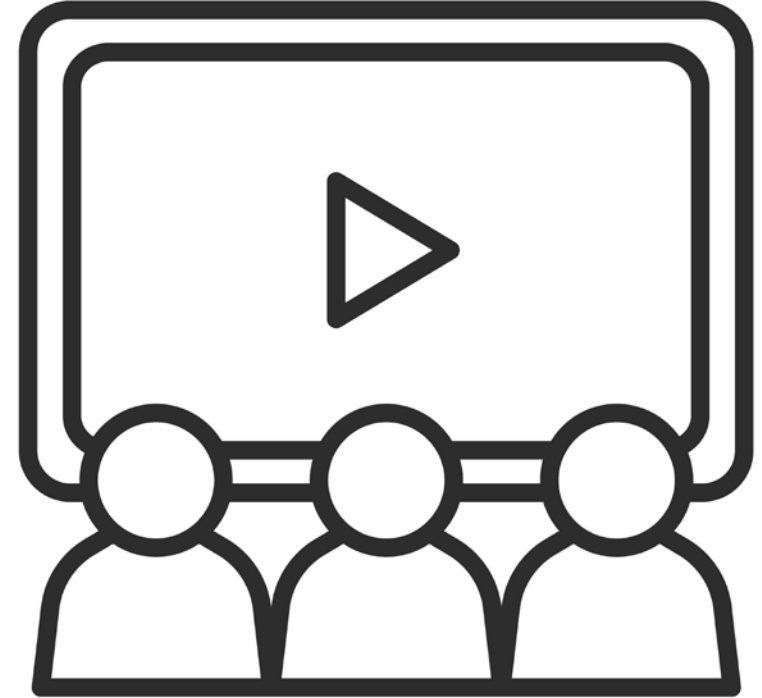
BEFORE YOU BEGIN

- Determine the invoice frequency
 - E.g. Monthly, bi-monthly, quarterly, one-time, etc.
- Watch the BEAR or SPI form walk-through video
- (Applicants) should review the BEAR Form Filing Guide



VIDEO

- [How to File](#) FCC Form 472 (BEAR Form)
- Some fields are populated but can be edited
- 498 ID is specific to BEN
- Warning messages appear if data are missing or inconsistent
- Paper BEAR Notification Letter to applicant and service provider



WHEN TO FILE

- Calculation of invoice deadline
 - 120 days after the last date to receive service or 120 days after the date of the FCC Form 486 Notification Letter, whichever is later
 - If the calculated deadline falls on a weekend or federal holiday, the deadline is 11:59 PM ET on the following business day



WHEN TO FILE

- File after services are delivered and paid
 - Applicants – pay in full for services first
 - Service providers – bill applicants for their non-discount share first
- You can choose the frequency
- File before the invoice deadline
 - Generally, October 28 for recurring services
 - Generally, January 28 for non-recurring services



WHEN TO FILE

- Invoice deadline extension requests
 - File requests using the link at the top of the online BEAR Form
 - ◇ Applicants log in to the BEAR Form
 - ◇ Service providers log in to the E-File System and then choose the “472 BEAR Form” link
- Request **must be filed ON OR BEFORE the invoice deadline date**
- Filers can receive one 120-day extension of the time to file
- Late or second requests will not be accepted, absent a waiver from the FCC

TEST YOUR KNOWLEDGE!

USAC INVOICE REVIEW

USAC's invoice review can involve three steps

1.

Automated review
("batch validation")

2.

Manual review

3.

**Service
certification**
(follow-up to
manual review)

USAC INVOICE REVIEW

- Automated review (“batch validation”)
 - System process that compares information on the invoice with information in USAC’s database
 - ◇ Batch validation runs every night
 - Line items are automatically rejected if their information (FCC Form 471 number, FRN, discount percentage, available funding, etc.) is incorrect or inconsistent
 - The online BEAR Form has more built-in warnings than the online SPI Form

USAC INVOICE REVIEW

- Manual review
 - Some invoices that pass batch validation must still undergo manual review, for example, to determine:
 - ◇ If the customer bills are accurate and discounts are properly applied
 - ◇ If the services are eligible and were approved on the FCDL
 - If services not on FCDL, USAC approved a service substitution
 - USAC reviewers send questions to the applicant or service provider and ask for responses in seven days; can grant one seven-day extension
 - USAC reviews the information provided and makes a decision

USAC INVOICE REVIEW

- Service certification
 - Some manual reviews require additional, specific documentation, e.g.:
 - ◇ Proof that the applicant paid its share
 - ◇ Proof that the invoiced services were delivered and/or installed
 - ◇ Proof that progress payments were included in the contract
 - USAC reviewers send the service certification and instructions to the service provider so that they can be forwarded to the applicant
 - The applicant completes the certification and returns it directly to USAC
 - USAC reviews the information provided and makes a decision

TIPS FOR INVOICING – SERVICE PROVIDERS

1. Have the BEAR/SPI conversation with your customers early in the process, ideally before services start
2. Gather the documents you will need to complete an invoice correctly: FCDLs, FCC Form 486 Notification Letters, SPIN change approvals, service substitution approvals, customer bills.
3. Make sure you have filed an FCC Form 473 – one per SPIN per year.
4. Avoid making data entry errors that will be rejected during batch validation.
5. Forward service certifications and instructions to customers promptly.

TIPS FOR INVOICING – APPLICANTS

1. Tell your service provider if you want discounted bills – ideally, before services start
2. File your FCC Form 498, submit bank account documentation, and verify USAC's approval as soon as possible if you will be filing BEAR Forms
3. Gather the documents you will need to complete an invoice correctly: FCDLs, FCC Form 486 Notification Letters, SPIN change approvals, service substitution approvals, customer bills
4. Make sure you have filed – and USAC has approved – an FCC Form 486 for all of your FRNs
5. Complete service certifications promptly and contact USAC with any questions

Q&A SESSION

THANK YOU!