



E-rate Program

Understanding Eligible Services



Overview

Overview

- Priority One (P1)
- Priority Two (P2)
- Miscellaneous
- Interconnected Voice over Internet Protocol (VoIP)



Understanding Eligible Services

Priority One



Priority One

Telecommunications Services

- Digital Transmission Services
 - Digital Subscriber Line (DSL)
 - Primary Rate Interface (PRI)
 - T-1, T-3
 - Satellite service



Priority One

Not Eligible as Telecom Services

- Broadcast “Blast” messaging
- Monitoring services for 911, E911 or alarm telephone lines
- Services to ineligible locations
- End-user devices
 - Cell phones, tablet devices, netbooks and computers



Priority One

Internet Access (IA)

- Support for IA includes charges to access the Internet and costs for the conduit to the Internet
- Other eligible Internet Access services include:
 - Email service
 - Wireless Internet access
 - Interconnected VoIP
 - Web hosting



Priority One

Not Eligible as Internet Access

- Costs for Internet content
 - Subscription services such as monthly charges for on-line magazine subscriptions
- Internet2 membership dues
- Website creation fees
- Web-based curriculum software
- Software, services or systems used to create or edit Internet content



Understanding Eligible Services

Priority Two



Priority Two

Internal Connections

- Support for equipment and cabling onsite that transport info to classrooms or public rooms of a library
- Subject to the Two-in-Five Rule
 - Entities can only receive funding two out of every five years

Internal Connections

Eligibility	Product - Function
Eligible	Router - Data Distribution Switch - Data Distribution E-mail Server - Servers VoIP Gateway - Telephone Components
Conditionally Eligible *	Tape Drive - Data Protection Uninterruptible Power Supply (UPS) - Data Protection
Not Eligible	Application/Archive Server - Servers

Conditions:
*Eligible if used with eligible equipment.
Cost Allocation may be utilized if supporting ineligible equipment

Not Eligible as Internal Connections

- End-user components
 - Computers, laptops, tablets, speakers, white boards
- Most software
 - Anti-virus, anti-spam, curriculum or productivity software
- Spare parts
- Intercom or public address (PA) systems

Basic Maintenance of Internal Connections (BMIC)

- Support for basic maintenance of eligible internal connections
- Such as:
 - Repair and upkeep of hardware
 - Wire and cable maintenance
 - Basic tech support
 - Configuration changes



Priority Two

Basic Maintenance of Internal Connections

- Agreements or contracts must state the eligible components covered, make, model, and location
- Services must be delivered between the July 1 to June 30 Funding Year
- Two-in-Five Rule does not apply to BMIC



Priority Two

Basic Maintenance of Internal Connections

- Standard manufacturer warranties of no more than three years remain eligible
 - If there is a cost associated with the warranty, then the warranty is not eligible
- Support for BMIC is limited to actual work performed under the contract
- Exceptions that will not require demonstration that work was performed are:
 - Software upgrades and patches
 - Bug fixes and security patches and
 - Online and telephone based technical support



Understanding Eligible Services

Miscellaneous



Miscellaneous

Miscellaneous Charges

- Miscellaneous charges can apply to all service categories and are funded in the same category of the service they are supporting
- Training is eligible when included as part of the contract and performed coincidentally with the installation of the new service/product or in a reasonable time thereafter
 - Training for end-users or professional development is not eligible



Miscellaneous

Miscellaneous Charges

- Other charges that are not eligible include but are not limited to:
 - Universal service administration fee
 - Interest or finance charges
 - Late payment fees and
 - Termination fees



Understanding Eligible Services

Interconnected Voice over Internet Protocol



Interconnected VoIP

- Interconnected VoIP service is eligible as a Priority One service
- Interconnected VoIP is defined as a service that
 - Enables real time, two-way voice communications
 - Requires a broadband connection from the user’s location



Interconnected VoIP

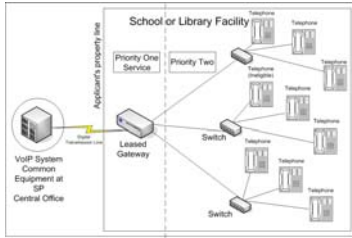
- Interconnected VoIP is defined as a service that (continued)
 - Requires Internet protocol-compatible customer premises equipment (CPE)
 - Permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network



Interconnected VoIP

- Leased VoIP system or PBX equipment are not eligible for Priority One funding
- VoIP or PBX equipment are eligible as Internal Connections
- A VoIP gateway may be leased with an eligible Priority One VoIP Service
- A VoIP gateway is considered a single basic terminating device

Example of a common configuration containing a leased gateway:



SCENARIO

Questions?
