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Schools and Libraries News Brief

January 19, 2007

FY2007 WINDOW COUNTDOWN

Days to window close **19****Forms 471 filed to date** **5,203**

TIP OF THE WEEK: If you have not yet filed your Form 471, review your information and ask any questions NOW. Call volumes are very heavy during the last week of the filing window.

Commitments for Funding Years 2006 and 2005

Funding Year 2006. USAC will release FY2006 Wave 40 FCDLs January 23. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 87% and above. As of January 19, FY2006 commitments total just under \$1.67 billion.

Funding Year 2005. The final funding and denial thresholds for FY2005 Priority 2 services have been set. USAC is funding approved Priority 2 funding requests at 80% and above and denying Priority 2 funding requests at 79% and below. From this point forward, USAC will issue occasional funding waves as funding decisions can be made on requests that are still pending. Because the last regular wave was Wave 66, future waves for FY2005 will be designated "66A," "66B," "66C" and so on.

USAC will continue to issue weekly funding commitment waves for FY2006. After noon on the date that the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

Discounts for New Construction and Mergers and Subdivisions

New school or library construction – and mergers and subdivisions of existing entities – may present challenges for applicants trying to determine eligibility and calculating discounts. By reviewing the guidance below and the [Form 471 Instructions](#), applicants should be able to correctly apply for these facilities.

New schools or libraries

Schools or libraries may be new to the Schools and Libraries program because they are (or will be) under construction or formed as a result of mergers or subdivisions of existing entities.

New school or library construction. New construction generally falls into one of three categories:

- A new building on the same campus as a school or library that is considered part of that school or library.
- A new building that an existing school or library will occupy when construction is completed, even if it is physically located elsewhere.
- A new building for a new entity – that is, a school or library that did not exist before. This new entity may be entirely new or it may serve populations or portions of

populations previously served by a different entity or entities, but the state must consider it to be a new school or library.

A new building on the same campus that is part of the existing school or library should continue to use the existing entity's entity number.

If the state considers the new building to be occupied by an existing school or library, the school or library should continue to use its existing entity number. However, the applicant should [update the address and other contact information](#) for that entity number as appropriate so that USAC's records are accurate. The new building will retain the status of the existing entity for purposes of the [Two-in-Five Rule](#). For example, the new building is not eligible to receive an Internal Connections funding commitment in FY2007 if the existing school or library received Internal Connections discounts for FY2005 and FY2006 in the old building.

If the state considers the new building to be a new school or library, then the school or library needs a new entity number. This entity does not "inherit" a Two-in-Five status from another entity, even if all or part of the same population is being served. If you need a new entity number, you can [Submit a Question](#) to request one. Choose "Entity Number" from the Topic Inquiry and "I need an entity number for a new entity" from the following screen. You can also call the Client Service Bureau at 1-888-203-8100.

Mergers and subdivisions. New school districts or library systems can also result from the merger or the subdivision of existing entities.

- If two or more entities merge, ask if the state considers the resulting entity to be one of the original entities or a truly new entity. The answer to that question will determine if the entity needs a new entity number and if it will retain its status under the Two-in-Five Rule (see above).
- If one entity subdivides, ask if the state considers one of the resulting entities to remain the original entity. The answer to that question will determine the need for new entity numbers and the status of each entity under the Two-in-Five Rule (see above).

Calculating discounts for a new school or library

If a "new" school or library is considered to be an existing entity, continue to use the method you currently use to calculate its discount. Remember that this entity will retain its status under the Two-in-Five Rule.

For a school that is truly a new entity:

- If you know which students will attend the new school, you can use the National School Lunch Program (NSLP) statistics for that group of students or an [alternative discount mechanism](#).
- If the student population for the new school is not clearly defined, you should use the weighted average discount of the school district as the discount for the new school. You calculate this by completing a Form 471 Block 4 worksheet listing all the schools in the school district together with the appropriate NSLP data. You should also have a second worksheet indicating only the new school. In the entry for the new school on that second worksheet, select "non-matrix discount" and then enter the weighted average of the school district.
- On your Form 471 Block 5 funding request, the worksheet number or entity number you enter in Item 22 identifies the entity or entities that will be receiving the service. If only the new school is receiving a service, you should list the entity number for the new school rather than the worksheet number of the supporting worksheet that you used to calculate the weighted average of the district.

For a library that is truly a new entity:

- Calculate your discount using the NSLP data for the school district in which the new library will be located.

Service Providers and the Online BEAR

The last day to submit an invoice for FY2005 services is January 29, 2007 unless USAC approves an extension. USAC is providing the following suggestions for service providers whose customers file BEARs:

1. If you are not receiving email notifications that online BEARs are available for your review, check your Form 498 contact information. The Company Officer and the General Contact are automatically authorized to certify BEAR Forms online. They can also designate or set up "entitlements" for other employees to certify BEARs. Note that authorized users can log in to the system and certify BEAR Forms even if they did not receive an email notification. For more information, refer to the [E-file User Guide](#) or call our Customer Support Center at 1-888-641-8722 for assistance.
2. If you are willing to certify a line (or all lines) on an online BEAR Form, you must affirmatively check the box next to the line (or the box that approves all lines). If you only click the "Certify" button at the bottom of the form, you are rejecting all lines and your customer must file a new form.
3. Open a dialog with your customers that file BEAR Forms. If you require additional data from them before you can approve a BEAR Form online – or if you need a certain amount of time to complete your review – let them know up front. Applicants are less likely to wait until the day before a BEAR Form is due to file it if they know you will need a week to review it.

Applicants that intend to file online BEAR Forms should contact their service providers in order to verify that the service providers are able to certify BEAR Forms online. Also, both applicants and service providers can use the online BEAR system to retrieve information on all program invoices filed for their Billed Entity Numbers (BENs) or Service Provider Identification Numbers (SPINs).

Reminder on the Two-in-Five Rule

As you prepare to file your Form 471 for FY2007, you should check the status under the [Two-in-Five Rule](#) for each of your entities. Remember that, if an entity has received Internal Connections funding for FY2005 and FY2006, that entity is not eligible to receive Internal Connections funding in FY2007 (unless the entity has received a waiver of the Two-in-Five Rule as a result of Hurricane Katrina relief).

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