

[Back](#)

Schools and Libraries News Brief

July 13, 2007

TIP OF THE WEEK: If you are filing Form 486 using the online Interview format, be sure to print a copy of your form when you are advised to do so. After you have clicked the "Submit" button on the "Form 486 – Certification" screen, you cannot return to print a copy of your form.

Commitments for Funding Years 2007 and 2006

Funding Year 2007. USAC will release FY2007 Wave 11 Funding Commitment Decision Letters (FCDLs) July 17. This wave will include commitments for approvals of Priority 1 requests (Telecommunications Services and Internet Access) at all discount levels and approvals of Priority 2 requests (Internal Connections and Basic Maintenance) at 90%. As of July 13, FY2007 commitments total just under \$499 million.

Funding Year 2006. USAC will release FY2006 Wave 59 FCDLs July 18. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 86% and above and denials at 85% and below. As of July 13, FY2006 commitments total just over \$1.95 billion.

On the day after the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

FY2007 Form 486 Notification Letters

Today, USAC will release the first Form 486 Notification Letters for applicants and service providers on FY2007 commitments. This includes over 4,900 applicant letters and just over 1,300 service provider letters. Technical issues have prevented the issuance of letters for FY2007, although there has been no delay for letters pertaining to earlier funding years.

Going forward, USAC will issue Form 486 Notification Letters to applicants and service providers in regular weekly batches for all funding years. Note that:

- The applicant version of the letter contains information for a single Form 486.
- The service provider version of the letter can contain applicant data from multiple Forms 486 for a single funding year.

FY2006 Non-recurring Services and Contracts

In several recent News Briefs, we have been reminding applicants and service providers with recurring FY2006 services – such as basic telephone service, monthly Internet access, etc. – to keep June 30, 2007 in mind. **(June 30 is the last date to receive recurring services for a funding year.)** Applicants and service providers planning to invoice USAC for FY2006 recurring services should be gathering the necessary information – such as customer bills, previously filed invoices, etc. – that will allow accurate final invoices to be prepared and submitted by the **invoicing deadline of October 29, 2007.**

June 30 can be an important date for non-recurring services as well. Non-recurring services encompass products and services that are delivered and installed once, such as installation of telephone service, cabling and wiring for Internet access, and equipment to name a few.

All applicants and service providers with non-recurring services have an automatic extension to September 30 following the funding year for delivery and installation. This additional three-month period allows products and services to be delivered and installed during the summer months when classes are not in session. However, many applicants and service providers sign contracts for non-recurring services that expire on June 30 even though non-recurring services can be delivered and installed after that date.

This is important because USAC **will not pay invoices** for eligible non-recurring services delivered or installed after:

- The last day to receive service (the service delivery deadline), or
- The last day your contract is valid (the contract expiration date).

If additional time is needed for the installation or delivery of non-recurring services, the applicant may need to complete two separate processes:

- Filing a service delivery extension request to extend the service delivery deadline, and
- Filing a Form 500 to extend the contract expiration date.

Service delivery deadline for non-recurring services

In general, non-recurring services must be delivered and installed on or before September 30 following the close of the funding year. In some situations, the service delivery deadline can be extended for an **additional year**. These extensions can occur either automatically or upon request, and a Funding Request Number (FRN) may receive more than one extension.

A one-year extension of the September 30 deadline **can occur automatically** if:

- USAC issues an FCDL on or after March 1 of the funding year.
- USAC issues a SPIN change approval on or after March 1 of the funding year.
- USAC issues a service substitution approval on or after March 1 of the funding year.

If the one-year extension does not occur automatically, a one-year extension of the September 30 deadline **can be requested** if:

- The applicant submits documentation to USAC on or before the September 30 deadline that the service provider was unable to complete delivery and installation for reasons beyond the service provider's control, or
- The applicant certifies to USAC on or before the September 30 deadline that the service provider has been unwilling to complete delivery after USAC withheld payment for those products and services on a properly submitted invoice for more than 60 days after submission of the invoice.

If a service delivery extension is requested, USAC will review the information submitted by the applicant and, if appropriate, approve the extension. Service delivery extension requests must be submitted or postmarked on or before the service delivery deadline currently in effect for the FRN.

Contract expiration dates for non-recurring services

Applicants report the contract expiration date in Item 20b of the Form 471. USAC will not pay invoices for products and services installed and/or delivered after that date. If a service delivery extension has been approved – either automatically or upon request – applicants and service providers **will need to extend the contract** if products and services will be delivered after the contract expiration date reported on the Form 471.

Applicants in this situation should do the following:

- Check the [Funding Request Number Extension Table](#) to verify that USAC has extended the service delivery deadline for the FRN.
- Determine that an extension of the contract is allowed under the terms of the contract and under state and local procurement rules and regulations.
- If allowed, negotiate an extension of the contract with the service provider.

- File a Form 500, *Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form*, to change the contract expiration date in USAC's database.
- After USAC issues the Form 500 Notification Letter, the products and services can be delivered and installed and USAC can be invoiced.

Please note: This kind of contract extension is different from a "contract with voluntary extensions." In this case, you are extending an existing contract under an existing FRN for the same funding year to provide the additional time necessary for delivery and installation of products and services approved for that funding year. The FRN – and the products and services – are considered to remain in the original funding year regardless of the actual delivery or installation date. (For information on contracts with voluntary extensions, refer to the [Contract Guidance](#) document on the USAC website.)

Tips for funding commitments that include non-recurring services

To make this process easier, consider the following suggestions:

- If possible, set your contract expiration date as September 30 rather than June 30 if the contract contains non-recurring services. An expiration date after the end of the funding year does not violate program rules and you will not have to remember to file a Form 500 if your service delivery deadline must later be extended.
- Communicate regularly with your service provider, especially when there are delays in the delivery and installation of products and services. Knowing early that a problem exists gives you more time to plan for the best solution.
- Remember that an approved service delivery deadline extension does not automatically extend your contract nor does it change the contract expiration date in USAC's database. Similarly, a Form 500 filed to inform USAC of a new contract expiration date does not act as a service delivery extension request nor does it extend your service delivery deadline.
- If you need to file a [service delivery extension request](#) or extend your contract, do so promptly. USAC receives a higher volume of requests when deadlines approach and it may take longer for USAC to process your request if you wait until the last minute.

You may download and print copies of [Schools and Libraries News Briefs](#) on USAC's website. You may [subscribe](#) to or [unsubscribe](#) from this news brief. For program information, please visit the [Schools and Libraries area](#) of the USAC website, [submit a question](#), or call us toll-free at 1-888-203-8100. Feel free to forward this news brief to any interested parties.

Please do not reply to this email directly, as it was sent from an unattended mailbox.

1997-2007, Universal Service Administrative Company, All Rights Reserved.

[Back](#)