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## Audit News Brief Series – Invoicing

**March 13, 2008**

This is the last in a series of four short News Briefs dedicated to issues identified during previous Beneficiary Audits. In this series, we will provide guidance to beneficiaries with respect to Schools and Libraries Program (Program) audit compliance. The primary purposes of these audits are to ensure compliance with Federal Communications Commission (FCC) rules and Program requirements and to assist in the prevention and detection of waste, fraud, and abuse.

For specific guidance, see the [Understanding Beneficiary Audits](#) area of the USAC website.

### **Invoicing**

After eligible products and/or services have been delivered, service providers and applicants can submit invoices for Program support.

If the service provider invoices USAC, the service provider submits the FCC Form 474, *Service Provider Invoice (SPI) Form*, to USAC seeking payment for services:

- After the service provider provides the products and/or services to the applicant
- After the Billed Entity submits – and USAC successfully processes – the FCC Form 486, *Receipt of Service Confirmation Form*, to verify the service start date, compliance with CIPA requirements, and technology plan approval
- After the service provider has provided a discounted bill to and been paid by the Billed Entity

If the Billed Entity invoices USAC, the Billed Entity and the service provider must jointly submit the FCC Form 472, *Billed Entity Applicant Reimbursement (BEAR) Form*:

- After the discounted eligible products and/or services have been received
- After the Billed Entity submits – and USAC successfully processes – the Form 486
- After the Billed Entity has paid the total cost of the products and/or services (including the applicant's non-discount share and the amount of Program support to be paid by USAC) to the service provider

### **File Form 486 Before Filing an Invoice**

Applicants must file the Form 486 no later than 120 days after the date of the Funding Commitment Decision Letter (FCDL) or 120 days after the service start date reported on the Form 486, whichever is later, or the reported service start date will be adjusted and funding may be reduced.

### **Services Must Be Listed on Item 21 Attachment**

Invoices must feature only approved eligible products and/or services listed on the Form 471 Item 21 attachment. If you are invoicing for a different product or service, you must first file – and USAC must approve – a [service substitution](#).

### **Remove Ineligible Products and/or Services**

Applicants and service providers must not submit invoices for ineligible products and/or services. Invoice line items that include ineligible products and/or services may be rejected, and then must be submitted again after the ineligible products and/or services have been removed.

### **USAC Recommendation**

USAC recommends that applicants and service providers verify the information on invoices before submitting them in order to prevent processing delays.

Applicants are required to pay their non-discount share within 90 days of receipt of the customer bill from the service provider. Failure to pay more than 90 days after completion of service presumptively violates the rule that the beneficiary must pay its share. (See [FCC Fifth Report and Order](#), released August 13, 2004.)

#### **Extension Requests**

If you need more time to complete the delivery of non-recurring services, you should file a [service delivery deadline extension request](#). If you need more time to invoice for services delivered, you should file an [invoice deadline extension request](#).

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