

[Back](#) [header](#)

Schools and Libraries News Brief

April 17, 2009

TIP OF THE WEEK: If you complete your Item 21 attachment online, you must push the "Submit" button on the last page to send the information to USAC. Your PIA reviewer cannot view an online Item 21 attachment if it is still in process.

Commitments for Funding Year 2008

Funding Year 2008. USAC will release FY2008 Wave 48 FCDLs April 22. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 88% and above and denials at 86% and below. As of April 17, FY2008 commitments total over \$2.23 billion.

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

Service Provider Training Registration Continues

Space is still available for both service provider training sessions in Tampa and Phoenix. You can register online and get information on hotel reservations and locations. The [training information page](#) also includes an email address and a telephone number to call if you have questions about the training.

In addition, both locations will offer a beginners session prior to the general session for those service providers that are new to the program or that would like to get a quick review of the application process.

Operational SPIN Changes

USAC uses the Service Provider Identification Number (SPIN) associated with a Funding Request Number (FRN) not just during the application review process, but also for post-commitment activities such as the processing and payment of invoices. Consequently, it is very important that each FRN feature the correct SPIN.

In the [April 3, 2009 SL News Brief](#), we covered corrective SPIN changes. In this issue we will take a look at operational SPIN changes.

In general, operational SPIN changes – which are actual changes to the service provider providing services – can only occur after USAC has issued a funding commitment. In other words, USAC must complete its review of the application and make a positive decision on the funding request as it was submitted before the applicant can request the change.

There is one exception to this general rule: During Program Integrity Assurance (PIA) review, applicants can request a SPIN change on a funding request for Telecommunications Services if the SPIN they originally chose is not eligible to provide Telecommunications Services. However, the SPIN can only be changed to one that is eligible to provide those services.

The applicant must make a three-part certification as part of a request for an operational SPIN change:

- The change of service providers is allowed under the applicable state and local procurement rules.
- The change of service providers is allowed under the terms of the contract, if any, between the applicant and the original service provider.
- The applicant has notified the original service provider of its intent to change service providers (or the applicant has attempted to notify the original service provider but could not because the service provider is not available for contact).

Tariffed or month-to-month services

USAC can process operational SPIN change requests for services provided without a contract. Such services include non-contracted services provided under tariff (such as basic telephone service) or a month-to-month arrangement (such as monthly Internet access). Although there is no contract, the applicant must still comply with state and local procurement rules and must notify the original service provider of its intent to change service providers.

Services covered by multi-year contracts

USAC can also process operational SPIN change requests for services provided under a multi-year contract. However, certain additional restrictions apply:

- The contract with the new service provider cannot have an expiration date later than the contract with the original service provider.
- The term of the contract cannot be longer than the term described in the establishing Form 470 or the Request for Proposals (RFP) under which the original service provider was selected.

Service substitutions and operational SPIN changes

An operational SPIN change does **not** encompass changes or substitutions in the specific products and/or services approved on the FRN. If you request only an operational SPIN change, USAC will assume that the products and services covered under the approved funding request will remain the same. However, in many cases, changing service providers may also require requesting some changes to the products and/or services approved for discounts.

If the request for an operational SPIN change will result in the need for a service substitution request, you can submit both requests together.

- Follow the steps outlined in the [Service Substitutions](#) guidance to prepare your service substitution request.
- Follow the steps outlined in the [Operational SPIN Change](#) guidance to prepare your operational SPIN change request.
- Submit both requests following the guidance for service substitution requests. **USAC will process the service substitution request first and process the operational SPIN change request after the service substitution has been completed.**

Operational SPIN change deadlines

In general, operational SPIN changes cannot be requested before the date of the FCDL or after the [last date to invoice USAC](#). Remember that the last date to invoice depends on the last date to receive service and, in some circumstances, extensions of both of these dates can be requested and granted. You can use the [Deadlines tool](#) on the website to calculate deadlines.

If you are changing service providers during the funding year, you should file your operational SPIN change request as soon as possible. Note that if you have already filed a Form 486 for the affected FRN, USAC will continue to pay invoices from the original service provider until you submit a request for a change.

Tips for requesting an operational SPIN change

To prepare your request, follow the specific instructions in the [Operational SPIN Change](#) guidance on the website. You should:

- provide specific information on both the original and new service providers and the costs of the products and services
- include the appropriate three-part certification
- clearly mark your request as an "Operational SPIN Change"
- include contact information in case USAC has questions about your request
- use one of the submission methods described in the guidance to submit your request.

Here are some points to keep in mind:

- **Always** include the appropriate three-part certification – **EXACTLY** as it appears in Item 19 of the [Operational SPIN Change](#) guidance – in your request. USAC will have to ask for the exact certification if it is not included or if it is paraphrased.

- If your SPIN change is due to a data entry error but involves an actual change of service provider, include the appropriate three-part certification in your request.
- If you need to request both an [invoice deadline extension](#) and a SPIN change, request the invoice deadline extension first. When you have received your extension, then submit your SPIN change request.
- If your request is due to a merger, include information you have about the merger – from the service provider, if possible – to help your reviewer process your request more efficiently.
- If you are not requesting an FRN split (see below), don't provide a cost breakdown (Item 18 of the [Operational SPIN Change](#) guidance).

Tips for requesting an operational SPIN change with an FRN split

If the original service provider has provided or will provide service during part of the funding year and the new service provider will provide service during the remainder of the funding year, USAC must create a new FRN and move the appropriate amount of funding from the old FRN to the new FRN. This is called a "split FRN" or an "FRN split."

Here are some tips for requesting FRN splits that feature recurring (monthly) charges. Note that these are in addition to the tips above:

- Clearly label your request as a "split FRN request" and include a statement that the request is for a split of pre-approved E-rate funding between two (or more) SPINs.
- Check your math. The sum of the revised commitments for the original and the new FRN cannot exceed the original commitment on the original FRN. If the funding on your original FRN was reduced, the sum of the two commitments cannot exceed that revised commitment.
- If the monthly cost of the new service exceeds the monthly cost of the original service, you should include a statement that you understand that USAC will not increase the total commitment amount.
- If even one payment has been made to the original service provider, you MUST request an FRN split. The amount on the original FRN cannot be reduced below the amount already paid to the original service provider.
- In your cost breakdown, list the PRE-discount monthly amounts, not the POST-discount monthly amounts.
- Be sure to include the start and end dates for both the original and the new FRNs. Note that the start date for the new FRN must be expressed as the first day of a month.

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[Back](#)