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Schools and Libraries News Brief

July 10, 2009

TIP OF THE WEEK: To find the status of a Form 471, go to the [Form 471 Application Status tool](#), enter your Billed Entity Number (BEN) and funding year, click "Search" and then "Continue." Your search will return a list of the statuses for all Forms 471 filed for that BEN and funding year, followed by a table that provides an explanation of each status.

Commitments for Funding Years 2009 and 2008

Funding Year 2009. USAC released FY2009 Wave 11 Funding Commitment Decision Letters (FCDLs) July 7 and will release Wave 12 FCDLs July 14. These waves include commitments for approved Priority 1 requests (Telecommunications Services and Internet Access) for schools and libraries at all discount levels. As of July 10, FY2009 commitments total just under \$590 million.

Funding Year 2008. USAC released FY2008 Wave 59 FCDLs July 8 and will release Wave 60 FCDLs July 15. These waves include commitments for approved Internal Connections and Basic Maintenance requests at 88% and above and denials at 86% and below. As of July 10, FY2008 commitments total just under \$2.35 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.

Update on Fall Applicant Training

Registration lists for USAC's fall applicant training sessions are filling up quickly. If you are interested in attending training, visit the [2009 Schools and Libraries Fall Applicant Trainings page](#) and register for the training that is most convenient for you. Hotel information is also available.

When registration is full for a particular location, USAC will start a waiting list. The Washington DC, Los Angeles, and Chicago training sessions have recently moved to waiting list status. If you register for a particular session and your plans change, please [email USAC](#) to cancel your registration so USAC can open a slot for someone else.

Special Edition News Brief Series on Audits

Last week, USAC issued a series of Special Edition News Briefs summarizing the information from the latest round of audits conducted under the Improper Payments Improvement Act (IPIA). The series discussed the four subject areas where findings and comments from this round of audits were the most common: discount calculations, document retention, eligible services, and technology plans.

You can review the most common findings and comments and the appropriate guidance for each of these program areas by following the links below:

- [June 29, 2009 Special Edition – Overview and Discount Calculations](#)
- [June 30, 2009 Special Edition – Document Retention](#)
- [July 1, 2009 Special Edition – Eligible Services and Technology Plans](#)

Invoicing for FY2008 Recurring Services

June 30, 2009 was the last day to receive recurring services for FY2008. Recurring services are those that are delivered on a regular basis, e.g., monthly telephone services or monthly Internet access. (See also the special note on Basic Maintenance of Internal Connections below.) USAC is providing the guidance below for applicants and service providers that are completing their final FY2008 recurring service invoices to USAC.

Applicants and service providers should be mindful of the following issues relating to invoicing, especially if they intend to submit one invoice to USAC that covers the entire funding year. Also, if you need to request one or more of the changes discussed below, be sure to submit your request(s) well in advance of the October 28, 2009 invoicing deadline for FY2008 recurring services.

1. Invoices for recurring services

USAC can be invoiced for the discount amount for eligible services in either of two ways:

- [Form 472, Billed Entity Applicant Reimbursement \(BEAR\) Form](#), is filed by the applicant and approved by the service provider after the applicant has paid for the eligible services in full. BEAR Forms can be filed [online](#) or on paper.
- [Form 474, Service Provider Invoice \(SPI\) Form](#), is filed by the service provider after billing the applicant for the non-discount portion of the eligible services. SPI Forms can be filed [online](#), [electronically](#), or on paper.

Once a BEAR Form or SPI Form has been successfully processed for a Funding Request Number (FRN) – even if that successful processing does not result in a payment – you must continue to use that type of invoice form for that FRN. That is, you cannot use a mixture of SPI and BEAR Forms for a single FRN.

Invoices must be based on eligible costs and supported by customer bills for those costs. Although recurring services are often billed to a customer on a monthly basis, applicants and service providers are not required to submit monthly invoices to USAC but can combine one or more months of service on a single invoice.

For an FRN that covers 12 months of monthly service, USAC will look for 12 months of service in that funding year whether the bills are calculated in advance or in arrears. In other words, it is not necessary to prorate the costs for monthly service on (1) the first bill of the year for a month that included July 1 or (2) the last bill of the year for a month that included June 30. However, USAC will check to be sure that there is no overlap in payments – that is, that we did not already pay the discount on the entire bill for the same month of service for the previous funding year.

2. Treating Basic Maintenance as a recurring service

All services in the Basic Maintenance of Internal Connections category of service are considered to be recurring services. As such, they cannot be delivered after June 30 of a funding year.

Note that if an applicant cannot start an eligible Basic Maintenance service until USAC has issued a funding decision, USAC can process invoices for that service only from the date that the service actually started through the date that the service ended in that funding year (on or before June 30).

3. Requesting [service delivery deadline extensions](#)

In some cases, the deadline for delivery and installation of services can be extended. However, service delivery extensions apply to **non-recurring services only**. USAC cannot consider requests for extensions for receipt of recurring services.

4. Requesting [SPIN changes](#)

Service Provider Identification Number (SPIN) changes may be necessary before USAC can pay invoices. For example:

- You cited an incorrect SPIN – either because you made a typographical error or your service provider has more than one SPIN and you chose the wrong one – and the error was not caught before USAC issued a commitment.
- Your service provider has been affected by a merger or acquisition.
- You filed an FRN using the [state replacement contract](#) SPIN and the replacement contract went into effect before or during the funding year.

If the SPIN that appears on the FRN is incorrect, you should correct it before you submit an invoice. If you are not sure which SPIN is cited on an FRN, you can [submit a question](#) or call the Client Service Bureau at 1-888-203-8100 for assistance.

5. Returning unused funds with a Form 500

After the final invoice for an FRN has been paid by USAC, the applicant should check to see if any funds remain on the FRN. If so, the applicant should reduce the commitment amount on the FRN to make those unneeded funds available for new commitments for other applicants.

To reduce a commitment amount, the applicant files a [Form 500, Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form](#). On the second page of the paper form, you enter the FRN in Item 5B and the reduced commitment amount (the amount actually invoiced to and paid by USAC for that FRN) in Item 5I. After USAC processes the Form 500, the unused funds become available for new funding commitments.

However, do not reduce a funding commitment until you are absolutely sure that you will not need those funds. Reductions and cancellations submitted on a Form 500 cannot be reversed after they are processed. In the case of the service provider filing SPI Forms for an FRN, the applicant should verify with the service provider that all invoices to USAC have been submitted and paid before filing a Form 500 to reduce the commitment.

6. Returning funds disbursed in error

During the preparation of BEAR Forms or SPI Forms, the applicant and/or service provider may notice that funds have been disbursed in error. Here are some examples of how this could occur:

- The applicant or the service provider made a typographical error on a previous invoice form.
- A piece of equipment was returned by the applicant for a refund after USAC paid an invoice for the equipment.
- USAC was invoiced in full but a rebate or discount was provided to the applicant and USAC did not receive its proportional share of the rebate or discount.

Funds disbursed in error must be [returned to USAC](#). If you can correct the original error (for example, if your invoice to USAC for the first month was too high but you still have other eligible charges to invoice on that FRN), you can simply submit an accurate invoice to USAC after the funds have been returned.

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