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Schools and Libraries News Brief

August 21, 2009

TIP OF THE WEEK: For an explanation of the statuses featured on the [Form 471 Application Status tool](#), refer to the table that appears below your search results. If you would like to review a detailed discussion of the status changes that a Form 471 may display as it moves through the review process, refer to the [April 18, 2008 SL News Brief](#).

Commitments for Funding Years 2009 and 2008

Funding Year 2009. USAC will release FY2009 Wave 18 Funding Commitment Decision Letters (FCDLs) August 26. This wave includes commitments for approved Priority 1 requests (Telecommunications Services and Internet Access) for schools and libraries at all discount levels. As of August 21, FY2009 commitments total over \$720 million.

Funding Year 2008. USAC will release FY2008 Wave 66 FCDLs August 24. This wave includes commitments for approved Internal Connections and Basic Maintenance requests at 88% and above and denials at 86% and below. As of August 21, 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

To sign up for one of USAC's fall applicant training sessions, visit the [2009 Schools and Libraries Fall Applicant Trainings page](#) and register for the training that is most convenient for you. You can also find information on the conference hotel for each training session. Remember that registering with USAC does not automatically reserve a hotel room for you at the conference hotel.

[Registration for Houston has opened.](#) There is still space available in Orlando and Newark, and Portland and Atlanta still have some slots on their waiting lists. The other sessions are closed. Please [email USAC](#) to cancel your registration if your plans change and you are unable to attend.

Non-recurring Services and Contracts, Part 1

Services provided under the E-rate program can be divided into recurring and non-recurring services.

Recurring services, such as monthly telephone services or Internet access:

- Are usually delivered continuously for all or part of the funding year.
- End no later than June 30, the last day of the funding year.
- Are reported in Items 23A - 23E of a Form 471 Block 5 funding request.
- **NOTE:** Basic Maintenance of Internal Connections is always considered a recurring service. This is true even if there is a single payment for these services.

Non-recurring services, such as installation of telephone service, cabling and wiring for Internet access, and Internal Connections equipment:

- Are usually delivered and installed once or at specific times.
- End no later than September 30 following the funding year, although some extensions of this deadline are automatic and others can be granted under certain circumstances.
- Are reported in Items 23F - 23H of a Form 471 Block 5 funding request.
- **NOTE:** If you are making monthly payments to purchase equipment, you should NOT report those costs as recurring services. Doing so will set your last date to receive

service as June 30 without the possibility of an extension. If you have reported monthly costs for what is truly a non-recurring service, be sure to correct your Form 471 before USAC issues an FCDL with a commitment for that service.

The additional three-month period (July 1- September 30) for the delivery and installation of non-recurring services enables work to be completed during the summer when school is not in session. However, many applicants and service providers sign contracts for non-recurring services that expire on June 30 even though those 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), whichever is earlier.

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

1. Filing a service delivery extension request to extend the service delivery deadline.
2. Extending the contract and then filing a Form 500 to extend the contract expiration date.

We will discuss service delivery extension requests this week and contract extensions next week.

Requesting a service delivery deadline extension for non-recurring services

In general, non-recurring services must be delivered and installed on or before the 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 **occurs automatically** if:

- USAC issues an FCDL on or after March 1 of the funding year with a positive funding commitment for that FRN.
- USAC issues a Service Provider Identification Number (SPIN) change approval on or after March 1 of the funding year for the SPIN featured on that FRN.
- USAC issues a service substitution approval on or after March 1 of the funding year for that FRN.

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 service delivery 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 service delivery 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.

Applicants can request an extension by following the guidance in the [Service Delivery Deadlines and Extension Requests](#) document on the USAC website. If an applicant requests a service delivery extension, USAC will review the information submitted and, if appropriate, approve the extension.

USAC cannot consider service delivery extension requests submitted or postmarked after the service delivery deadline on record for the FRN, which is generally September 30 following the close of the funding year.

Next week we will discuss extending your contract and reporting the new contract expiration date to USAC.

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