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## Schools and Libraries News Brief

July 16, 2010

**TIP OF THE WEEK: If you have registered for a training session this fall, don't forget to use the hotel information on that session's web page to make your hotel reservation.** The online registration form only registers you for the training; it does not send a reservation request to the conference hotel.

### Commitments for Funding Years 2010 and 2009

**Funding Year 2010.** USAC will release FY2010 Wave 9 Funding Commitment Decision Letters (FCDLs) July 20. This wave will include commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90%. As of July 16, FY2010 commitments total just under \$832 million.

**Funding Year 2009.** USAC will release FY2009 Wave 60 FCDLs July 21. This wave will include commitments for approved Priority 2 requests at 78% and above and denials at 69% and below. As of July 16, FY2009 commitments total just under \$2.74 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.

### FCC Seeks Comment on Revisions to FCC Forms 470 and 471

The FCC has released [Public Notice DA 10-1248](#), seeking comment on proposed changes to the Form 470 and Form 471.

Proposed changes include:

- eliminating questions that are no longer useful;
- limiting data collection to information that is not already available through other USAC forms or review processes;
- requiring information about the current number of broadband connections and their speeds;
- requiring the Item 21 attachment to be filed within the filing window;
- gathering specific information about the type of entity filling out the forms and/or applying for E-rate funding; and
- updating to reflect changes in program rules and citations.

The FCC is seeking comment on all of the proposed changes to the forms and on whether the requirement to file the Item 21 attachment within the filing window should be implemented in FY2011 or in a future funding year.

Here are links to the draft forms and instructions:

- [Form 470](#)
- [Form 470 Instructions](#)
- [Form 471](#)
- [Form 471 Instructions](#)

Interested parties may file **comments on or before July 30, 2010**. For more information and instructions on how to file comments, refer to the Public Notice.

### Fall Applicant Training Registration Continues

The [Fall 2010 Applicant Training page](#) on the USAC website has information on how to register and how to make hotel reservations for the six training sessions that are still open. Please cancel your registration if your plans change.

For questions, cancellations, or requests for information, you can continue to email [USAC Training](#).

### **Invoicing for FY2009 Recurring Services**

June 30, 2010 was the last day to receive recurring services for FY2009. 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 FY2009 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, 2010 invoicing deadline for FY2009 recurring services.

#### **1. Invoices for recurring services**

USAC can be invoiced for the discount amount for eligible services using either of two forms:

- [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 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 total 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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