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Schools and Libraries News Brief

August 19, 2011

TIP OF THE WEEK: If you have non-recurring services that will not be delivered and installed on or before September 30, you can request a service delivery deadline extension for those services. However, USAC cannot consider your request if it is submitted after September 30 (see below).

Commitments for Funding Years 2011, 2010, and 2009

Funding Year 2011. USAC will release FY2011 Wave 10 Funding Commitment Decision Letters (FCDLs) August 23. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of August 19, FY2011 commitments total over \$712 million.

Funding Year 2010. USAC will release FY2010 Wave 63 FCDLs August 25. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 81% and above and denials at 79% and below. As of August 19, FY2010 commitments total over \$2.59 billion.

Funding Year 2009. USAC will release FY2009 Wave 91 FCDLs August 22. This wave includes commitments for approved Priority 2 requests at 77% and above and denials at 76% and below. As of August 19, FY2009 commitments total over \$2.86 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 Sessions

Registration for five of the fall applicant training sessions – Washington DC, Newark NJ, St. Louis MO, New Orleans LA, and Los Angeles CA – has closed. If you would like to attend training, you should register as soon as possible for one of the sessions that is still open. To register for a training session or to get hotel information, go to the <u>Training Sessions and Presentations</u> page on the USAC website.

Remember that you must also make a room reservation if you want to stay at the conference hotel. The table below shows the last day to make a reservation at the negotiated conference room rate. Rooms may not be available – or may be more expensive – if you try to make a reservation after these dates.

Hotel	Deadline for Hotel Reservations
Renaissance Arlington Capital View	September 5
Newark Liberty International Airport Marriott	September 21
Hilton Minneapolis/St. Paul Airport Mall of America	September 19
Hilton Portland & Executive Tower	September 21
Renaissance St. Louis Airport Hotel	September 26

Sheraton New Orleans Hotel	October 5
Sheraton Gateway Los Angeles Hotel	October 11
Hyatt Regency Orlando International Airport	October 17

If you have questions or wish to cancel your reservation, please <u>email USAC</u>.

Non-recurring Services and Contracts

Services eligible for E-Rate discounts are classified as either recurring or non-recurring.

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

- Are usually delivered continuously during 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 considered a recurring service. This is true even if the applicant makes 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 this deadline can be extended.
- 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 services 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 schools are not in session. However, many applicants and service providers sign contracts for non-recurring services that expire on June 30 even though it is possible for those services to be delivered and installed after that date.

Note that 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 most likely will need to complete two separate processes:

- 1. File a service delivery extension request to extend the service delivery deadline.
- 2. Extend the existing contract with the service provider and then file a Form 500 to notify USAC of the extended contract expiration date.

We will discuss service delivery extension requests this week and contract extensions in a later SL News Brief.

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 <u>Service Provider Identification Number (SPIN) change</u> approval on or after March 1 of the funding year for the SPIN featured on that FRN.
- USAC issues a <u>service substitution</u> 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 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 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 <u>Service Delivery Deadlines</u> <u>and Extension Requests</u> 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.

In a future SL News Brief we will discuss extending the contract and reporting the new contract expiration date to USAC.

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