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Universal Service  
Administrative Co.

## Schools and Libraries Program News Brief

July 21, 2017

**TIP OF THE WEEK:** The deadline for submitting an invoice for FY2016 recurring services is not necessarily October 28, 2017 (see below). The invoice deadline for a funding year is 120 days after the last date to receive service or 120 days after the date of the FCC Form 486 Notification Letter, whichever is later.

### Commitments for Funding Years 2017 and 2016

**Funding Year 2017.** USAC is scheduled to release Funding Year (FY) 2017 Wave 9 Funding Commitment Decision Letters (FCDLs) on July 28. This wave includes commitments for approved applications for all service types and at all discount levels. As of July 21, FY2017 commitments total over \$538 million.

**Funding Year 2016.** USAC is scheduled to release Wave 56 FCDLs on July 25. This wave includes commitments for approved applications for all service types and at all discount levels. As of July 21, FY2016 commitments total over \$2.81 billion.

On the date that FCDLs are issued, you can access your FCDL notification from the **Notifications** section of your landing page in the E-rate Productivity Center (EPC).

### Update on Invoicing for FY2017

Invoicing is working successfully and applicants and service providers can now submit invoices – FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form and FCC Form 474, Service Provider Invoice (SPI) Form – for FY2017 services.

As a reminder, all of the following must occur before USAC can pay invoices for FY2017:

- USAC has issued a positive commitment on an FCDL to the applicant and the service provider for FY2017.
- The applicant has certified – and USAC has approved – an FY2017 FCC Form 486 for the Funding Request Numbers (FRNs) to be invoiced.
- The service provider has certified an FCC Form 473 for FY2017.
- (BEAR Forms only) The applicant has certified – and USAC has approved – an FCC Form 498. To approve an FCC Form 498, USAC must receive and verify proof of the banking information featured on the form so that we can issue electronic payments to the correct bank account. USAC does not issue paper checks.

Be sure that all of the above steps have been completed before you submit an invoice for FY2017 services. Also, review the information on your invoice before you submit it – many invoices fail the automated review process because the information they contain is incorrect or inconsistent.

## Reminder on Calculating FY2016 Invoice Deadlines

The deadline for submitting an invoice for a funding year is 120 days after the last date to receive service or 120 days after the FCC Form 486 Notification Letter, whichever is later.

- For FY2016 recurring services, the last date to receive services is June 30, 2017.
- For FY2016 non-recurring services, the last date to deliver and install services is September 30, 2017. In certain circumstances this deadline is automatically extended, and in others an extension can be requested.

If USAC has not yet issued an FCC Form 486 Notification Letter for an FCC Form 486 for FY2016, the invoice deadline for the funding requests on that form has not yet been established.

In other words, if an applicant has certified an FCC Form 486 for recurring services but USAC has not yet issued an FCC Form 486 Notification Letter for that form, the invoice deadline for those funding requests is **NOT** October 28, 2017. Applicants and service providers will have 120 days after the date of the FCC Form 486 Notification Letter to submit invoices. Applicants and service providers can also request and be approved for one 120-day extension of that invoice deadline.

## Updates to the Online Learning Library

**FCC Form 470 webinar recording.** Earlier this week, USAC conducted a webinar on the FCC Form 470 and the competitive bidding process. To view the recording of this webinar, visit the [registration page for the webinar](#) and complete the information requested. The webinar recording will be available for a short time on the [Webinars](#) page (click the **Register/Join** link to the right of the webinar title to view the webinar) and will then move to the **Webinars** section of the [Online Learning Library](#).

**New FCC Form 470 videos.** We have added two new videos to the **FCC Form 470** section of the Online Learning Library:

- **How to File FCC Form 470** is a walkthrough of the FY2018 FCC Form 470. At the end of the walkthrough, you will also see how to locate the Receipt Notification Letter and how to add RFP documents to a certified form.
- **How to Search for FCC Forms 470** is a demonstration of the two FCC Form 470 Search Tools located on the [Tools page](#) of the USAC website. One tool allows users to view a PDF version of a certified form and all of its attached RFP documents; the other tool allows users to download a spreadsheet of detailed information from certified FCC Forms 470 that meet the user's chosen search criteria.

**Program Rules and Requirements** is a new section of the Online Learning Library. We have posted a short video on the E-rate program gift rules to this section, and will be posting other short videos that address program rules or requirements not tied to a specific program form.

Note: The June 20 webinar, **How to File the FCC Form 486**, included a slide that explained how to cancel and refile an FCC Form 486. In fact, the cancellation process was only available early in FY2016 as a short-term solution. We have now corrected the slide and the audio to explain that applicants now

make any necessary corrections to their existing form with the assistance of their reviewer. The revised recording has been posted to the **Webinars** section of the [Online Learning Library](#).

## Category Two Budget Reminders

In the [June 2 SL News Brief](#), we covered basic information about Category Two (C2) budgets. We are now providing some additional information in a question-and-answer format.

### How do I calculate the C2 budget for a school or library under construction?

**Schools.** If you can identify the students who will be attending the school, enter those student counts in your profile before certifying your FCC Form 471. If USAC has not yet issued an FCDL for your form and you need to update your information, you can submit a RAL correction or contact your Program Integrity Assurance (PIA) reviewer.

If you are not sure which students will attend the school, you can estimate your student numbers. However, if you use all of your C2 budget in that year and you have overestimated the number of students, you must return any funding in excess of that to which the school was entitled based on the actual number of students enrolled.

**Libraries.** Libraries can use the square footage based on the building plans for the new construction. If something changed after the FCC Form 471 was certified, the library can submit a RAL correction or contact their PIA reviewer as above.

### I know each school or library has its own C2 budget. How do I calculate the C2 budget for an annex or a NIF?

**Annexes.** An annex is part of a single school or library that is located at a separate site. For example, a school considered a single school by its state could have a main location where most of the students at the school spend their school day and a second location where some of its students spend part of their school day.

In the past, USAC required separate sites that were considered part of one school or one library to get their own entity numbers. The primary reason for this was to be able to verify service delivery addresses for invoicing purposes. In EPC, however, a separate site that is considered part of a school or library is created as an annex, and does not need a separate entity number.

Because the annex is part of a single school or library, the C2 budget for that school or library includes the annex. The annex does not have a separate C2 budget.

- If there are students that attend school only at the school's annex, they should be included in the total student count for the school.
- A library should include the square footage of the library's annex in the total square footage for the library.
- C2 services can be delivered to the school and/or the school's annex, or to the library and/or the library's annex. The pre-discount cost of all of the C2 services will count toward the C2 budget of the school or library.

**NIFs.** A non-instructional facility (NIF) is a school building without classrooms or a library building without public areas. Administrative buildings, school bus barns and garages, cafeteria offices, and facilities associated with athletic activities are examples of school NIFs. Administrative buildings,

bookmobile garages, interlibrary loan facilities, and library technology centers are examples of library NIFs.

NIFs do not have C2 budgets (even if they are school NIFs with classrooms). However, if a NIF is essential for the effective transport of information to eligible schools or libraries, the schools or libraries sharing the services can allocate an appropriate share of their C2 budgets to the eligible costs of the services that go through the NIF.

### **How do I know how much is left in my C2 budget for FY2017?**

To calculate the amount available in your C2 budget for FY2017, calculate your C2 budget using your FY2017 figures and then subtract the pre-discount value of C2 commitments made to your entity for FY2015 and FY2016.

First, perform the calculation for FY2017. (Refer to the [June 2 SL News Brief](#) for explanations of part-time students, total square footage, and IMLS locale codes.) For a school or library, if the calculation results in a C2 budget of less than \$9,412.80, the C2 budget is \$9,412.80.

- For schools, add the number of full-time students and the maximum number of part-time students that attend school during the school day. Multiply this total by \$153.47 to get your C2 budget.
- For libraries with an IMLS locale code of 11,12, or 21, multiply the total square footage of the library by \$5.12 to get your C2 budget.
- For libraries with any other IMLS locale code, multiply the total square footage of the library by \$2.35 to get your C2 budget.

Second, use the [Category Two Budget tool](#) to determine the total pre-discount cost for all C2 commitments for FY2015 and FY2016. To find this total, search for your Billed Entity Number (BEN) in the tool, click the plus sign ("+") to the left of your BEN, and look just below the column header **Approved Pre-Discount**.

Third, subtract the total pre-discount C2 costs for FY2015 and FY2016 from the FY2017 C2 budget calculation for FY2017 to find how much remains in your C2 budget for FY2017.

### **If my C2 budget goes down from FY2016 to FY2017, do I have to give money back if I spent my entire C2 budget in FY2016?**

Generally, no. You would be required to return funding for FY2016 (not FY2017) only if your school estimated your student numbers in FY2016, your actual enrollment was lower than you expected in FY2016, and you used all of your C2 budget in FY2016. (See answer to the first question above).

### **How does the C2 Budget Tool calculate the pre-discount cost of services allocated to my school or library?**

When an applicant files an FCC Form 471 FRN for a C2 service, the applicant must allocate the appropriate share of the pre-discount cost of that service to each of the schools and/or libraries receiving the service.

School districts allocate C2 costs as appropriate to the schools in their district receiving C2 services, and library systems allocate C2 costs as appropriate to the libraries in their system receiving C2 services. Remember that if your independent school, independent library, school district, or library system belongs to a consortium and the consortium applies for C2 services on behalf of its members, the

consortium also allocates the appropriate share of those costs to each school or library that shares those services.

The C2 Budget Tool adds together all of the allocations from all of the committed applications for each funding year (FY2015 and FY2016) and displays the total in the **Approved Pre-discount** column in the search results. You can see the details of the allocations for both funding years by clicking the plus sign to the left of the funding year in the search results.

### **What if I disagree with the C2 budget calculation in the C2 Budget Tool?**

The C2 Budget Tool calculates the C2 budget from the information in the applicant profile (student counts for schools, square footage for libraries) until USAC issues an FCDL with a C2 commitment. At that point, the tool uses the numbers in the approved FCC Form 471 to calculate the C2 budget.

First, review the information in your profile, the FCC Form 471 with your committed C2 funding request, and the details of the allocations from FY2015 and FY2016. If you still disagree with the calculation in the tool, you can open a customer service case in EPC or call the Client Service Bureau at (888) 203-8100. Please be specific about the reason(s) you believe the information is incorrect.

### **What if my project will cost more than my available C2 budget?**

On your FCC Form(s) 471, we suggest that you apply for the full amount of your project that is eligible for E-rate discounts. This will give us good understanding of how much your project will actually cost. Also, you may not be aware of how changes in commitments from other funding years may have reduced or increased your C2 budget. For example, USAC may have recently processed an FCC Form 500 that requested a reduction in funding for a C2 commitment, or an appeal decision may have restored or decreased funding for a C2 commitment. Your reviewer will have access to that information, and can help identify any changes in your C2 budget.

During the review of your application, PIA will then work with you to reduce the pre-discount amount of your funding request(s) to the pre-discount amount remaining in your C2 budget. You can help the review process by being prepared to identify the pre-discount costs of services contained in your request that could be removed so that you stay within your C2 budget.

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