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Universal Service
Administrative Co.

Schools and Libraries Program News Brief

August 17, 2018

TIP OF THE WEEK: Remember to [register](#) for the monthly E-rate Program webinar, **Understanding Competitive Bidding**, which will be held on **August 22, 2018 from 3:00-4:30 pm EDT**. We will discuss the competitive bidding process from both the applicant and service provider perspectives.

Commitments for Funding Year 2018

Funding Year 2018. USAC released Funding Year (FY) 2018 Wave 19 Funding Commitment Decision Letters (FCDLs) on August 17. As of August 17, FY2018 commitments total over \$1.60 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).

How Debt to Federal Government Affects E-rate Participants

An applicant's or service provider's Schools and Libraries (E-rate) Program disbursement could be netted, withheld, or offset if they owe a debt to an agency of the federal government.

USAC, in accordance with the [Debt Collection Improvement Act \(DCIA\)](#), is required to [net or withhold payments](#) to entities with outstanding debts. Actions taken under DCIA are also known as actions under the Federal Communications Commission's (FCC) [Red Light Rule](#). USAC withholds all payments to an entity with a Red Light status (and any associated entities) until the delinquency has been satisfied or payment arrangements have been made. If the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice of delinquency, any pending FCC Form 471 applications will be dismissed.

Netted or withheld payments work as follows:

- **Netted payments:** For companies that contribute to the Universal Service Fund (USF) that are delinquent and on Red Light, USAC applies the disbursement amount to the company's universal service contribution obligation.
- **Withheld payments:** For entities that are delinquent on USF program debt or FCC-owed debt and on Red Light, USAC will withhold disbursements until the debt has been satisfied.

Entities can check their Red Light status using the [FCC Red Light Display \(RLD\) system](#).

Additionally, [universal service funds disbursed](#) through the U.S. Department of Treasury (U.S. Treasury) are subject to the Treasury Offset Program (TOP), where USF disbursements may be offset, or decreased, in order to pay debts owed to other federal government agencies. This now includes USF payments disbursed via an [FCC Form 472 \(BEAR Form\)](#) or [FCC Form 474 \(SPI Form\)](#).

TOP payments work as follows:

- If you owe a delinquent debt to a federal government agency, that agency sends information about your debt to the U.S. Treasury's TOP database.
- Before you receive a federal payment, the database is searched to see if you owe a delinquent debt.
- If your debt is in the database, the U.S. Treasury's Bureau of the Fiscal Service will offset (reduce or withhold) your federal USF payment and apply the payment to your debt.
- When your payment is used to offset another debt, the Bureau of the Fiscal Service will send a letter to you regarding the action.

To learn more about TOP, you can visit the [Treasury Offset Program web page](#) of the U.S. Treasury's Bureau of the Fiscal Service.

If you have any questions, contact the Client Service Bureau (CSB) at (888) 203-8100.

Reminders on Returning Funds to USAC

If your company or entity needs to [return program funds to USAC](#) – for example, because you have received funds in error or there is a discrepancy between your projected support amount and the actual support disbursed – you must return those program funds electronically. To do this:

- Go to USAC's [Payments page](#).
- Select "Return program funding," then choose "Schools and Libraries (COMAD or Voluntary Return Funds)," then click **Continue**.
- Enter your **Payment Information**, and attach a completed [Payment Identification \(PID\) Worksheet](#) to tell us how to allocate your payment. If USAC sent you a letter regarding a [commitment adjustment or recovery of disbursed funds](#), upload a copy of that letter as well.
- Click **Choose Payment Method** to proceed with your payment.

If you have any questions about this process, contact CSB at (888) 203-8100.

Note: If USAC has notified you that you are required to return funds and you are not taking any action to contest USAC's decision (i.e., you are not filing an appeal with USAC or an appeal or waiver request with the FCC) by the deadline specified in USAC's communications, you should follow the steps above to return those funds to USAC promptly to avoid the consequences of going on Red Light.

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