

Schools and Libraries Program News Brief

June 25, 2021

TIP OF THE WEEK: The Federal Communications Commission (FCC) has waived and extended the special construction service delivery deadline to June 30, 2022 for all Funding Year (FY) 2019 and FY2020 applicants whose deadlines expire on June 30, 2021 or during calendar year 2021 (see Order DA 21-726, released June 21, 2021). However, applicants with special construction requests for earlier funding years with a deadline of June 30, 2021 will need to seek a waiver from the FCC for an extension of their deadline.

Commitments for Funding Year (FY) 2021 and FY2020

FY2021. USAC released FY2021 Wave 11 Funding Commitment Decision Letters (FCDLs) on June 24. As of June 25, FY2021 commitments total over \$1.44 billion.

FY2020. USAC released FY2020 Wave 60 FCDLs on June 23. As of June 25, FY2020 commitments total over \$2.41 billion.

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

Applicants: Complete and Certify Any In-Process FY2021 FCC Forms 470 by June 25

Some applicants currently have uncertified FY2021 FCC Forms 470 within the EPC system. In order to prepare for the deployment of the FY2022 FCC Form 470 on July 1, 2021, USAC must remove access to FY2021 FCC Forms 470 at the end of this month.

Consequently, we recommend that any applicant who wants to rely on an uncertified FCC Form 470 that is currently in the EPC system should certify that form **no later than today, June 25, 2021**. It can then still be cited, for example, to open a competitive bidding process for FY2022.

As a reminder, there is not an FCC Form 470 filing requirement for <u>Emergency Connectivity Fund Program</u> requests for funding.

Update on FY2022 FCC Form 470

The FCC Form 470 for FY2022 will be available for filing on July 1, 2021. We describe the form changes in more detail below.

Separate screens for Category One and Category Two service requests

In the last few years, there was one screen for applicants to enter their Funding Request Number (FRN) narratives and to create service requests for both Category One and Category Two services. Now each category of service has its own opening screen.

Tiered guiding statements to assist users in their selections for service and function types

Where possible, we have replaced drop-down menus with statements that allow applicants to choose the services they want instead of trying to guess whether specific menu options meet their needs.

For example, when you start a Category One funding request, you choose either a guiding statement on internet access ("I seek bids for internet access and/or data transmission services") or a guiding statement on network equipment or maintenance and operations ("I seek bids for Category One network equipment or maintenance and operations").

- If you choose internet access, there are four guiding statements to identify your need: (1) internet access and data transmission service together, (2) internet access without data transmission service, (3) transmission service without internet access, or (4) building your own network.
- If you select the first option, there are two guiding statements to choose from: (1) a bundled package or separate services or (2) data plans or wireless adapters (air cards).

As you work through the statements, the EPC system selects the correct drop-down options and completes your form based on your selections.

Alert messages and requirements for special circumstances related to certain function types

In the example above, the applicant may select the wrong guiding statement. For example, an applicant who wants a bundled internet and transport service may accidentally select the guiding statement for only internet access, only transmission services, or building its own network.

- **Alert message example.** If the applicant selects the second option (internet access without data transmission service), a message in red appears noting that this is not a commonly requested option because it does not include internet access.
- Requirements example. If the applicant selects the fourth option (building its own network),
 two new sections appear: Self-Provisioned Network (Applicant Owned and
 Operated) and Services Provider Over Third-Party Network. Because an applicant wanting
 to build its own network must solicit bids for both types of services, the applicant has those
 requirements automatically presented for completion.

We encourage you to watch the <u>FY2022 FCC Form 470 walkthrough video</u> posted on the USAC website to see how the guiding statements, alert messages, and requirements appear on the form.

Save & Create Another Request, Save Request, and Cancel buttons added for entering service requests

During service request data entry, you have more options when you are ready to move on to the next request.

• The **Save & Create Another Request** button allows you to create a new request to which all the guiding statements you have already chosen still apply.

- The **Save Request** button allows you to create a new request in the same category of service.
- As before, there is also a Cancel button that allows you to completely remove the request you
 have started.

Shortcut to create a related Basic Maintenance request under Internal Connections

Applicants requesting internal connections may also be interested in requesting basic maintenance for those internal connections. There is now a checkbox at the bottom of every internal connections service request that, if clicked, automatically opens up a service request for basic maintenance on those requested internal connections.

The two service requests will appear separately in the table of requests that appears in the form, but they are linked.

Additional text added to Internal Connections drop-down options that include licenses and other associated options

In the past, applicants completing a service request for internal connections had to create a separate request for the related software and right-to-use licenses necessary for the equipment to function. Now the guiding statement for an internal connections request includes that language, and the equipment drop-downs do as well (e.g., "Firewall Services, Components and Necessary Software and Licenses").

However, applicants should still include all pertinent details in their FRN narratives.

Change to One Portal Dashboard

On the morning of Tuesday, June 29, 2021, we plan to deploy a new <u>Emergency Connectivity Fund Program</u> entitlement for applicants and service providers in One Portal, USAC's <u>multi-factor authentication (MFA)</u> platform.

Before this deployment, applicants who had access to only one system (EPC or the BEAR Form) would log in to One Portal and go directly to EPC or the BEAR Form rather than logging in to One Portal and seeing a dashboard with multiple system options. With the addition of the Emergency Connectivity Fund Program entitlement, all users will now see a dashboard with multiple system options when they log in to One Portal.

Reminders on Disposal and Transfer of Equipment

To help applicants remain aware of their responsibilities regarding transfers of equipment and thereby avoid possible audit findings, we are providing some reminders about these transfers.

Equipment purchased with E-Rate program discounts should only serve entities specified in the FCC Form 471 Funding Request Number (FRN) approved by USAC. Applicants must ensure that they have not transferred the equipment in a manner inconsistent with FCC rules.

Eligible products and services purchased with E-Rate program discounts cannot be sold, resold, or transferred for money or any other thing of value, with the following exceptions:

• As of January 1, 2011, applicants can dispose of, donate, or trade equipment five years after the date the equipment was installed.

- Applicants can transfer equipment to other eligible entities three years after the date the equipment was purchased.
- Applicants can transfer equipment to other eligible entities less than three years after the date the equipment was purchased if the location of the equipment is temporarily or permanently closed. Note that you may be required to report these transfers to USAC on an FCC Form 500.

If you transfer equipment, both you and the recipient of the equipment must maintain detailed records documenting the transfer and the business reason for the transfer for five years.

Moreover, all applicants are required to maintain asset and inventory records of equipment purchased and the actual locations of such equipment for a period of 10 years after purchase. (Note that you are not required to continue to ascertain the actual location of equipment after it is out of your control.)

The requirement to report transfers of equipment to USAC will change as of July 1, 2021. Please refer to the chart below for more information:

Date of Transfer	Timing of Transfer	Report Transfer on FCC Form 500?
Before July 1, 2021	Within three years of purchase date	Yes
11 11	Three years or more after purchase date	No
On or after July 1, 2021	Within three years of purchase date	No
11 11	Three years or more after purchase date	No

Note that the most common issues uncovered during audits involve the following:

- Equipment was transferred, disposed of, donated, or traded before the date that the transfer was allowed under program rules.
- The transfer did not meet the conditions for an allowable transferal, disposal, donation, or trade.
- For transferred equipment, the transferor and/or recipient did not maintain appropriate records of the transfer for at least five years.
- For all equipment, the applicant did not maintain appropriate asset and inventory records for at least 10 years.

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