E-Rate Service Provider Webinar

E-Rate Program Participant Webinar

September 12, 2023

Universal Service
Administrative Co.

Disclaimer

To accommodate all attendees, real-time closed captions will be present during this presentation. We apologize in advance for any transcription errors or distractions. Thank you for your support.
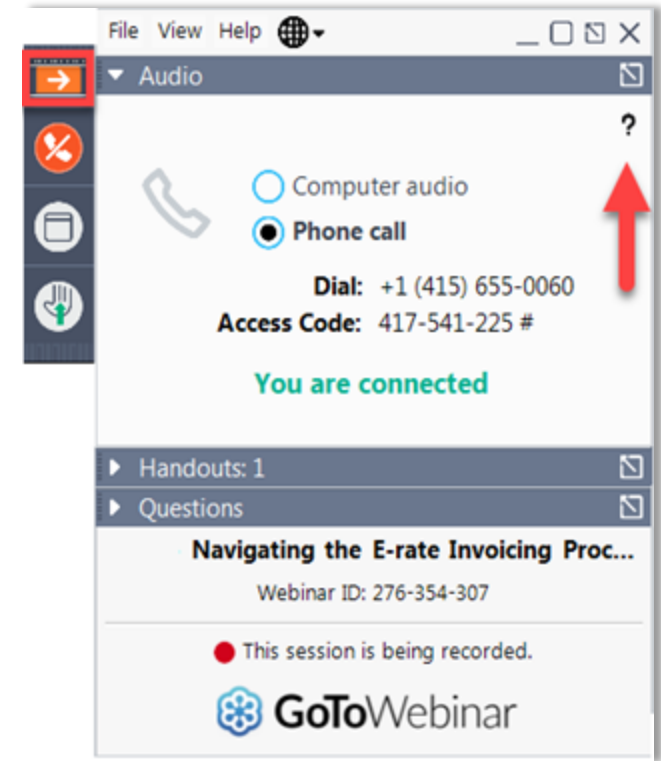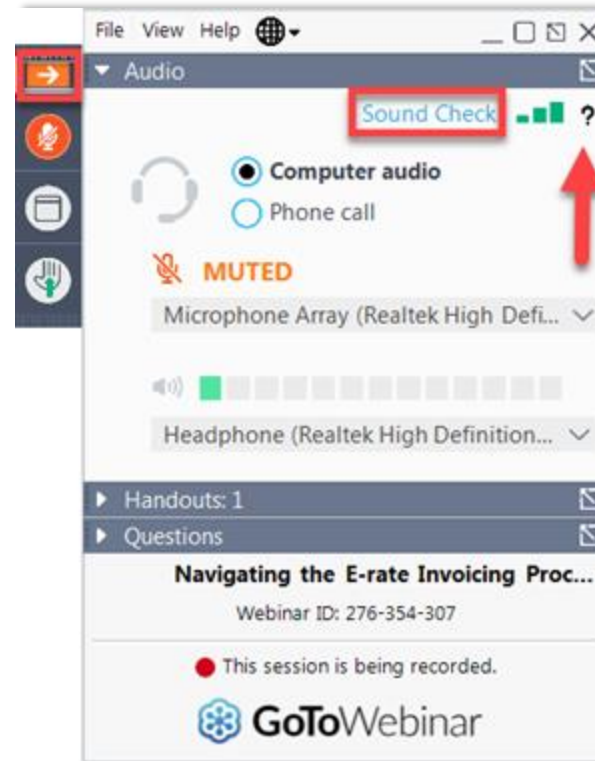
Housekeeping

- Audio is available through your computer's speakers.

- The audience will remain on mute.

- Enter questions at any time using the **Questions** box.

- If your audio or slides freeze, restart the webinar.

- A copy of the slide deck is in the **Handouts** section of the webinar panel.
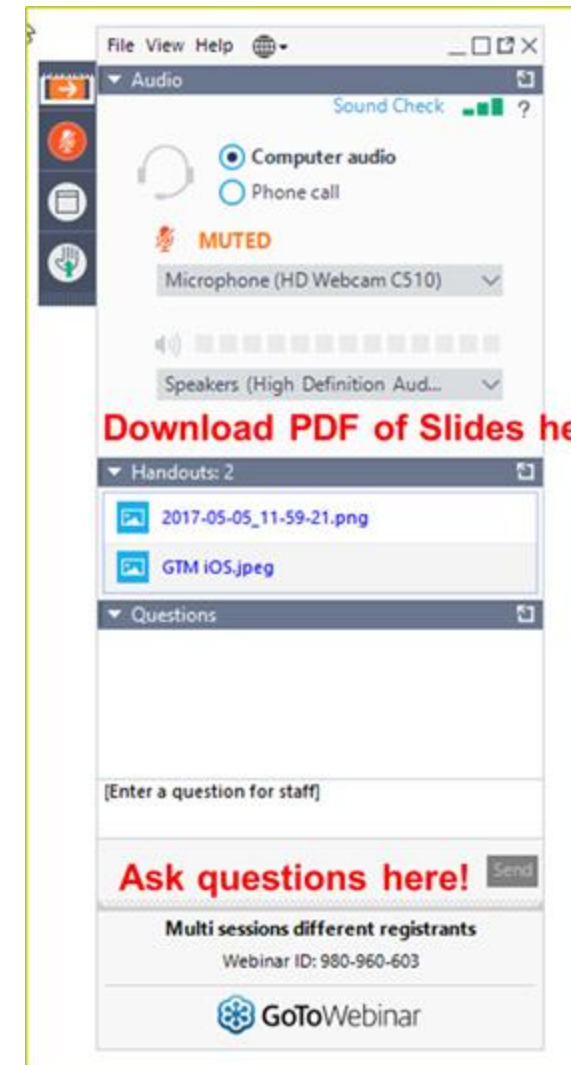
Housekeeping – Technical Issues

- Use the **Sound Check** link and click the question mark icon for audio help.

- Exit the webinar and click the **check system requirements** link in the event confirmation email to determine whether your computer meets the requirements to see and hear the webinar.

- If issues persist, call (833) 851-8340 to troubleshoot with GoToWebinar.

Housekeeping Q&A

- **There will be a live Q&A session focused on today's topics.**

- Tips for submitting questions:
  - Use the **Questions** box in your webinar control panel anytime during the presentation.
  - Click the box with the arrow above the **Questions** box to expand it and see all written answers.
  - Write in full sentences.
  - Ask one question at a time.
  - Ask questions related to webinar content.
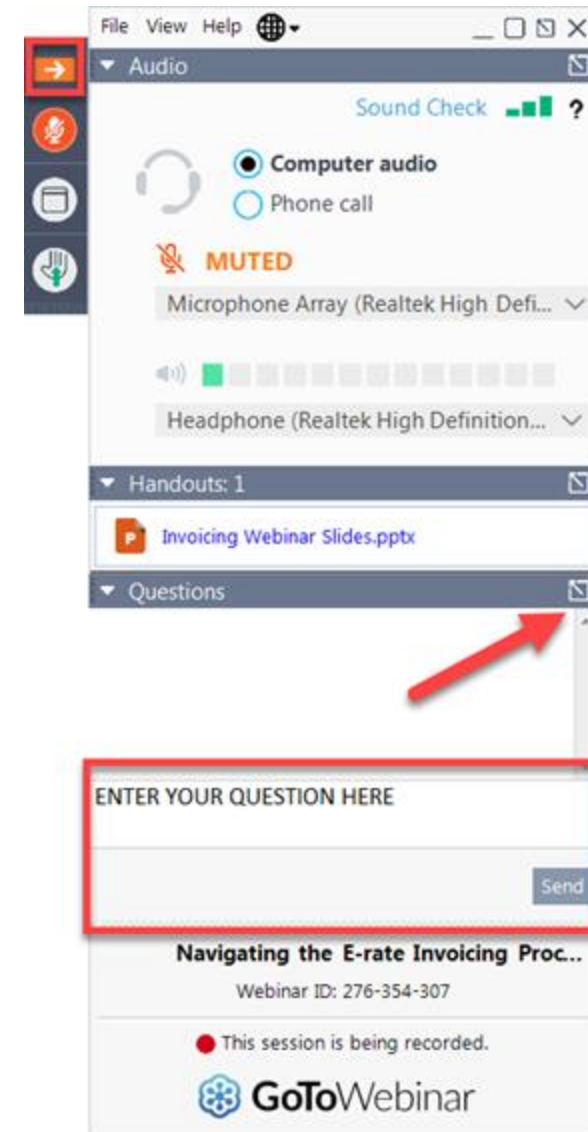
E-Rate Customer Service Center (CSC)

Call us at (888) 203-8100

Monday – Friday 8 a.m. to 8 p.m. ET

Create a customer service case in the E-Rate Productivity Center (EPC):

1. Log in to EPC.

2. Select the **Contact Us** link from the upper right menu on the landing page.

MEET THE TEAM

Candice Hilliard

Outreach| E-Rate

Pamela Lloyd

Invoicing | E-Rate

Devent Carter

Post-Commitment | E-Rate

Shawn Jensen

Pre-Commitment | E-Rate

Prerequisites

- [E-Rate Program Overview](#)
  - E-Rate Eligible Entities
  - E-Rate Eligible Equipment and Services
  - Application Process
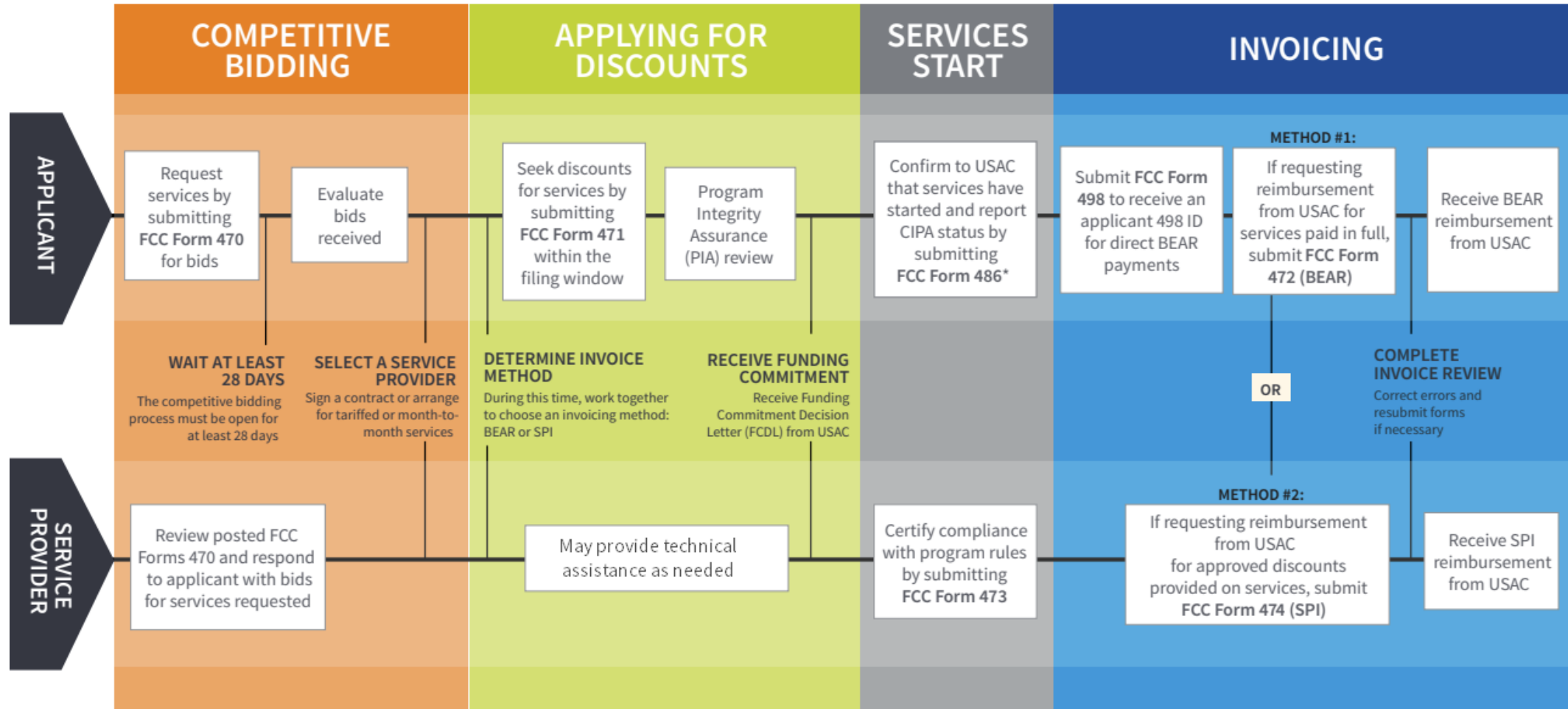 - Resources

8

Agenda

- E-Rate Overview

- Obtain a Service Provider Identification Number

- Bid on Projects

- Assist the Applicant/Beneficiary

- Certify Compliance

- Invoice USAC

- Resources

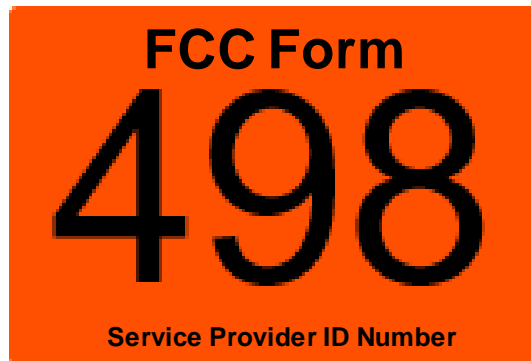# E-Rate Overview

Process Overview

E-Rate Forms

Service Provider Forms

FCC Form
498
Service Provider ID Number

Get a SPIN

FCC Form
473
Service Provider Annual Certification

Certify Compliance

FCC Form
474
Service Provider Invoice
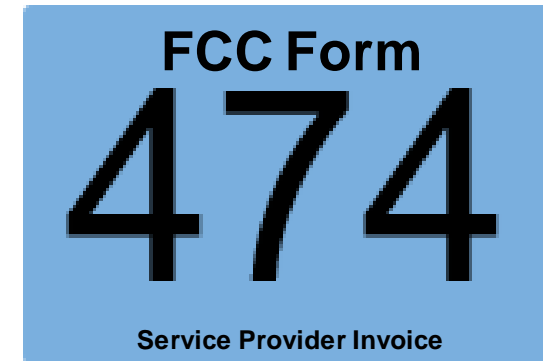
Invoice USAC

Applicant Forms

FCC Form
470

FCC Form
471

FCC Form
486

FCC Form
472
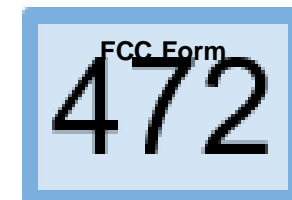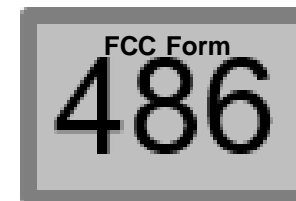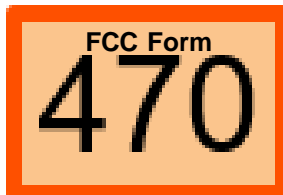
Know Your Role

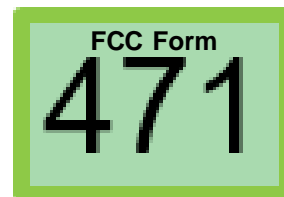| Applicants	Service Providers
• Determine services needed, file FCC Form 470 (and RFP, if desired). • Run competitive bidding process. • Select the most cost-effective bid. • Respond to PIA. • File other applicant forms (FCC Forms 471, 486, 472, 500, etc.) • Document their compliance with FCC rules on an ongoing basis. • Retain documentation for at least 10 years from last date of service delivery.	• Respond to FCC Form 470 and RFPs. • May assist with responding to PIA on technical services questions (but not competitive bidding). • File service provider forms (FCC Forms 473, 474, etc.) • Document your compliance with FCC rules on an ongoing basis. • Retain documentation for at least 10 years from last date of service delivery. • Must contribute to the Universal Service Fund, even if not participating in the E-Rate Program. See Service Provider page of USAC website.

Obtain a Service Provider Identification Number (SPIN)

Register Your Entity

- **Register on SAM.gov** to obtain a Unique Entity Identifier (UEI).
- **Register with USAC** to provide services to our applicants by completing an FCC Form 498.
  - This results in the creation of your **SPIN ID/498 ID**.
  - USAC sets your access to the E-File System.
  - You receive an email letting you know you can create a password in the **E-Rate Productivity Center** (EPC).
  - Keep this information current.

Bid on Services

- The **applicant** starts the competitive bidding process by posting one or more FCC Forms 470 and Requests for Proposal (RFP) documents, if applicable, to the USAC website.

    - These may include specific requirements for service providers to follow during the competitive bidding process.

- **Service providers** review the information and bid on the requested services.

    - The bid should include information on E-Rate eligibility percentage and category of service

    - The bid should be responsive to the services being requested.

How to Find Applicant Requests

Use the [View an FCC Form 470](#) Tool to find entities with needs in your service areas, and their points of contact.

You can also use our [Entity Information Tools](#) to narrow down your search to specific types of entities, including tribal entities or entities in underserved areas.

How to Find Applicant Requests

FCC Form 470

VIEW AN FCC FORM 470

Funding Year:
→ `2023`

Billed Entity Number:

Starting Posting Date: *
→ `07/01/2022`

Ending Posting Date: *
→ `07/30/2022`

Applicant Type: *
→
```
Consortium
Library
Library System
School
```

Applicant State: *
→
```
AK
AL
AR
AS
```
Hold 'Ctrl' to select multiple states

Applicant Zip:
→

Service Type: *
```
Basic Maintenance of Internal Connections
Data Transmission and/or Internet Access
Internal Connections
Managed Internal Broadband Services
```

Form Version:
`Current`

Export to:
`HTML`

* Required Field
Note: This tool generates data up to 30 days of posting date.

[Search] [Reset]

View an FCC Form 470 Tool – Search Results

Click on the hyperlink to open a form or an RFP document.

2023 FCC Form 470 RFP Report

Applicant Name	Applicant Type	State	470 Number	Allowable Contra...
Dublin Public Library	Library	TX	230006087	03/02/2023
Dublin Public Library	Library	TX	230006087	03/02/2023
HONDO PUBLIC LIBRARY	Library	TX	230006092	03/13/2023
BAY CITY PUBLIC LIBRARY	Library	TX	230016154	02/28/2023
WOLFE CITY PUBLIC LIBRARY	Library	TX	230017512	02/28/2023
CEDAR PARK PUBLIC LIBRARY	Library	TX	230018063	03/02/2023

FCC Form 470 – Funding Year 2023

Form 470 Application Number: 230006087
2023_Dublin PL_Cat1

Billed Entity
Dublin Public Library
206 W BLACKJACK ST
DUBLIN, TX 76446-2204
Erath
254-445-4141
a.dunn@dublinlibrary.org
Billed Entity Number: 17029378
FCC Registration Number: 0031245954

Contact Information
Adina Dunn
a.dunn@dublinlibrary.org
254-445-4141

Application Type
Applicant Type: Library
Recipients of Services: Public Library

Number of Eligible Entities: 1

Category One Service Requests

Service Type	Function	Function Other Description	Minimum Capacity	Maximum Capacity	Entities	Quantity	Unit	Installation and Initial Configuration?	Associated RFPs
Data Transmission and/or Internet Access	Internet Access and Data Transmission Service		10 Mbps	200 Mbps	1	1	Each	Yes	154304, 158827

Description of Other Functions

Id	Name

Narrative

Dublin Public Library is requesting quotes for Internet Access to serve patrons. The Library is requesting proposals from 10 Mbps up to 500 Mbps. Service providers and/or vendors submitting proposals are requested to provide pricing for an optional leased managed router and to provide incremental pricing for month to month service as well as 12-month, 36-month, and 60- month contracted terms. See the attached service specifications for the timeline and directions for submitting questions and proposals. Proposals submitted after the posted proposal closing date may be disqualified.

Installment Payment Plan
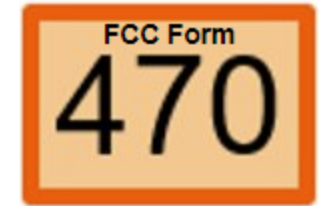Range of Years: 1 - 4 Years
Payment Type: Monthly

RFPs

Id	Name
154304	Dublin PL_Service Specifications_FY2023
158827	Dublin PL_Service Specifications_FY2023

# Find more detailed entity information

Use our FCC Form 470 tools within Open Data if you would like more detailed entity information, such as:

- Bureau of Indian Education affiliation

How Applicants Select a Service Provider

- Applicants must wait **at least 28 days** after posting their FCC Form 470 and then they:
  - [Evaluate the bids received](#)
    - See [sample evaluation matrix](#)
  - Select a service provider **on or after the 29ᵗʰ day**
    - The day the applicant certifies the FCC Form 470 counts as day 1. For example, if they file and certify an FCC Form 470 on September 1, they may select a service provider on or after September 29.
- **The price of eligible products and services** must be the **primary** selection criterion (weighted more heavily than any other single criterion).
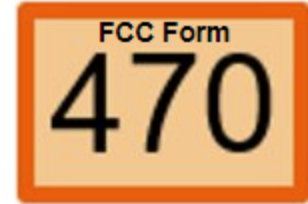
How Applicants Select a Service Provider (Cont.)

- Applicants must first [enter into an agreement](#) to provide services. If the applicant is required to wait more than 28 days due to their state or local procurement rules or regulations or competitive bidding requirements, they must follow those requirements.

- Services can start on or after July 1. Be sure that eligible equipment and services are delivered to:

  - The right recipient of service

 - In the correct quantities and rates

Bid should include Lowest Corresponding Price

Service providers must charge the Lowest Corresponding Price. (See 47 C.F.R. § 54.500.) This is the lowest price that a service provider charges to non-residential customers who are **similarly situated** to a particular school, library, or library consortium for **similar services**. This ensures that:

- Service providers do not charge applicants more than they would charge their other customers for the same services.
- Any lack of experience in negotiating in a service market does not prevent applicants from receiving competitive prices.

Note – document retention rules apply even in the event of a merger or acquisition.
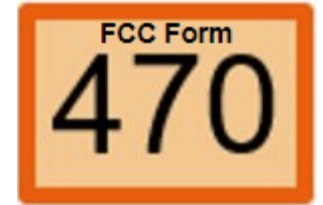
Open and Fair Competitive Bidding

The competitive bidding process must be open and fair.

- "Open" means there are no secrets in the process. Information shared with one bidder must be shared with all. All bidders know what is required of them.

- "Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information.

Open and Fair – Service Providers

To help ensure an open and fair process, service providers should:

- **Review all the requirements**, including the FCC Form 470 and RFPs
- Provide a responsive bid to what was requested by the applicant
- Ask questions if the information provided by the applicant is unclear
- Separate the **eligible**, **mixed bucket**, and **ineligible services** in your bid response
- **Do not offer gifts, free services, devices, or non-E-Rate discounts** to make your response more attractive
- **Do not offer to help** an applicant if you are also planning to respond to their bid request.

Working With the Applicant
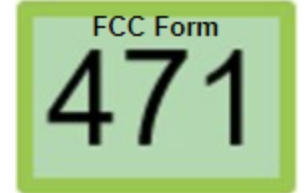
Understand Equipment and Service Eligibility

- Each year, before the application filing window the FCC releases the [Eligible Services List](#), which contains general guidance on the equipment and services that are E-Rate eligible for the upcoming funding year.

- The Eligible Services List also provides helpful information such as **eligibility conditions** for each category of service each funding year.

- Applicants can only receive funding for eligible equipment and services that are being used **for educational purposes**.

- Equipment and services may be **fully**, **partially** or **conditionally** eligible.

- Eligibility of equipment and services may vary from year to year.

- After you have been selected, it is important to inform the applicant on the eligibility of your equipment and services, as well as to help them to categorize it accurately on their FCC Form 471.

  - If you have any question about eligibility of equipment and services, please contact us.

- Check with the appropriate state agencies to see if your applicant must abide by a [State Master Contract](#).
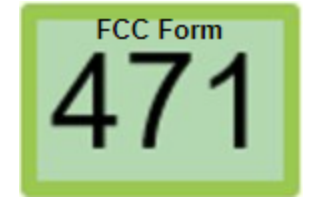
Notify Applicant of any 'Mixed Eligibility' Issues

- Mixed eligibility refers to products and services for which **only a portion** is eligible for discounts under the E-Rate program.

- In general, a cost allocation, separating the eligible and ineligible costs, is required if a equipment or service:
  - Contains both eligible and ineligible **components** (you should include in your bid what the percentage is, if it is not 100% eligible)
  - Is utilized for eligible and ineligible **uses** – for example, a server that is used for both caching (eligible) and video distribution (ineligible)
  - Is delivered to both eligible and ineligible **locations** – for example, broadband service delivered to a school run by a church (eligible) AND the church office (ineligible)

- There is no single approved method to allocate eligible and ineligible costs. Your method must use tangible criteria that result in a reasonable allocation.

28
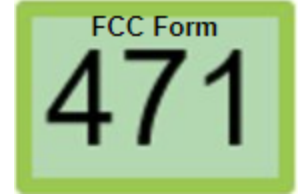
Allocate Costs for Mixed Eligibility

- E-Rate funds may **only** be used to pay for **eligible services** and products used by eligible entities for eligible purposes (i.e., primarily educational purposes).

- If a product or service has both eligible and ineligible **functions**, the cost of the ineligible functions must be allocated out of the funding request.

- A cost allocation requires a clear delineation of costs.

- Cost allocations must be supported by documentation.

- The cost allocation must be based on a reasonable, tangible basis that reaches a realistic result.

- Reminder: applicants are required to allocate services with ineligible sites or ineligible recipients of service.
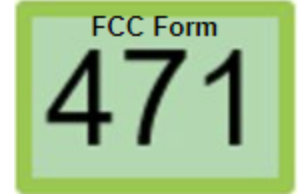
Follow E-Rate Gift Rules

- Receipt or solicitation of gifts by applicants from service providers or potential service providers (and vice versa) is a competitive bidding violation.

- Service providers may not offer or provide any gifts or things of value to applicant personnel involved in E-Rate.

- Gift prohibitions are **always** applicable, not just during the competitive bidding process.

- FCC rules and any applicable state/local rules must be followed.

Retain Documentation

- Applicants and service providers must [retain all documentation](#) for at least 10 years from the last date of service.

  - For example, for **recurring internet access service** for FY2023, both the applicant and the service provider must retain all records until at least June 30, 2034.

- Winning service providers must retain records related to the purchase and delivery of E-Rate eligible equipment, signed and executed contracts, bidding information, invoices, provision of services, and other matters relating to equipment and services.

- Records can be kept electronically.

Certify Compliance

File Service Provider Annual Certification (SPAC)

473

- Service providers file an FCC Form 473 (Service Provider Annual Certification (SPAC) Form) to certify that they will comply with Schools and Libraries (E-Rate) program rules and guidelines.

- A new SPAC Form must be on file for each funding year they participate in the E-Rate program.

- A SPAC Form is required for Service Provider Identification Number (SPIN)/498 ID.

- The SPAC Form must be on file with USAC **before USAC pays an invoice**.

- Verify the status of your FCC Form 473 using the Service Provider Download Tool.

Invoice USAC

Invoicing Prerequisites

- The applicant and service provider must have **received a Funding Commitment Decision Letter (FCDL)** with a positive commitment.

- The applicant must have **certified an FCC Form 486** and established the actual service start date for their Funding Request Number(s) FRN(s).

  - USAC must have reviewed and approved the FCC Form 486. (See FRN Status Tool)

- The service provider must have **certified an FCC Form 473** (SPAC Form) for each SPIN that will be featured on an invoice for that funding year. (See FRN Status Tool)

- The service provider must have started the installation/delivery of funded equipment and services.

- The invoice must be filed before the Invoice Deadline Date

Invoicing Prerequisites (Cont.)

- Discuss with the applicant whether the applicant or service provider will file invoices. Have the **BEAR/SPI discussion** with the applicant.

    - Billed Entity Applicant Reimbursement (BEAR) invoicing: applicant invoices USAC.

    - Service Provider (SPI) invoicing: service provider invoices USAC.

    - This decision is made on a per-FRN basis and is the **applicant's choice**.

    - Once USAC processes an invoice for an FRN, the invoicing mode (BEAR or SPI) is set and cannot be changed without formal approval.

- Make sure that you have the **most recent commitment information** from either the [Funding Commitment Decision Letter](#) (FCDL) or the [Revised Funding Commitment Letter](#), (in case of post-commitment changes) including discount rate, approved cost of service, FCC Form 471 number, FRN, any service substitutions, etc.

Billed Entity Applicant Reimbursement Invoicing   472

- Determine the invoicing frequency (monthly, bimonthly, quarterly, one-time).

- **Applicant pays the service provider in full.**

- Applicant bills USAC for the approved equipment/services delivered to the approved Recipient(s) of Service at the quantities and rates not to exceed what was listed on the FCC Form 471.

Service Provider Invoicing

474

- **Service provider bills the applicant** for any costs for **ineligible** portions/services and **non-discounted share** before submitting the FCC Form 474.

- Applicant pays the service provider for **ineligible** portions/services and **non-discount share**.

- Service provider invoices USAC for the discount amount using the FCC Form 474.

- Invoiced amount must be actual charges, not the amount **committed** on the FCDL.

- Only include Eligible Services on service provider invoices.

- Only bill USAC for the approved equipment and services delivered to the approved ROS at quantities and rates not to exceed what was approved on the FCC Form 471.

Applicants Must Pay Their Non-Discount Share

474

- Regardless of which invoice method has been selected, **all** E-Rate applicants must pay their non-discount share. See the Obligation to Pay page on USAC's website.

- Service providers cannot pay (directly or indirectly) for the applicant's non-discount share.

- Funds cannot come from the service provider or an entity controlled by the service provider.

- Service provider bills can't be ignored or waived.

- If the applicant can't show proof of payment during invoice review, the invoice (whether from the applicant or the service provider) may be denied.

Use Our Invoicing Tools

- Use the E-Rate FRN Invoicing Deadline Tool to search Funding Request Number data

  - Invoice deadline dates
  - Which invoices are ready for invoicing
  - Funds remaining for invoicing
  - Invoicing Mode
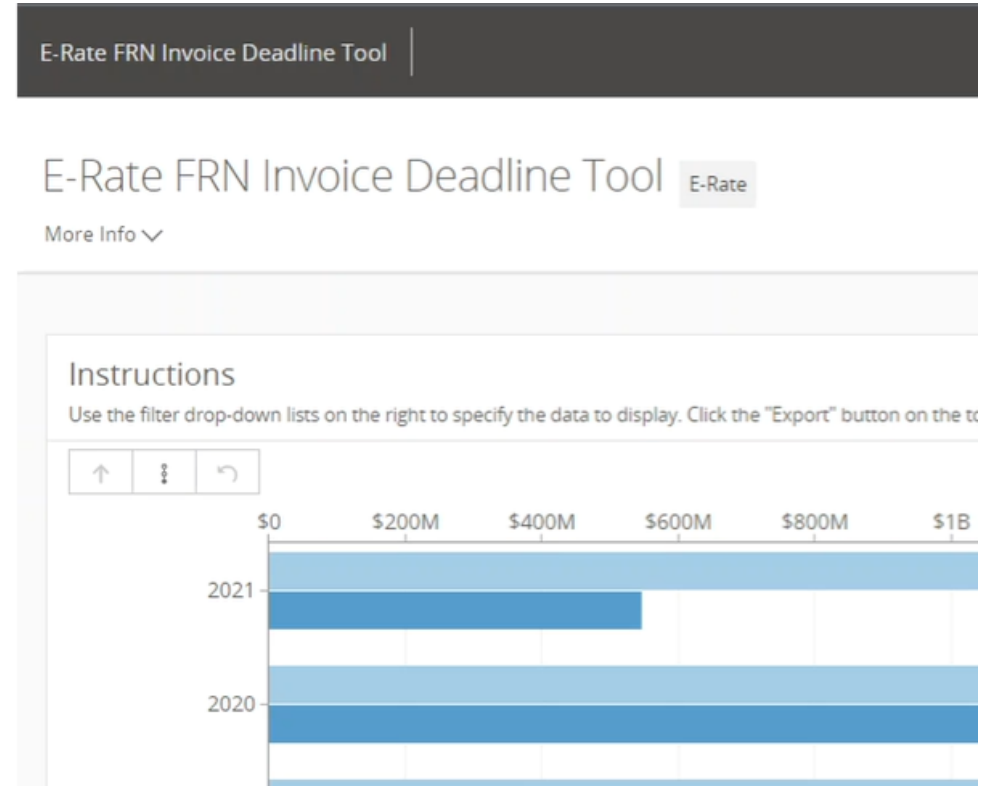
Use Our Invoicing Tools

- Use the [E-Rate Invoice Disbursements Data Lookup Tool](#) to find information on invoice line items.

  - Find out which submitted invoice lines are completed.

  - See how much funding was approved per line.

  - Learn why an invoice line was reduced or paid at zero.

Invoicing Reminders and Key Takeaways

474
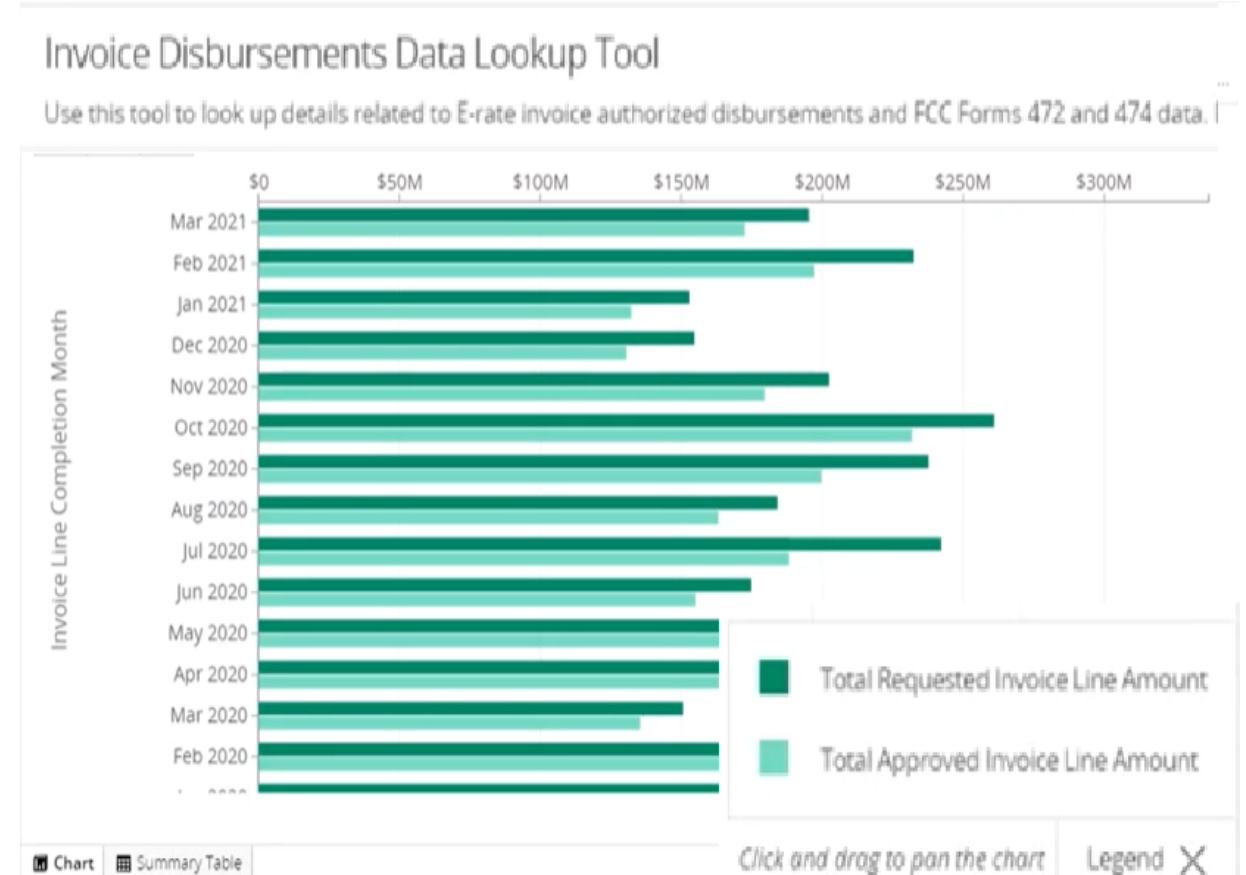
- Ensure your **FCC Form 471 is accurate**, including FRN, discount rate, approved cost of service, calculations and invoice amount.

- **Remove ineligible items** (equipment and services not approved on FCC Form 471 for FY and ROS).

- Respond to all outreach **completely and in a timely manner** to expedite your payment.

- To **prevent duplicate invoice submission**, establish a process to track/identify each invoice.

- Retain your supporting documentation and bills for all invoices for at least **10 years**.

- Make sure all equipment purchased is **installed and in use before the service delivery date**.

- Invoices may be submitted until the **invoice deadline date** (generally October 28 for recurring services, January 28 for non-recurring services)

  - You may request a **one-time invoice deadline extension (**before the current deadline).
    See the E-Rate FRN Invoice Deadline Tool within Open Data.

- **Appeals** must be submitted to USAC within **60 days** of the date when USAC issued the decision. Waivers should be filed directly with the FCC.

Invoicing Reminders and Key Takeaways (Cont.)

474

- **BEAR Invoices:** Applicant must have paid service provider **in full and before invoicing E-Rate.**

- **SPI Invoices:** Applicant must pay the service provider their non-discounted portion. Service providers should **bill** their customers for:

  - 1: the **non-discounted** portion of costs for the approved eligible equipment/services and

  - 2: any costs for the **ineligible** portions of products/services before submitting the FCC Form 474.

- Ensure you **file for BMIC services correctly**. Mistakes are often identified during invoicing. See our FAQs on how to fix misclassified equipment and services on your FCC Form 471.

- **Invoice USAC only for your FCC Form 471-approved eligible equipment and services, in the correct quantity and rates, and delivered only to the approved ROSs.**

- Ensure the speed is properly listed under the approved FRN. If you're using a flexible bandwidth speed, ensure you are using the min/max field on the FCC Form 471.

- Invoiced amount must be **actual charges**, not the amount committed through the E-Rate program.

- Check your manual calculations (e.g., your **prorated amounts must be accurate)**.

- Billed rates must **not exceed the contracted rate**. USAC will only pay up to the contracted rate.

Tips for Success

- Follow all competitive bidding guidelines
- Enter into a [legally binding agreement](#) before the applicant files FCC Form 471
- Comply with the Lowest Corresponding Price (LCP) rule
- Deliver equipment and services to the appropriate recipients of service
- Ensure that the applicant has the necessary resources to use the service provided
- Validate that internal connections are installed
- Invoice for the correct amount

For more information, see the [Common Audit Findings Page](#) on USAC's website.

Resources

Resources

- E-Rate Service Provider Webpage
- USAC Service Provider (Contributor) Webpage
- Open Data's E-Rate Datasets
- E-Rate News Brief
- E-Rate Learn Page
- E-Rate Video: How to Search for FCC Forms 470

Questions?

Thank You!