

## E-rate: Part II

Julia Benincosa Legg  
State E-rate Coordinator  
Office of Instructional Technology

---

---

---

---

---

---

---

---

## If you missed Session I...

- <http://tinyurl.com/eratewvde>
- >> Presentations

---

---

---

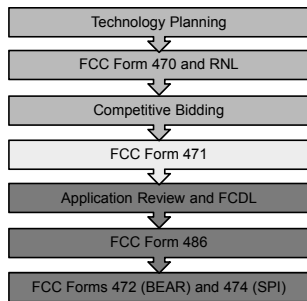
---

---

---

---

---



---

---

---

---

---

---

---

---

## Form 471

- After procurement
- Window runs January through March prior to start of Fiscal Year for which requests will be made
  - January 2016-March 2016 > Service Starts July 1, 2016
- Notifies USAC of:
  - Service provider selected
  - Products/services
  - Quantities
  - Pricing
  - Contract information/terms

---

---

---

---

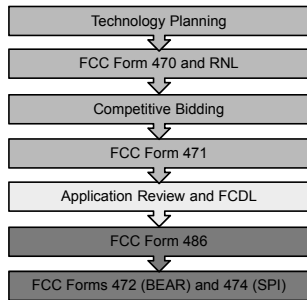
---

---

---

---

## Technology Planning



---

---

---

---

---

---

---

---

## Program Integrity Assurance (PIA) Review

- Cannot make significant corrections, but will allow ministerial or clerical error corrections with backup documentation
- Deadlines are critical. Missing could result in funding loss or reduction
- Always ask questions if you're not sure or unclear what they are asking for
- Send just what they ask for. Nothing more, nothing less

---

---

---

---

---

---

---

---

## Review Stages

Application Status	Explanation
Cancelled	Your Form 471 has been canceled. No further action will be taken on this form.
Incomplete	Block 1 of your Form 471 has been successfully data entered. However, no further action will be taken on this form until it is completed and certified (whether online or on paper) and moves to Certified - In Window status.
Complete	THIS STATUS IS FOR ONLINE FILERS ONLY: You have clicked the "Submit" button to file your Form 471, but the Block 6 certification process (whether online or on paper) has not been completed.
Certified - In Window	Your Form 471 was successfully certified within the filing window for the Funding Year and is awaiting assignment for Initial Review.
Certified - Out of Window	Your Form 471 was certified outside of the filing window for the Funding Year.
Initial Review	Your Form 471 has been assigned for Initial Review and is being reviewed by Program Integrity Assurance (PIA) for compliance with program rules. All applications must receive both an Initial Review and a Final Review. NOTE: Your Form 471 may return to Initial Review status at any time before a Funding Commitment Decision Letter is issued.

---

---

---

---

---

---

---

---

---

---

## Review Stages

Application Status	Explanation
Available for Final Review	Your Form 471 review has completed Initial Review and is awaiting assignment for Final Review. All applications must complete both an Initial Review and a Final Review.
Final Review	Your Form 471 has been assigned for Final Review. All applications must receive both an Initial Review and a Final Review. NOTE: Your Form 471 may return to Final Review status at any time before a Funding Commitment Decision Letter is issued.
Available for Quality Assurance	Your Form 471 has completed Final Review. Your Form 471 may be assigned for Quality Assurance Review.
Quality Assurance 1	Quality Assurance Review verifies that the Initial Review and Final Review procedures were properly performed. Your Form 471 has been assigned for a first-level Quality Assurance Review. Quality Assurance Review verifies that the Initial Review and Final Review procedures were properly performed.
Quality Assurance 2	Your Form 471 has been assigned for a second-level Quality Assurance Review. Quality Assurance Review verifies that the Initial Review and Final Review procedures were properly performed.

---

---

---

---

---

---

---

---

---

---

## Review Stages

Application Status	Explanation
Unable to Contact	Your Form 471 is on hold because PIA was unable to reach the Form 471 contact person. If you wish to have PIA re-contact you regarding your pending application, contact your PIA reviewer. If you don't know who your reviewer is, contact our Client Service Bureau at 1-888-203-8100.
Held for further review and other verification	Your Form 471 is on hold because we need to verify additional information. Once we have obtained the information for verification, we will continue to process your Form 471.
Awaiting Applicant Documentation	We have requested information or documentation and you have not responded to our latest inquiry. Please review our questions and provide the necessary information. Once we have obtained the necessary information, we will continue to process your Form 471.
Deferred	Your Form 471 is on hold. You were unavailable or you requested that PIA defer the Form 471 review during either our Summer or Winter deferral period. If you wish PIA to remove the hold and continue review, contact your PIA reviewer. If you don't know who your reviewer is, contact our Client Service Bureau at 1-888-203-8100.
FCDL Issued - 'xxxxxxx'	We have issued a Funding Commitment Decision Letter (FCDL) on the date indicated that references one or more Funding Requests from this Form 471. If more than one FCDL has been issued, the date indicated is the date of the most recent FCDL.

---

---

---

---

---

---

---

---

---

---

Funding Commitment  
Decisions (FCDL)

---

---

---

---

---

---

---

---

Funding Commitment Decisions

- After review, notification will be generated to advise you if your application was:
  - Funded
  - Not Funded
  - As yet unfunded
- Details for funding amounts, etc. are included in letter
- Review carefully to ensure that all funding requests were funded at the originally requested amount unless you changed during corrections or review!!

---

---

---

---

---

---

---

---

Appeals

- If you disagree with the funding commitment (or any other decisions made by USAC), then you have only 60 DAYS to file an appeal with USAC
- Waivers of program rules must be filed with the FCC
- Recommended to appeal any adverse decision no matter what
- Contact your State E-rate Coordinator for assistance!

---

---

---

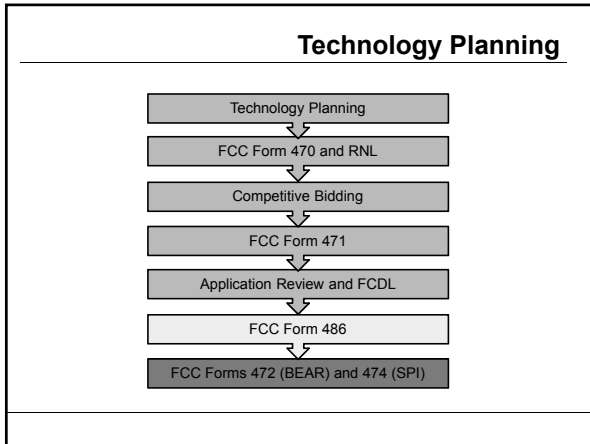
---

---

---

---

---



---

---

---

---

---

---

---

---

**Form 486**

- Notifies USAC that you are ready to start receiving (or your service provider may start billing USAC for) funding
- Must have FCDL (funding commitment) to complete
- Easiest to complete
- Letter is supposed to be sent out to remind for missed deadlines...many didn't get one!

---

---

---

---

---

---

---

---

**Form 486**

- Missing deadline could reduce funding
  - Deadline is 120 days from start of service or Funding Commitment Decision letter date (whichever is later)
  - Late funded applicants hurt the most when missing a deadline
    - Retroacts funding to 120 days from 486
    - Services Started 07/01/2014
    - Funded=01/20/2015
    - Filed Late 486 filed=7/7/2015
    - Funding retroacted back to 03/09/2015
    - LOSS of 8 months of funding in full and part of March

---

---

---

---

---

---

---

---

## Appeals

- If you miss a Form 486 deadline for extenuating circumstances you can file an appeal
- FCC appeal – waiver of deadline
- FCC files responses to appeals in bulk orders with like issues
  - Takes a lot of time—may be waiting years for your decision, depending on their case load and the subject of the appeal
- New portal should alleviate some of the issues surrounding forgetting!

---

---

---

---

---

---

---

---

## Service Delivery

- For some services, you may have a delay service delivery date
  - Late installation of data circuits
  - Late construction of new schools
- Generally monthly recurring services, service delivery deadlines fall within the funding year
  - 06/30
  - Data circuits, phone lines, internal connection maintenance, management of internal broadband services
- One-time services have a later deadline
  - 09/30 (into the next funding year)
  - Internal connections, installation, etc.

---

---

---

---

---

---

---

---

## Service Delivery

- For some services, you may have a delay service delivery date
  - Late installation of data circuits
  - Late construction of new schools
- If one-time services have a later anticipated installation that the deadline of 09/30, will require a service delivery deadline extension request (via Form 500)
  - Usually just requires board minutes or contractor letter stating the school is delayed in construction and the estimated date of completion
- Monthly recurring deadlines cannot usually be extended
  - Generally covered under new funding year
  - Funding unused should be returned to USAC via a Form 500 (could be audit finding – no deadline for submission)

---

---

---

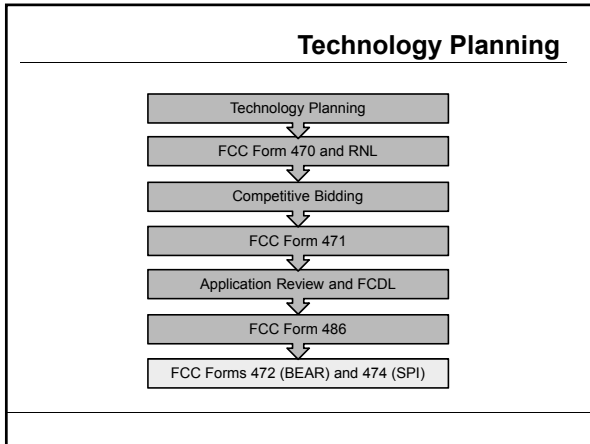
---

---

---

---

---



---

---

---

---

---

---

---

---

**FCC Forms 472 (BEAR)  
and 474 (SPI)**

- Invoice USAC for funding commitments
- Can be done by the applicant (Billed Entity Applicant Reimbursement – BEAR)
- Or by the Service Provider (Service Provider Invoice – SPI)
- Can be done monthly, quarterly, bi-annually or yearly

---

---

---

---

---

---

---

---

**Invoicing USAC**

- Cannot invoice based on funding commitment
- Must be actual bills, not to exceed original commitment total
- County share must have already been paid or you must have the EXACT date when payment will be made to the vendor to submit your invoices to USAC (both BEAR and SPI)

---

---

---

---

---

---

---

---

### Invoicing USAC

- Best Practices:
  - Review bills monthly for issues to resolve in advance
  - Complete USAC spreadsheet to add total amount, ineligible amounts and discount amount each month
  - Can file whenever it best meets your needs
    - Yearly = ONE REVIEW, but wait for money all year

---

---

---

---

---

---

---

---

### Invoicing USAC

- **BILLS MUST:**
  - Match name of Billed Entity on E-rate application (usually County name)
  - Match school and other site names exactly (Everything should match in WVEIS, USAC database/application and Vendor system)
  - Services must match your E-rate request
    - If they have changed, then a substitution may be required!

---

---

---

---

---

---

---

---

### Service Substitutions

- Substitution of a service or product must meet the following conditions, which are specified in Federal Communications Commission (FCC) rules:
  - The substituted services or products must:
    - Have the same functionality as the services or products contained in the original request
    - Does not violate any contract provisions or state or local procurement laws
    - Does not result in an increase in the percentage of ineligible services or functions
    - The requested change is within the scope of the controlling FCC Form 470, including any Requests for Proposal (RFP), for the original service

---

---

---

---

---

---

---

---



### Service Substitutions

- If a service substitution results in a change in the pre-discount price, funding will be based on the **lower** of either the pre-discount price of the service for which support was originally requested or the pre-discount price of the new, substituted service
- Example:
  - Applicant granted request for 48-port network switch and wants to change to 24-port switch

---

---

---

---

---

---

---

---

### Invoice Checks

- If you elect to use the Service Provider Invoicing method (SPI), you may request that USAC checks with you before paying the provider
  - Ensures provider doesn't take all of the funding without your knowing
  - Ensures that you've had a chance to pay your share first (reviews don't always ask for proof of this!)
- Most WVDE SPI processes use Invoice Checks, especially for Category 2, Internal Connections with lots of "parts" that could easily change!

---

---

---

---

---

---

---

---

### Invoicing Deadlines

- Deadline is 120 days from the last date of service
- USAC has authority to grant one extension of 120 days only.
- IF you miss the deadline and do not request an extension, requires an FCC Waiver request
  - Note the last FCC Order that was released denied ALL extension requests submitted to the FCC!

---

---

---

---

---

---

---

---

**Other Required Forms & Submissions**

---

---

---

---

---

---

---

---

- Other Required Forms & Submissions**
- Letter of Agency: Grants WVDE and other billed entities on our behalf (RESA 3, etc.) to file consortia applications on your behalf for state network costs
  - Form 479: Certifies that you are CIPA compliant (Stays with WVDE and other billed entities to prove that you were CIPA compliant during our consortia application process)

---

---

---

---

---

---

---

---

- Other Required Forms & Submissions**
- Form 500: (Multiple purposes)
    - Return unused funding to USAC (partial funding)
    - Cancel funding requests
    - Equipment transfer to move equipment when a school closes to another school site (any eligible school [not board office, etc.] in any county)
    - Adjusting service start date
    - Requesting Service Delivery Deadline Extension
    - When a contract has been extended (happens a lot with Category 2 Internal Connections and TFS contract) with the billed entity, update the contract expiration date with USAC

---

---

---

---

---

---

---

---

### Other Requirements

- Keep inventory of all Make, Model, Serial Number and location for all E-rate equipment (10 years from last date of service)
- Update inventory when a product has been replaced under warranty or decommissioned upon end of life
- Notify USAC of any movement in equipment funded by E-rate
- Label equipment with Funding Year, Application # and FRN (best practice)
- CIPA instruction reporting by end of school year = 100%

---

---

---

---

---

---

---

---

### Audits

---

---

---

---

---

---

---

---

### Types of Audits

- Beneficiary and Contributor Audit Program (BCAP)
  - Enable USAC to utilize audit approaches tailored to both the distinctive features of an auditee's organization and the specific amounts of money being audited
  - Carried out by auditors trained in audit requirements for universal service collections and disbursements
  - These audits serve to identify areas of non-compliance with program rules and amounts of recoverable funds

---

---

---

---

---

---

---

---

**Common Audit Findings**

- Entity did not retain documentation to show compliance with competitive bidding requirements
- Entity did not retain documentation to support discount calculation data as indicated on the FCC Form 471, Description of Services Ordered and Certification Form
- Discrepancies existed in the total student and/or NSLP student count
- Entity did not retain a copy of the Technology Plan Approval letter
- The non-discount portion of the cost of services provided was not paid
- Service provider bills did not list the details of services and/or equipment provided

---

---

---

---

---

---

---

---

**Common Audit Findings**

- The applicant could not produce copies of all service provider bills received
- Equipment and/or services were ineligible
- Equipment was not installed
- Equipment could not be located
- The applicant was unable to make effective use of the discounted services
- Consortium was missing Letters of Agency (LOA)

---

---

---

---

---

---

---

---

**Steps to Minimize Audit Findings**

- Document, document, document
- Organize application documentation in a logical manner
- Throughout the funding year, obtain copies of necessary documentation (i.e., copies of service provider bills, cancelled checks, contracts, equipment delivery documentation, maintenance documentation, etc.) and keep in a central location
- Keep equipment inventory up-to-date
- Perform reconciliation of service provider bills with invoices submitted to USAC using the FCC Form 472 (BEAR), and with reimbursements received from service providers

---

---

---

---

---

---

---

---

## Types of Audits

- Payment Quality Assurance (PQA) Program
  - Enables USAC to provide the FCC with accurate, timely information about improper payments to support mechanism beneficiaries, as required by the Improper Payments Information Act of 2002 (IPIA) and the Improper Payments Elimination and Recovery Act of 2010 (IPERA)
  - USAC assesses specific payments made to select beneficiaries to determine if these payments were made in accordance with FCC rules.
  - Using results of these assessments, USAC calculates estimates of improper payment rates and provides this information to the FCC

---

---

---

---

---

---

---

---

## Documentation to Maintain

- Applicant Eligibility
  - WVEIS Master List must be maintained with current name and physical address information
- Budget
  - Draft budget: Found in Technology Planning under E-rate budget
  - Final budget documentation (generally want to see overall district budget)
- Technology Plan (for Funding Years prior to 2011)
  - Approval Letter

---

---

---

---

---

---

---

---

## Documents to Maintain

- Competitive Bidding
  - Copies of state and local procurement regulations and procedures (Policy 8200 and local procurement)
  - Overview of the service provider selection process including criteria and weighting of the criteria
  - RFPs issued
  - Copies of all bids received (winning and losing)
  - Written correspondence between the applicant and any prospective bidders

---

---

---

---

---

---

---

---

**Documents to Maintain**

- Competitive Bidding
  - Bid evaluation documentation including evaluation worksheets
  - Meeting minutes, sign-in sheets, and/or meeting agendas where bid evaluation was discussed
  - Contracts for supported services
  - List of all service providers supplying discounted services including contact information
  - Documentation of any SPIN change request including copy of notice to original service provider
  - Documentation to support that the selected services and/or equipment was cost effective
  - Any other available documentation concerning bid evaluation

---

---

---

---

---

---

---

---

**Documents to Maintain**

- Discount Calculation
  - Supporting worksheets or reports that were used to populate the school discount calculation information
  
  - Copies of any policies and/or procedures related to the discount calculation process or methodology (i.e. – NSLP, surveys, Provision 1, 2, or 3, etc.)

---

---

---

---

---

---

---

---

**Documents to Maintain**

- Disbursements
  - Detailed procedures for validating and processing service provider bills and submitting invoices to USAC
  - Copies of service provider bills for supported services
  - Reconciliation by FRN of service provider bills to invoices submitted to USAC (if applicable)
  - Documentation of payment (canceled checks) for services to service providers
  - Documentation showing receipt and deposit of any reimbursement amounts received
    - Copy of cancelled check back is what they want to see

---

---

---

---

---

---

---

---

### Documents to Maintain

- Children's Internet Protection Act (CIPA)
  - Copy of the Internet safety policy or acceptable use policy (AUP)
  - Documentation of the adoption of the Internet safety policy
  - A copy of the minutes and the date of the public hearing regarding the Internet safety policy
  - A description of the Technology Protection Measure used (Provided by State)
  - A copy of a report (if applicable) from the Technology Protection Measure for the Funding Year(s) subject to audit (Provided by State)
  - Copies of **Forms 479**, Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act (CIPA) and/or **Forms 486**, Receipt of Service Confirmation, as applicable

---

---

---

---

---

---

---

---

### Documents to Maintain

- Services
- Summary of the technology environment and a high-level network diagram
- Summary of the use of the supported service and/or equipment
- Any other documentation on the services (such as training and workstations) necessary to make effective use of Schools and Libraries Program discounts
- List of Schools and Libraries Program supported services and/or equipment including references to vendor bill, USAC invoice, serial number, and current physical location
- Documentation verifying date of receipt of services and/or equipment
- For Basic Maintenance of Internal Connections – documentation to support that the funded service was received
- Documentation to support any service substitutions

---

---

---

---

---

---

---

---

### Documents to Maintain

- Other
  - Copies of all forms submitted to USAC and all letters/notifications received from USAC
  - OMB A-133 audit, *if applicable*
  - Reports of any other audits conducted that relate to either the Schools and Libraries program or the National School Lunch Program (NSLP)
  - Copies of financial statements and annual budgets for the Funding Year(s) under review
  - Copy of the records retention policy
  - List of individuals including staff, service providers, and consultants that work on Schools and Libraries Program funding requests, as well as their roles and responsibilities
  - Any correspondence from or to USAC, the FCC, potential service providers, or any individuals listed above
  - For consortia, letters of agency

---

---

---

---

---

---

---

---

Additionally, you should have the following people available to answer questions:

- Person who managed the bidding and award process
- Person who reviews and approves vendor bills
- Person who prepares invoices
- Person who writes checks, makes deposits, and reconciles the bank account
- Person knowledgeable about the network and the location of equipment
- State E-rate Coordinator is available to attend audit, upon request

---

---

---

---

---

---

---

---

Contact Information:

Julia Benincosa Legg  
[julia.legg@k12.wv.us](mailto:julia.legg@k12.wv.us)

304-558-7880

---

---

---

---

---

---

---

---