

## **E-rate Basics**

- The Schools and Libraries Program, commonly known as E-rate, provides discounts to help schools and libraries obtain affordable rates for telecommunications, telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. The program is administered by USAC under the oversight of the FCC.
- Libraries must meet the statutory definition found in the Library Services and Technology Act (LSTA) of 1996: libraries must be “public libraries” that are organized according to Idaho Code Title 33, Chapter 26 or Chapter 27 (City Libraries, District Libraries, or School-Community Libraries).
- The discount is based on the National School Lunch Program (free and reduced lunch) percent of the local school district and Rural or Urban status.
- Idaho libraries’ discounts range from 50% to 90%. The average discount is 76%.
- Category 1: Telecommunications, including voice: POTS (Plain Old Telephone Service) or basic local and/or long distance telephone, and Internet
- Category 2: Internal connections; Basic maintenance of internal connections

## **E-rate Discounts**

- Discounts= 20% to 90% of eligible costs, determined on:
  - 1) Percentage of students who are eligible for National School Lunch Program (NSLP) in:
    - (for a school) the school
    - (for a library) the school district in which the library’s main library, central or headquarters library is located
  - 2) Urban or rural location of the school or library

## **E-rate Categories of service:**

- Category 1 (C1):
  - Telecommunications Service
  - Internet Access
  - Telecommunications
  - Voice
- Category 2 (C2): limits on funding over 5 years; depending in square footage and IMLS locale
  - Internal Connections
  - Managed Internal Broadband Services
  - Basic Maintenance of Internal Connections

## **E-rate Forms – options:**

- File online, certify on paper
- File online, certify online
- Filing online requires a PIN
- A PIN will be received after certifying on paper. PINs are exclusive to a specific person.

## **Timeline:**

- Commitments for e-rate are made by the funding year, which runs from July 1 to June 30.
- Generally, Form 470 can be submitted beginning on July 1. Form 470 must be submitted at least 28 days before Form 471 can be done.
- The Form 471 window generally opens in January and ends in mid to late March.
- After receiving a funding commitment, Form 486 must be done 120 days after July 1 or the date of the funding commitment, whichever is later.

## **E-rate Process**

- Requesting services (FCC Form 470)
- Competitive bidding process
- Ordering services (FCC Form 471)
- Application review and funding commitments
- Begin receiving services (FCC Form 486)
- Invoicing USAC (FCC Form 474/SPI - discount or FCC Form 472/BEAR - reimbursement)

## **FORM 470**

- Open a competitive bidding process
- Identify and describe desired categories of service and function of the services
- Describe the scope of the library's needs
- Notify potential bidders of the types and quantities of services that are needed

### **Competitive bidding requirements**

- The competitive bidding process must be open and fair: keep all incoming bids/correspondence with bidders and prepare to evaluate bids equally
- All potential bidders have access to the information from FCC Form 470 and RFP, and they can respond to requests

### **Choosing a service provider**

- After closing the competitive bidding process for services (on or after the Allowable Contract Date - ACD):
  - 1) Evaluate the bids received
  - 2) Choose service provider(s)
  - 3) Sign a contract or choose month-to-month
  - 4) Submit an FCC Form 471

## **FORM 471**

- Provide information on the service providers and eligible services that have been chosen

- Identify the eligible schools and libraries that will receive services
- Calculate and report how much support is sought for the year
- Include discount calculation information
- Certify compliance with program rules
- Item 21: the description of services associated with a funding request

## **APPLICATION REVIEW AND FUNDING COMMITMENTS**

- **Program Integrity Assurance (PIA):** the USAC group that reviews and makes funding decisions on program applications
- **Funding Commitment Decision Letter (FCDL):** a letter issued by USAC to the applicant and the service provider that contains commitment decisions on funding requests

### **During PIA review, USAC reviews FCC Form(s) 471 to:**

- Check the eligibility of the schools and libraries and their discount levels
- Verify that the services requested are eligible for discounts
- Give an opportunity to make allowable corrections to Form 471
- In some cases, ask for additional verification of compliance with program rules

### **Receiving funding commitment(s)**

- Following application review, USAC issues a Funding Commitment Decision Letter (FCDL) to both the applicant and the service provider(s)
- Applicants and Service Providers should carefully review their FCDL for details on approved or denied requests and next steps

## **BEGIN RECEIVING SERVICES (FORM 486)**

- Notify USAC that eligible services have started or been delivered and invoices for those services can be processed and paid
- Report status of compliance with CIPA

## **INVOICING USAC**

2 methods of invoicing

- **Billed Entity Applicant Reimbursement (BEAR)** FCC Form 472 is filed by the applicant and approved by the service provider after the applicant has paid for the services in full
- **Service Provider Invoice (SPI)** FCC Form 474 is filed by the service provider after the applicant has been billed for the non-discount portion of the cost of eligible services

Requirements before invoicing USAC

- *Applicants and Service Providers* receive an FCDL from USAC for the services being invoiced
- *Applicants* must file an FCC Form 486 and receive an FCC 486 Notification Letter
- *Service Providers* must file an FCC Form 473 each funding year

## **DEADLINES**

### Application deadlines

- **FCC Form 470** - Posted at least 28 days before the filing of the FCC Form 471, keeping in mind the FCC Form 471 application filing window opening and closing dates
- **FCC Form 471** - Received or postmarked no later than 11:59 p.m. EST on the day of the close of the FCC Form 471 application filing window (exact date will be posted on the USAC website and on LibIdaho)
- **FCC Form 486** - Received or postmarked no later than 120 days after the date of the USAC Funding Commitment Decision Letter or the service start date, whichever is later
- **FCC Form 472/ FCC Form 474** - Received or postmarked no later than 120 days after the date of the FCC Form 486 Notification Letter or the last date that the applicant can receive service from the provider in the funding year at issue, whichever is later
- **Appeals** - Received or postmarked no later than 60 days after the date of USAC's decision letter