



Overview of the Program

Overview of the Schools and Libraries Program

The Schools and Libraries Program of the Universal Service Fund, commonly known as "E-Rate," is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC), and provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. It is one of four support programs funded through a Universal Service fee charged to companies that provide interstate and/or international telecommunications services.

The Schools and Libraries Program supports connectivity - the conduit or pipeline for communications using telecommunications services and/or the Internet. Funding is requested under four categories of service: telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. Discounts for support depend on the level of poverty and the urban/rural status of the population served and range from 20% to 90% of the costs of eligible services. Eligible schools, school districts and libraries may apply individually or as part of a consortium.

Applicants must provide additional resources including end-user equipment (e.g., computers, telephones, etc.), software, professional development, and the other elements that are necessary to utilize the connectivity funded by the Schools and Libraries Program.

Table of Contents

Overview of the Program	1
Step 1: Determine Eligibility	2
Eligibility Requirements	2
Step 2: Develop a Technology Plan	3
Technology Plan Details	3
Step 3: Open a Competitive Bidding Process (Form 470)	9
Step 4: Select the Most Cost-Effective Service Provider	10
Step 5: Calculate the Discount Level	10
Step 6: Determine the Eligible Services	11
Step 7: Submit Application for Support (Form 471)	11
Step 8: Undergo Application Review	12
Step 9: Receive Your Funding Decision	13
Step 10: Begin Receipt of Services	13
Step 11: Invoice USAC	14



Step 1: Determine Eligibility

Federal and state laws determine eligibility of schools, school districts, and libraries.

Schools

In general, a school is eligible for Schools and Libraries support if it meets the following [eligibility requirements](#):

- Schools must provide elementary or secondary education as determined under state law.
- Schools may be public or private institutional day or residential schools, or public charter schools.
- Schools must operate as non-profit businesses.
- Schools cannot have an endowment exceeding \$50 million.

In many cases, non-traditional facilities and students may be eligible.

- Eligibility of [Head Start, Pre-Kindergarten, Juvenile Justice, and Adult Education](#) student populations and facilities depends on state law definitions of elementary or secondary education.
- An [Educational Service Agency](#), which may operate owned or leased instructional facilities, may be eligible for Schools and Libraries support if it provides elementary or secondary education as defined in state law.

Libraries

Libraries must meet the statutory definition of library or library consortium found in the 1996 Library Services and Technology Act (Pub. L. 104-208) (LSTA) to meet [eligibility requirements](#) for Schools and Libraries support.

- Libraries must be eligible for assistance from a state library administrative agency under that Act.
- Libraries must have budgets completely separate from any schools (including, but not limited to, elementary and secondary schools, colleges and universities).
- Libraries cannot operate as for-profit businesses.

Eligibility Requirements

Schools and libraries must meet statutory definitions to be eligible for Schools and Libraries support.

Schools

For purposes of Universal Service Fund support, schools must meet the statutory definition of elementary and secondary schools found in the No Child Left Behind Act of 2001 (20 U.S.C. § 7801(18) and (38)):

- An elementary school is a non-profit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under state law.
- A secondary school is a non-profit institutional day or residential school, including a public secondary charter school, that provides secondary education, as determined under state law, except that such term does not include any education beyond grade 12.
- Schools operating as for-profit businesses or that have endowments exceeding \$50 million are not eligible.



Step 2: Develop a Technology Plan

The application process for Schools and Libraries support begins with a technology assessment and a technology plan.

Schools, school districts, and libraries that want to apply for Schools and Libraries support, commonly referred to as "E-rate," must first prepare a [technology plan](#). An approved technology plan sets out how information technology and telecommunications infrastructure will be used to achieve educational goals, specific curriculum reforms, or library service improvements.

A technology plan designed to improve education or library services should cover the entire funding year (July 1 to June 30) but not more than three years. The plan must contain the following five elements:

- [Goals and realistic strategy for using telecommunications and information technology](#)
- [A professional development strategy](#)
- [An assessment of telecommunication services, hardware, software, and other services needed](#)
- [Budget resources](#)
- [Ongoing evaluation process](#)

The technology plan must be approved by a USAC-certified technology plan approver before discounted services can begin. The state is the certified technology plan approver for libraries and public schools. Non-public schools and other entities that do not secure approval of their technology plan from their states may locate a [USAC-certified technology plan approver](#) here.

Applicants that seek Schools and Libraries Program support only for [basic telephone service](#) do not need a technology plan.

Technology Plan Details

An approved technology plan must meet five criteria that address goals, strategies, needs, resources, and evaluation.

The Federal Communications Commission (FCC) requires applicants to base requests for services to be purchased with Schools and Libraries support discounts on an approved technology plan. The only exception is that applicants who seek discounts for [basic telephone service](#) only do not need a technology plan. Applicants who seek telecommunication services other than basic telephone service, Internet access, internal connections, or basic maintenance of internal connections should review the following information about technology plan requirements and approval. Additional assistance in writing a plan is provided in [Questions to Consider: Technology Planning](#)

The sections below provide guidance on the core elements of approved technology plans and information about the approval process including:

- [Elements of a Technology Plan](#)
- [Technology Plan Scope and Timeframe](#)
- [Technology Plan Approval Process](#)
- [Reviews for Program Compliance](#)
- [USAC Contact Information](#)



Elements of a Technology Plan

The FCC has stipulated that requests for discounts must be based on an approved technology plan. To ensure that schools and libraries are prepared to effectively use the requested services, applicants must certify that their requests are based on approved technology plans that include provisions for integrating telecommunication services and Internet access into their educational program or library services. Most schools and libraries have already developed such plans and may only need to modify these existing plans slightly to conform to program criteria for technology plans.

To qualify as an approved technology plan for a discount and to meet the requirements of the FCC's Fifth Report and Order (FCC 04-190, released August 13, 2004), the plan must contain the following five elements:

- The plan must establish clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services;
- The plan must have a professional development strategy to ensure that staff know how to use these new technologies to improve education or library services;
- The plan must include an assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services;
- The plan must provide a sufficient budget to acquire and support the non-discounted elements of the plan: the hardware, software, professional development and other services that will be needed to implement the strategy; and
- The plan must include an evaluation process that enables the school or library to monitor progress toward the specified goals and make mid-course corrections in response to new developments and opportunities and they arise.

Note: If the plan was approved prior to the effective date of the Fifth Report and Order (October 13, 2004) and did not contain all of the five required elements, that plan should be updated to include the missing elements. Technology plans must include all five elements.

Technology Plan Scope and Timeframe

Scope

Schools and libraries are not required to write or develop a separate Universal Service Fund technology plan. However, the approved plan must include a sufficient level of information to validate the purpose of a Universal Service Fund request. An approved technology plan does not have to include the specific details on required on the *Description of Services Requested and Certification Form* (Form 470), the *Services Ordered and Certification Form* (Form 471), the *Receipt of Service Confirmation Form* (Form 486), and the *Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form* (Form 500).

The information submitted on those forms should build on the foundation provided by the approved technology plan, by documenting specific implementation details and operational steps being taken under the plan. That information will be considered a refinement of the plan as long the requested services can be supported by the plan.

All approved technology plans should include provisions for evaluating progress toward the plan's goals, and ideally these assessments should occur on an annual basis. A technology plan should be responsive to new and emerging opportunities, open to review and not a static document. If you find that your technology needs change and you want to order services beyond the scope of your existing plan, you must prepare and submit a new plan for approval.

Timeframe



Approved technology plans should cover a period of not more than three years. In view of the rapid development cycle of new technologies and services, schools and libraries should approach long-term commitments with caution. However, long-range planning may be important in the case of some lease-purchase arrangements or very large capital investments that require extended commitments. There may also be cases in which an approved plan is longer than three years to conform to federal, state, or local requirements. Whenever an approved plan is longer than three years, there should be a significant review of progress during the third year.

A technology plan must be written - including all five elements - **at the time the Form 470 is filed** and must be approved before the start of service. **Applicants are now required to formally certify on Form 486** that the technology plans on which they based their purchases were approved before they began to receive service. (See Reviews for Program Compliance below for more details).

Technology Plan Approval Process

Technology Plan Approvers

To ensure that technology plans are based on the reasonable needs and resources of the applicant, and that they are compatible with the goals of the Schools and Libraries Program, the FCC requires independent approval of an applicant's technology plan (FCC Order 97-157). Applicants can locate a technology plan approver by using the [Technology Plan Approver Locator](#).

Technology Plan Certification

The technology plan approver is expected to use the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe. USAC will provide a letter of certification to each approving entity. Each approver should provide a copy of a document similar to the [Sample Technology Plan Approval Form](#) to the school district, school, library system, or library to certify that its plan has been approved and is consistent with the five criteria listed above in Elements of a Technology Plan and in the checklist on the sample form. When a Form 486 is submitted to USAC, the applicant will be required to identify the entity that approved the technology plan for each eligible school or library receiving services on the form. During a program integrity review, a school or library may be required to produce a document similar to the Sample Technology Plan Certification Form, in order to document approval of its technology plan.

Approval of State Education Agency and Public School Plans

The sole approver for State Education Agency (SEA) technology plans is the U.S. Department of Education. An SEA with an approved plan under the Technology Literacy Challenge (TLCF) initiative or the Enhancing Education Through Technology (EETT) program has an approved plan for purposes of the Universal Service Program. Although these plans cover a period of more than three years, they include provisions for periodic progress evaluations, and USAC will ask the U. S. Department of Education for progress reports under these plans during their third year.

Under FCC Order 97-157, SEAs are the preferred approvers for K-12 public school plans. A school, school district, or education service agency that has developed a plan approved under a TLCF or EETT initiative, when accompanied by a current year operating budget, has an approved plan for purposes of the Schools and Libraries Program. Many states also have established their own state-wide technology planning initiatives, and schools, school districts, or education service agencies may develop technology plans for state approval by participating in such initiatives, if those initiatives include the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe. School districts that have not developed approved technology plans under one of these national or state initiatives may have their own district-level plans approved by their SEA, following the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe. In the case of a Local Education Agency (LEA), plans that were approved for the U.S. Department of Education's EETT program satisfy the requirements for Schools and Libraries Program technology plans as long as they are accompanied by a current operating budget.



- **School district technology plan.** A school within a district that has an approved technology plan is considered to have an approved plan, if the district-wide plan validates the use of telecommunications services for educational purposes in that school in a manner consistent with the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe.
- **Individual school technology plan.** If an individual public school develops its own site-based or building level technology plan, it should seek approval for that plan at the district level following the criteria and standards above in Elements of a Technology Plan and Technology Plan Scope and Timeframe.
- **Charter school technology plan.** A charter school may have its technology plan approved through the same institution that granted its charter, if that agency is a [USAC-Certified Technology Plan Approver](#).

A SEA may delegate its approval authority by designating a third party to establish and operate an independent peer review process on its behalf. In the event of such delegation, the SEA should notify USAC. USAC will certify the alternative approval entity, but the state will retain responsibility for the approvers operating under its jurisdiction.

In FCC Order 97-253, the FCC states that: "the Schools and Libraries Division may review and certify schools' and libraries technology plans when a state agency has indicated it will be unable to review such plans within a reasonable time." If such an event occurs, the SEA will notify USAC, which will consult with the SEA to certify a third party that can establish and operate an independent approval process on behalf of the public schools in the state. Although USAC will certify the alternative approval entity, the state will retain oversight responsibility for this entity, which will be operating under its jurisdiction.

Note: Schools that are subject to a state review process by state or local law **may not circumvent the state process** by submitting plans directly to USAC (FCC Order 97-420, paragraph 157). In the event that USAC certifies alternative procedures for approval of public school technology plans in a state, these procedures may not be used as an alternative approval process for public schools in any other state, and no USAC certified approval procedure may be used as an appeals mechanism for any school in any state.

Approval of Non-public Schools Plans

In states where non-public schools are not required by applicable law to obtain state approval for technology plans and telecommunications expenditures, or where SEAs have indicated that they will not be approve technology plans for non-public schools, USAC will authorize an alternative approval process administered by appropriate entities. The approved entities will certify to USAC that:

- Approval procedures will be similar in rigor to existing peer reviews used by non-public schools for other certification purposes
- Approval procedures will be based on an independent peer review that will include the criteria and standards for plans above in Elements of a Technology Plan and Technology Plan Scope and Timeframe.

USAC will certify technology plan approvers for non-public school plans. These entities may include:

- regional accreditation associations
- national, state, regional, and local private school associations
- national, state, and regional parochial school associations

In some states, the SEA or an education service agency may also work with non-public schools to establish an appropriate third-party approval process for non-public school technology plans. In the absence of any of these



alternatives, USAC may consult directly with the SEA and the non-public schools in a state or region to certify appropriate approval procedures. USAC will maintain a directory of entities that it has certified to approve non-public school plans and will facilitate non-public school access to these entities when necessary. USAC and USAC-certified entities may not be used to appeal the review of any other entity.

A school within a Diocesan school district or comparable entity that has an approved plan is considered to have an approved plan in its own right, if that approved district-wide technology plan validates the use of the contracted telecommunications services for educational purposes in that school in a manner consistent with the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe.

Approval of Bureau of Indian Education (BIE) Plans, BIE School Plans, and Plans of Districts and Territories

The District of Columbia, Hawaii, and U.S. territories will have their plans approved under the U.S. Department of Education's Enhancing Education Through Technology (EETT) program.

The Department of Interior's Bureau of Indian Education (BIE) is the preferred approver for BIE contract and grant school plans, and it will use the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe to approve individual BIE school plans. BIE-operated schools can be covered by a plan written by the BIE and approved by the U.S. Department of Education. Any BIE school with an approved technology plan under the EETT program has an approved technology plan if that plan is accompanied by a current year operating budget.

An individual BIE contract or grant school with a BIE-approved plan may choose to participate in the Schools and Libraries program in its own right independently of the BIE, if the BIE-approved technology plan supports and validates the use of the contracted telecommunications services for educational purposes in that school in a manner consistent with the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe. If an individual BIE school, or any other school or system serving Indian students, develops a technology plan that is not covered by BIE approval, USAC will consult with appropriate entities to establish an alternative approval procedure.

Approval of State Library Agency and Library Plans

State Library Agencies may have their plans approved through several mechanisms. The Institute of Museum and Library Services (IMLS) has approved a Library Services and Technology Act (LSTA) Plan for every state. These plans are similar in purpose and scope to Ed-Tech plans for SEAs, and they constitute approved technology plans for the purposes of the Schools and Libraries Program. Alternatively, a State Library Agency may choose to use a technology plan approved by an appropriate body within the state (e.g., the legislature, state department of telecommunications, state department of information technology, etc.). Since LSTA plans and many state agency plans cover a period of more than three years, USAC will ask the IMLS or the state agency for a progress report under these plans during their third year.

State Library Agencies are the preferred approvers for the technology plans of library systems and libraries in their states. USAC will consult with State Library Agencies and will certify their approval process if they affirm the application of the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe.

For the purposes of technology planning, USAC uses the following two definitions:

- "Library" is defined as a single administrative unit, which can have multiple outlets.
- "Library Consortium" is defined as an administrative unit which is a collection of multiple libraries, each with its own governing structure, that come together to share resources and aggregate demand.



Individual libraries may write their own technology plans. Library consortia technology plans may be used to fulfill the requirement for the individual libraries to have a technology plan if the consortium:

- Supports and validates the services requested by the library
- Is based on a collaborative planning process
- Follows the guidelines set out in the four technology planning scenarios outlined below:
 - Libraries and/or library consortia that apply only for [basic telephone service](#) are not required to have a technology plan.
 - Libraries that apply for discounts on services for its own library outlet(s) may have a plan written at the library level.
 - Library consortia that apply for discounts on services that are shared by a group of libraries may have a plan written at the consortium level as long as the plan supports and validates the requested services.
 - Libraries that apply for discounts on services for their own library outlet(s), which are part of a larger initiative supported by the library consortium, may have a plan written at the library consortium level, as long as the plan supports and validates the requested services.

A State Library Agency may delegate its approval authority by designating a third party to establish and operate an independent peer review process on its behalf. In the event of such delegation, the agency should notify USAC. The state agency will retain responsibility for the approvers operating under its jurisdiction.

Reviews for Program Compliance

USAC reviews certifications made on FCC Forms for compliance with program rules concerning availability and approval of technology plans.

Description of Services Requested and Certification Form (Form 470), the Services Ordered and Certification Form (Form 471)

All applicants certify on Forms 470 and 471 that their request for services will be based on a technology plan that has been or will be approved in accordance with the criteria and standards outlined above in Elements of a Technology Plan and Technology Plan Scope and Timeframe.

The technology plan must be written before the submission of the Form 470 and Form 471. The applicant must indicate the status of the technology plan in Block 5 of the Form 470 and Block 6 of the Form 471.

The plan should document an educational purpose or need for library services that are consistent with the "Summary Description of Needs or Services Requested" in Block 2 of the Form 470. The approved plan should be consistent with the "Technology Resources" in Block 3 and should support the "Certifications" in Block 5. The approved plan also should be consistent with similar information blocks in Form 471 and should support the "Certifications" in Forms 471 and 486. Applicants must retain documentation to demonstrate fulfillment of such requirements .

Receipt of Service Confirmation Form (Form 486)

To indicate services have begun, the school or library must file Form 486 and indicate on that form the name(s) of the organization(s) that approved a technology plan for any eligible recipient receiving services. The technology plan has to be approved by the start of service or the filing of the Form 486, whichever comes first. The approving entity is required to provide the applicant with a Certification of Technology Plan Approval that is similar to the [Sample Technology Plan Approval Form](#). This document must be retained in accordance with the FCC's [document retention policy](#). In the event of a program integrity review, a school or library may be required to produce a document similar to the [Sample Technology Plan Approval Form](#), in order to document approval of its technology plan.



USAC Contact Information

USAC's Schools and Libraries Client Service Bureau will be able to answer many of your questions about establishing an approved technology plan, and they will be able to refer you to the certified approval entity in your state or region. You may reach the Client Service Bureau by a toll-free telephone call to **1-888-203-8100**, by email, or by fax **1-888-276-8736**.

To correspond by mail about the technology plan approval process, you may address letters to:

Universal Service Administrative Company
Schools and Libraries Program
Technology Planning
2000 L Street, NW - Suite 200
Washington, DC 20036

DO NOT SEND YOUR TECHNOLOGY PLAN TO USAC

Sending your plan to USAC will only delay the approval process. If you believe your state does not serve your type of school or library, call USAC's Client Service Bureau at **1-888-203-8100**.

Step 3: Open a Competitive Bidding Process (Form 470)

Applicants must file the *Description of Services Requested and Certification Form (Form 470)* to begin the competitive process and must ensure an [open and fair competitive bidding process](#) for specific products.

Applicants must file a new [Form 470](#) each funding year for requests for tariffed or month-to-month services and for new contractual services. When the Form 470 is filed, USAC will make it available to interested service providers by posting it to the USAC website.

Applicants **must**:

- [Describe specific services](#) or functions for support
- Identify the correct [category of services](#): telecommunications, Internet access, internal connections, or basic maintenance of internal connections
- Identify recipients of services for support
- Follow all applicable state and local procurement laws
- Wait 28 days after the Form 470 is posted to the USAC website or after public availability of your Request for Proposals (RFP), whichever is later, before selecting a vendor or executing a contract ([see Step 4: Select the Most Cost-Effective Service Provider](#))

Applicants **may**:

- Use RFPs or other solicitation methods tailored to specific needs and circumstances **in addition to** the required Form 470.

The Form 470 must be completed by the entity that will negotiate for eligible products and services with potential service providers. A service provider that participates in the competitive bidding process as a bidder cannot be involved in the preparation or certification of the entity's Form 470.



A new Form 470 is **not required** if an applicant intends to seek discounts on services provided under a multi-year contract executed under a posted Form 470 in a prior funding year.

Step 4: Select the Most Cost-Effective Service Provider

Applicants must select the most cost-effective provider of the desired products or services eligible for support, with price as the primary factor.

Waiting Period. At the conclusion of the [28-day waiting period](#) after the *Description of Services Requested and Certification Form* (Form 470) is posted on the USAC website, the applicant may select a vendor for tariffed or month-to-month services or execute a contract for new contractual services.

Bid Evaluation. Applicants must [construct an evaluation](#) for consideration of bids received in response to the posting of the Form 470 that makes price the primary factor in the selection of a vendor.

Contract Guidance. Applicants may also choose vendors from a State Master Contract, execute multi-year contracts pursuant to a Form 470, and enter into voluntary contract extensions, but certain additional [contract requirements](#) apply. In all cases, applicants must comply with state and local procurement laws.

Document Retention. Applicants must save all documentation pertaining to the competitive bidding process and vendor selection for five years. Applicants must certify and acknowledge on the Form 470 and the *Services Ordered and Certification Form* (Form 471) that they may be audited and that they must retain all records that can verify the accuracy of information provided.

Step 5: Calculate the Discount Level

An applicant that applies for Schools and Libraries Program support for eligible services must calculate the discount percentage that it and the schools or libraries it represents are eligible to receive.

Applicants use the [Services Ordered and Certification Form \(Form 471\)](#) to calculate the discount and begin by listing the recipients of services for support. FCC rules include a [discount matrix](#) that takes into consideration poverty level and the [urban or rural location](#) of the participating entity. For detailed information about how to calculate the percentage discount and complete the Block 4 Worksheet of Form 471, read [Form 471 Instructions](#) for the Block 4 Worksheet.

Schools

- The primary measure for determining Schools and Libraries support discounts is the percentage of students eligible for free and reduced lunches under the National School Lunch Program (NSLP), calculated by individual school.
- A school district applicant calculates its shared discount by calculating a weighted average of the discounts of all individual schools included in the school district.

Consortia

- A consortium calculates its shared discount by calculating the average of the discounts of all eligible libraries and schools that are included in its membership.



Urban or Rural

- Every school or library in the United States is located in either a rural or an urban area, based on Metropolitan Statistical Area (MSA) data.
- The applicant must determine if the individual school or library is [rural or urban](#) to properly calculate its percentage discount.

Non-instructional Facilities

[Non-instructional facilities](#) that serve educational purposes may be eligible to receive discounts on telecommunications and Internet access services (Priority 1 services).

Step 6: Determine the Eligible Services

Applicants may request discounts for eligible products and services delivered to eligible entities for eligible purposes.

Applicants file a *Services Ordered and Certification Form* (Form 471) to request discounts on the cost of eligible services to be delivered to eligible schools, libraries, and consortia of these entities. Eligibility for discounts requires that the product or service is eligible and that it is put to an eligible use at an eligible location by an eligible entity.

Four categories of eligible services have been established by the Federal Communications Commission (FCC):

- Telecommunications Services
- Internet Access
- Internal Connections
- Basic Maintenance of Internal Connections

Services and products may be eligible, not eligible, or conditionally eligible for support. The schools and libraries [Eligible Services List](#) provides details about eligible equipment and services and the conditions under which they are eligible.

Eligibility is based on criteria established by statute and FCC rules.

Step 7: Submit Application for Support (Form 471)

The *Services Ordered and Certification Form* (Form 471) is the key form used to assure that schools and libraries receive appropriate Universal Service Fund support, comply with eligibility requirements, and take steps to use the supported services effectively.

What to File -

Form 471 - *Services Ordered and Certification Form*

The [Form 471](#):

1. May be filed online or on [paper](#)
2. Must be certified by an authorized person to be considered complete



3. Must be postmarked or submitted online prior to the close of the application filing window for the funding year to be considered as filed within the window

Form 471 Item 21 Attachment

Services and products for which discounts are requested must be described on the [Item 21 Attachment](#). Beginning with Funding Year 2006, the Item 21 Attachment may be created and submitted online.

Form 471 Item 25 Certification

Applicants must certify that they have secured access to the resources necessary to pay for:

1. The non-discounted portion of the costs for requested eligible services within the funding year
2. The ineligible products and services necessary to make effective use of the eligible services requested

After You File

Receipt Acknowledgement Letter

USAC will issue a Form 471 [Receipt Acknowledgment Letter](#) (RAL) to both the applicant and service provider upon successful data entry of the Form 471 and certification. Applicants should review the RAL and submit allowable corrections to USAC.

Step 8: Undergo Application Review

Each application is reviewed to ensure that Universal Service Fund support is committed only for eligible products and services as well as eligible uses by eligible entities.

Review of All Applications

USAC reviews all *Services Ordered and Certification Forms* (Forms 471) to verify the accuracy of discount percentages and ensure that support is committed only for eligible products and services. USAC is committed to issuing timely Funding Commitment Decision Letters but its ability to meet that goal depends on efficient processing of application reviews.

Applicants can help speed up application reviews by:

- Submitting a complete Form 471 including required certifications and Item 21 Attachments for each funding request
- Responding to requests for additional or clarifying information within [15 days](#)
- Verifying that USAC has correct [contact information](#)

Selective Reviews

USAC selects some applicants for a [Selective Review](#) to ensure that they are following certain FCC program rules. Applicants are asked to provide the following information covering all of the billed entity's Forms 471 for the funding year:

- Documentation regarding their competitive bidding and vendor selection process
- Documentation of their ability to pay their share of the cost of the products and services eligible for schools and libraries program support
- Proof that they have obtained the (ineligible) hardware, software, professional development, electrical capacity or other retrofitting, and maintenance necessary to make effective use of the requested discounts



View a [sample Selective Review Information Request](#). Service providers may **not** provide responses to Selective Review Information Requests.

The result of a Selective Review may be that funding is approved or denied. The applicant may also receive a [Resource Deficiency Advisory](#) that explains the areas USAC finds to be deficient. Applicants should consider increasing their level of investment in identified areas since USAC may follow up in subsequent years regarding the necessary resources.

Applicants may not receive direct or indirect help from service providers to pay their non-discounted share.

Step 9: Receive Your Funding Decision

Following application review, USAC issues one or more **Funding Commitment Decision Letters (FCDLs)** to both the applicant and the service provider(s).

Program funding commitment decisions are issued in "waves," or regular cycles. Generally, funding year commitment waves will run on a regular bi-weekly schedule until such time that the only remaining applications are those held for heightened scrutiny.

For all certified, in-window applications, FCC rules of priority are observed in processing funding requests:

- **Priority One** - all eligible telecommunications and Internet access services are fully funded first
- **Priority Two** - eligible requests for internal connections and basic maintenance of internal connections from applicants with highest discount levels receive next priority

Applicants should carefully review their [Funding Commitment Decision Letter](#) (FCDL) for details of approved or denied requests. Prior to the start of services for which Universal Service Fund support is approved, the applicant should review its technology plan status and its status concerning compliance with the [Children's Internet Protection Act \(CIPA\)](#)

If an applicant believes that its funding request has been incorrectly reduced or denied, the applicant can [appeal](#) the decision to USAC or to the FCC.

Step 10: Begin Receipt of Services

Before USAC can pay invoices, the billed entity must confirm: the start date of services, approval of the technology plan, and compliance with the Children's Internet Protection Act (CIPA).

To help USAC ensure that Universal Service Fund support is paid only for services that have actually been delivered, applicants must verify the [start date of services](#) and submit a [Receipt of Service Confirmation Form](#) (Form 486).

Technology plans must be approved before services start or before the applicant certifies the Form 486. Applicants must be able to provide a technology plan approval letter issued by a USAC-certified technology plan approver. If the approval letter is posted on a website, the applicant should print and retain a copy.

[CIPA](#) certifications are made on either Form 486 or the *Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act* ([Form 479](#)) depending on whether the applicant is the billed entity.



- If the applicant is the billed entity, it must certify on Form 486 that it is in compliance with CIPA or that CIPA does not apply because funding requests are only for telecommunications services.
- If the applicant is not the billed entity, it must submit Form 479 to the billed entity; the billed entity, as the Administrative Authority, then submits Form 486 to USAC with the CIPA certification. Applicants that are not the billed entity do **not** submit Form 479 to USAC.

Applicants should read [Form 486 Filing Information](#), [Form 486 Instructions](#), and [Form 479 Instructions](#) for further information including required filing dates.

Step 11: Invoice USAC

After eligible services have been delivered, service providers and school and library applicants may submit invoices for Universal Service Fund (USF) support.

FCC rules require USAC to pay universal service support to service providers and not directly to applicants. However, two invoice methods and program forms exist:

[Service Provider Invoice \(SPI\)](#) (Form 474)

Service providers may submit Form 474 to USAC seeking payment for services:

- After the service provider provides the services or equipment to the applicant
- After the billed entity submits the [Receipt of Service Confirmation Form](#) (Form 486) verifying the service start date
- After the service provider has provided a discounted bill to the billed entity

[Billed Entity Applicant Reimbursement \(BEAR\) Form](#) (Form 472)

The billed entity and the service provider must *jointly* submit the BEAR form:

- Following the receipt of discounted eligible services
- After the billed entity submits the [Form 486](#)
- After the billed entity has paid the total amount (including the applicant's non-discount share and the amount of USF support to be paid by USAC) to the service provider

Determining Invoice Method

Applicants should work with service providers to include a provision in contracts or service agreements specifying whether customer bills will be the total cost of services or only the customer's non-discount share. Service providers may provide applicants with discounted bills and submit the SPI to request payment from USAC for the amount of USF support to be paid. Service providers and applicants may jointly submit the BEAR when the applicant has paid the entire cost of services to the service provider. In all cases, USAC pays support to the service provider.

Service Delivery and Invoice Deadlines

The date of the Funding Commitment Decision Letter determines deadlines for [service delivery](#) and [invoices](#). Under certain conditions, applicants may request extensions of program deadlines.