

E-Rate Overview Session 3

*November 15, 2021
3:00 – 4:30pm*

Compliance and Post-Commitment

Training Topics

1. Application Review
2. Funding Commitment
3. Document Retention
4. Program Compliance
5. Other Reviews

Application Review (Form 471)

Application Review (Form 471)

Program Integrity Assurance (PIA)

- After submitting FCC Form 471, USAC reviews your application.
- Program Integrity Assurance (PIA) is the group at USAC that reviews your application and makes decisions on funding.
- Your PIA reviewer may contact you to:
 - Verify eligibility of one or more of your schools or libraries or your student counts.
 - Verify eligibility of the requested services.
 - Ask for additional documentation on a variety of topics related to your funding requests.

Application Review (Form 471)

Responding to your PIA Reviewer

- You have 15 days to respond to PIA questions.
 - You can request one seven-day extension.
- If you need help understanding the PIA questions, ask your reviewer for help.
- To answer inquiries, ask for extensions, or find your reviewer's contact info:
 - Navigate to the FCC Form 471 in EPC.
 - Choose "Related Actions," then choose "Respond to Inquiries."

Application Review (Form 471)

- Make sure you make any changes to your application **BEFORE** funding:
 - Services
 - Numbers
 - Entities
 - Etc.
- You may do this through the RAL process or with your reviewer.

Funding Commitments

FCDL (Funding Commitment Decision Letter)

Funding Commitment

- When PIA's review is complete, you and your service provider receive a notification called the Funding Commitment Decision Letter (FCDL).
- Your FCDL will include USAC's decisions on your funding requests — commitments, modifications, and/or denials – and next steps.
- FCDLs will be emailed to the contact person on the FCC Form 471, and will also be available in the Notifications section of your EPC landing page.
- If you disagree with one or more of USAC's decisions, you or your service provider can [file an appeal](#).

FCDL



September 1, 2020

Funding Commitment Decision Letter

Funding Year 2020

Contact Information:
 Roxie Miller
 NC Dept of Public Instruction
 6336 Mall Service Center
 School Connectivity
 RALEIGH, NC 27699
roxie.miller@dpi.nc.gov

FCC Form 471: 201021341

BEN: 231411
Wave: 18
Application Nickname: NCDPI 2020 Internet Access - 1

Totals

Total Committed	\$8,158,114.80
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Ben	231411		
Ben Name	NC Dept of Public Instruction		
FRN	2099030444		
FCC Form 471	201021341		
Status	Funded		
Service Type	Data Transmission and/or Internet Access		
Establishing FCC Form 470	170049794		
SPIN	143004930		
Service Provider	NC Office of Information Technology Services		
Contract Number			
Account Number			
Service Start Date	7/1/2020		
Contract Expiration Date	6/30/2021		
Award Date	5/8/2017		
Expiration Date (All Extensions)	6/30/2022		
Months Of Service In Funding Year	12		
Total Eligible Recurring Charges	\$9,486,180.00		
Total Eligible One Time Charges	\$0.00		
Total Pre-Discount Charges	\$9,486,180.00		
Discount Rate	86.00%		
Committed Amount	\$8,158,114.80		
Application FCDL Comments	The applicant did not submit any RAL corrections.		
FCDL Comments	MR1: Approved as submitted.		
Wave Number	18		
Service Delivery Deadline	6/30/2021		
Consultant Name			
CRN	16060891		
Consultant Employer Name	E-Rate Central		

**I've been funded!
Now what?**

Children's Internet Protection Act (CIPA)

FCC Form 486/CIPA

- CIPA 1-2-3
 1. Internet Safety Policy
 2. Technology Protection Measure
 3. Public Notice and Hearing/Meeting

Don't forget...document!

Form 486/CIPA

Children's Internet Protection Act (CIPA)

- Requires that schools and libraries enforce certain safety measures that protect against access by adults and minors to obscene content on the internet.
- Three requirements include:
 - Internet Safety Policy
 - Technology Protection Measure
 - Public Notice and Hearing or Meeting
- The school or library must maintain documentation demonstrating that they are working toward compliance (in the first year) or in compliance (second year and thereafter).

Form 486/CIPA - #1

This internet safety policy must address all of the following:

- Access by minors to inappropriate matter on the internet and World Wide Web;
- The safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications;
- Unauthorized access including “hacking” and other unlawful activities by minors online;
- Unauthorized disclosure, use, and dissemination of personal information regarding minors; and
- Measures designed to restrict minors’ access to materials harmful to minors.

Form 486/CIPA - #1

For schools, the policy must also include monitoring the online activities of minors. As of July 1, 2012, as part of their CIPA certification, schools also certify that their internet safety policies have been updated to provide for educating minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms, cyberbullying awareness, and response.

Form 486/CIPA - #2

CIPA: Technology Protection Measure (Filter)

- A technology protection measure is a specific technology that blocks or filters internet access.
 - Entities must enforce the operation of the technology protection measure during the use of its computers with internet access.
 - A person authorized by the authority with responsibility for administration of the school or library may disable the technology protection measure during use by an adult to enable access for bona fide research or other lawful purpose.
- Decisions about what matter is inappropriate for minors are made by the local community (school board, local educational agency, library, or other authority).

Form 486/CIPA - #3

CIPA: Public Notice and Hearing or Meeting

- You must provide **public notice** and hold at least **one public hearing or meeting** to address the internet safety policy.
- For private schools, public notice means notice to your constituent group.
- Additional meetings are not necessary – even if the policy is amended – unless those meetings are required by state or local rules or the policy itself.



Form 486/CIPA – Document!

Documenting CIPA Compliance

Below is a list of the documentation that will be requested to demonstrate CIPA compliance during an audit. A school or library should retain copies of the documentation for each funding year where a CIPA certification is required. Note that documents must be retained for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

- Important: minimum **ten** years

Form 486/CIPA – Document!

- A copy of the internet safety policy
- Documentation that the school or library gave public notice and held a public hearing or meeting on the policy
 - For example, a school or library could demonstrate public notice with a copy of a website announcement for a regular school or library board meeting open to the public where the policy will be discussed, or an advertisement in a local newspaper of a county government hearing or meeting where the policy appears as an agenda item. The school or library could also demonstrate that the hearing or meeting occurred with a copy of the minutes of the hearing or meeting and the date it occurred.
 - Since 2011, entities have been required, at a minimum, to keep some record of when public notice was provided and when the hearing or meeting took place (e.g., a copy of the meeting agenda or a newspaper article announcing the hearing or meeting).
- Documentation of the adoption of the policy – for example, approval in the minutes of the hearing or meeting, or documented adoption by a school or library board

Form 486/CIPA – Document!

- Documentation of the adoption of the policy – for example, approval in the minutes of the hearing or meeting, or documented adoption by a school or library board
- A description of the filter
- A report or other documentation on the use of the filter
The documentation should show that the filter was installed and was working during the funding year.
 - For example, a school that purchased filtered internet access could archive a sampling of reports from the service provider of internet sites blocked, or bills from the service provider verifying that the filter was operational. If a school purchased its own filter, it could archive logs produced by its IT staff showing the hours the filter was engaged.
- Copies of the FCC Form 479 and/or FCC Forms 486, as applicable

Form 486

Applicants file an FCC Form 486 to:

- Notify USAC that services have started for the recipients of service included on one or more funded Funding Request Numbers (FRNs).
- Indicate the status of compliance with the [Children's Internet Protection Act \(CIPA\)](#) for the recipients of service for the FRN(s).

Form 486

FCC Form 486: Service Start Date

- What is my Service Start Date (SSD)?
 - The first day of the funding year if services start on or before July 1.
 - Any day after July 1, but before June 30 of the funding year that services were actually started. For example:
 - For installations that started on May 25 before the funding year, the SSD is July 1 of the funding year.
 - For services starting August 7 of the funding year, the SSD is August 7 of the funding year.

Form 486

When Do I File the FCC Form 486?

- The FCC Form 486 MUST be certified no later than 120 days after the **Service Start Date reported on the FCC Form 486** or 120 days after the date of the **Funding Commitment Decision Letter (FCDL)**, whichever is later.

Form 486

What If I File the FCC Form 486 Late?

- If you miss this deadline, USAC will adjust your service start date to a date 120 days before the date you certified your form, and your funding commitment may be reduced to reflect the reduction in service time.
- If you wish to appeal a USAC decision adjusting your service start date based on a late FCC Form 486, you must first file the appeal with USAC and not the FCC.

Form 486

FCC Form 486 Notifications

- After submitting the FCC Form 486, you and your service provider will receive two notifications.
 - The first notification confirms the form was certified.
 - The second notification is your FCC Form 486 Notification Letter, indicating that your form completed review and informing you of the decision.
- After USAC has approved your FCC Form 486 and services have started, you or your service provider may begin invoicing USAC for the discount amount of the costs of the approved products or services.

Form 486

FCC Forms 486 Urgent Reminder Notification

- An urgent reminder letter is issued to applicants that appear to have missed the deadline to certify based on the service start date reported on the FCC Form 471.
 - The letter is delivered in the EPC News Feed.
 - Applicants have 15 days from the date of the letter to submit and certify the FCC Form 486 without penalty (if the service start date reported on the FCC Form 471 was the actual service start date).

Post Commitment

Invoicing

- SPI Billing – Discounted billing
 - Vendor invoices USAC discount amount
 - Vendor invoices applicant non-discount amount
- 472 (BEAR) – Billed Entity Applicant Reimbursement
 - Applicant pays 100% upfront
 - Filed form 472 to be reimbursed from USAC
 - Must have form 498 complete with banking info.

Post Commitment Notifications

- For Funding Year (FY) 2016 and forward, all post-commitment decisions are communicated through the Revised Funding Commitment Decision Letter (RFCDL) in EPC:
 - Appeals
 - SPIN changes
 - Service substitutions
 - FCC Forms 500
- For FY2015 and previous funding years:
 - Paper letters for appeal decisions and FCC Forms 500.
 - Email notifications for SPIN changes and service substitutions.

Appeals

Appeals

What Is an Appeal?

- An appeal is a request for review filed by a program participant who disagrees with a USAC decision.
- Program participants – applicants or service providers – can appeal a USAC decision.
- Appeals are filed in EPC.

Appeals

What to Include in Your Appeal

- Applicant (Billed Entity Number) or service provider (SPIN)
- Contact information including name, address, telephone number, and email address of the person who can discuss the appeal with USAC in detail
- Nickname for the appeal (to help you identify the appeal)
- Funding year for the decision of the appeal
- Funding Request Numbers (FRNs) associated with the appeal
- The USAC decision that is being appealed

Appeals

What to Include in Your Appeal

- A narrative that explains precisely what relief is being sought
- Documentation of USAC's decision (e.g., a copy of USAC's decision letter)
- Supporting documentation such as forms and previous correspondence.
- If the program participant fails to submit the missing information to USAC within the time prescribed, USAC will review the appeal with the information on file, which may result in the denial of the appeal.

Appeals

Granting Appeals

- Appeals may be granted under the following limited circumstances:
 - When the appeal makes clear that USAC made an error in its initial review (for example, the PIA reviewer made an error).
 - When the filer provides USAC with new information and/or documentation it did not provide when the original request was made.
 - When USAC receives policy clarification or a new policy impacts the original decision.
- If you are seeking a waiver of an FCC rule, you must file a waiver with the FCC.
 - For example, requests to consider FCC Forms 471 filed after the window close must be directed to FCC as a window waiver request.

Appeals

Appeals Notifications

- After filing an appeal, you will receive an Appeal Confirmation Letter.
- If an appeal reviewer has questions, they will reach out through EPC.
- USAC issues its appeal decision in a Revised Funding Commitment Decision Letter (RFCDL).
- If the applicant or service provider does not agree with the USAC decision in the RFCDL, they can file an appeal with the FCC.

SPIN Changes

SPIN Changes

SPIN Changes

- A SPIN change is a change to the Service Provider Identification Number (SPIN) on record for one or more funding requests.
- There are two types of SPIN changes:
 - A **Corrective SPIN change** generally does not change the service provider, but corrects a data entry error or reflects a merger or acquisition.
 - An **Operational SPIN change** is a change to the service provider made by the applicant. Some restrictions apply.

SPIN Changes

Corrective SPIN Changes

- Corrective SPIN changes can be requested because of:
 - Data entry errors
 - Mergers and acquisitions
 - Other changes not initiated by the applicant
- When to file:
 - File your request on or before the last date to invoice.
 - Service providers can initiate these requests due to a merger, acquisition, or consolidation as long as the change affects all of their funding requests.
 - Corrective SPIN changes can also be made before commitment by filing a RAL modification or notifying your PIA reviewer.

SPIN Changes

Operational SPIN Changes

- Operational SPIN changes can be requested under the following conditions:
 - They are allowable under state and local procurement rules.
 - They are allowable under the terms of the contract between the applicant and the original service provider.
 - You have notified the original service provider of your intent to change.
 - The reason to change is recognized by the rules as legitimate (e.g., breach of contract, unable to provide service, but NOT simply lower price) (FY2011 and forward only).
 - The new service provider must be the runner-up in your original bid evaluation (FY2011 and forward only).
- When to file:
 - File your request after your FCDL is issued and on or before the last date to invoice.

Service Substitutions

Service Substitutions

Service Substitutions

- Service substitutions are changes to the specific products and/or services approved on the FCDL.
- The substituted products and/or services:
 - Must have the same functionality as the products and services approved on the original request.
 - Must not violate any contract provisions or state or local procurement laws.
 - Must not result in an increase in the percentage of ineligible services or functions.
 - Must be within the scope of the establishing FCC Form 470, including any RFP documents, for the original products and/or services.

Service Substitutions

Service Substitutions (Continued)

- When to file:
 - In general, after you receive the RAL and on or before the last day to receive service.
 - Service providers can file a “global” service substitution request to replace one product or service with another across all funding requests, usually because the product or service is being discontinued.

Extensions

Extensions

Service Delivery Deadline Extension

- A Funding Commitment Decision Letter (FCDL) is issued by USAC on or after March 1 of the funding year for which support is authorized. (automatic extension)
- Operational Service Provider Identification Number (SPIN) changes and/or service substitutions are approved by USAC on or after March 1 of the funding year. (automatic extension)
- The applicant requested an extension because the service provider was unable to complete delivery and installation for reasons beyond the service provider's control. (requires form 500 before 9/30 of funding year)
- The applicant requested an extension because the service provider has been unwilling to complete delivery and installation after USAC delayed payment while reviewing the application for program compliance. (requires form 500 before 9/30 of funding year)

Extensions

Invoice Deadline Extension

- Applicants and service providers may request a one-time, 120-day extension of the deadline to file an invoice – [FCC Form 472](#) (Billed Entity Applicant Reimbursement (BEAR) Form) or [FCC Form 474](#) (Service Provider Invoice (SPI) Form).
- You must submit an invoice deadline extension request on or before the invoice deadline date. This deadline is 120 days after the last date to receive service or 120 days after the date of the FCC Form 486 Notification Letter, whichever is later.
- If an invoice deadline extension request is not timely submitted, you must first submit a waiver request to the Federal Communications Commission (FCC). The FCC must grant your waiver request before USAC can extend the invoice deadline.

FCC Form 500

Form 500

FCC Form 500: Adjusting Approved Funding

- Requests specific changes to your funding commitments after USAC issues your FCDL, such as:
 - Extending the contract expiration date listed on FCC Form 471.
 - Changing the service start date listed on FCC Form 486.
 - Cancellation or reduction of a Funding Request Number (FRN).
 - Requesting an extension of the deadline for delivery of non-recurring services.
- FCC Form 500 for Category Two funding reductions
 - If you do not use all of the Category Two funding commitment, you can submit FCC Form 500 to return funds committed but not invoiced to your five-year Category Two budget.

Form 500

FCC Form 500: Adjusting Approved Funding (Continued)

- FCC Form 500 for FY2016 and forward:
 - File and certify in EPC.
- FCC Form 500 for FY2015 and previous funding years:
 - Complete the FCC Form 500 on paper.
 - Scan the paper form.
 - Create an FCC Form 500 in EPC and indicate that you are filing for a funding year before FY2016.
 - Attach your scanned form to the EPC “Legacy FCC Form 500” and certify it.
 - NOTE: If you do not use all of a Category Two funding commitment, file an FCC Form 500 to return committed funds and attach a spreadsheet with a detailed allocation for all of your affected entities.

Program Compliance

Compliance: Document Retention

Document Retention

- You must keep all documentation for 10 years from the last date to receive service.
 - For multi-year contracts this means 10 years from the contract expiration date.
- Retain receipt and delivery records relating to pre-bidding, bidding, contracts, application process, invoices, provision of services, and other matters relating to your applications.
- For example, for recurring internet access service for FY2020, both the applicant and the service provider must retain all records until at least June 30, 2031.



Compliance

- Asset Inventory
 - All E-rate equipment and locations noted
 - Track all moves and RMAs
 - Serials and FRNs
- Gift Rule

Compliance

- **Red Light Rule:** If an applicant or vendor fails to pay obligations to the government, i.e, the US Treasury, the entity falls into “red light” status and all funding associated with that vendor or applicant will be withheld. If the Red Light cannot be resolved during application review, the entire application will be rejected. If a vendor is under Red Light, no invoices will be paid. If the APPLICANT is on Red Light, pending applications may be denied.
- [Whistleblower](#): Report instances of universal service support being misapplied, mismanaged, or violations of law, rules, or regulations by program participants or service providers.

Other Reviews

- PQA – [Payment Quality Assurance](#)
- SRIR - [Selective Review](#)
- BCAP – [Beneficiary and Contributor Audit Program](#)

Questions?

Resources

- NC E-rate Website: <https://sci.fi.ncsu.edu/>
- 2022 E-rate Handbook: <https://www.livebinders.com/b/2821883>

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