

Planning for the New E-rate

Arkansas Educational Service Cooperatives

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Micah Rigdon

Communications Coordinator

Funds For Learning, LLC

Email mrigdon@fundsforlearning.com

Twitter [@FFL](https://twitter.com/FFL)

Agenda

- **Pre-commitment 101** (Morning)
 - › Procuring Goods and Services
 - › Applying for Discounts
 - › Navigating Application Review
- **Post-commitment 101** (Afternoon)
 - › Receiving Goods and Services
 - › Requesting the Discount
 - › Preparing for Additional Review
- **Q&A** (Throughout)

About the E-rate



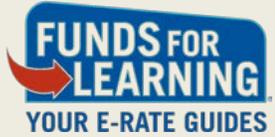
- Largest single source of Edtech funding in US for K-12 schools
 - › Public, private, charter schools; (nearly all participate)
 - › Public libraries also qualify
- Offers discounts of 20%-90% on eligible goods and services
- Annual program cap: ≈ \$2.4 billion (inflation adjusted)
 - › Unused funds may “roll over”
 - › Additional \$1 billion in FY2015 + FY2016 for on-campus Wi-Fi
 - › Increased funding cap possible in future

New Broadband Focus Begins FY2015



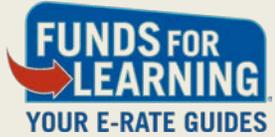
- Changes adopted in July 2014 will impact FY2015 and beyond
- E-rate transitioned to focus on broadband
 - › to schools and libraries (category 1)
 - › within schools and libraries (category 2)
- To ensure funding for broadband,
 - › Phase-out of support for voice services
 - › Elimination of support for email, txt msg, cellular data, web hosting
 - › Capping of funding requests for Category 2 purchases

Effective Applicants Preparing Now



- Understand the new eligible services list
- Calculate new discount rate for your school or library
- Plan for Category 2 budgets (amount and timing)
- Get ready for updated forms, processes, deadlines

Arkansas State Support for Applicants

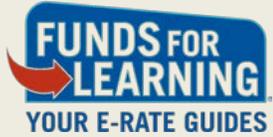


- Funds For Learning[®] support for Arkansas applicants
 - › E-rate Manager[®] licenses for all public school applicants
 - › E-rate help desk to answer questions
 - › Online training (live and on-demand)
- Other support
 - › Providing support to state E-rate coordinator
 - › Assisting with statewide funding applications

Support for Arkansas Schools
help@fundsforlearning.com
405-471-0912

Why Does E-rate Matter?

E-rate Funding Supports EdTech Networks



- Provides access to 21st century technologies
 - › Increases opportunities for anytime/anywhere personalized learning
 - › Boosts communication among parents, teachers & admin
 - › Enhances safety and security
- Enhances purchasing power, allows budgets to stretch farther
- Positively impacts students, teachers and parents
- Speeds deployment of IT services
- Assists technology staff

High Stakes Opportunity

- Stringent bidding rules and procedures
- Many deadlines and forms to complete
- Recent reform creates new learning curves
- Lengthy timelines to receive funding and keep paperwork
 - › Projects are delayed pending funding award
 - › Payments may be denied or delayed
 - › Record-keeping stretches over 10+ years
- Failures result in repayment, fines, and/or incarceration

Funding Process Overview

Discount program

- Not a grant. E-rate is a discount program.
- Category 1 discounts: 20% - 90%
 - › Telecommunications Services
 - › Internet Access
- Category 2 discounts: 20% - 85% discounts
 - › Internal connections (and maintenance)
 - › Managed internal broadband service (“managed Wi-Fi”)
 - › Subject to 5-year funding cap per site

About the E-rate

- Who's in charge?
 - › Federal Communications Commission (FCC)
 - › Universal Service Administrative Company (USAC)
 - › Schools and Libraries Division (SLD)
- Source of funds: Universal Service Fund
 - › Telephone bill surcharge
 - › Not part of federal budget

Applicant Steps

- Determine technology needs
- Receive bids, quotes, proposals and evaluate vendors
- Sign contract(s) for goods and services
- Submit funding application for review
- Receive service during allowable dates
- Prepare payment paperwork

Applicant Requirements

- Comply with Children's Internet Protection Act
 - › Filtering and monitoring of activities
 - › Acceptable use policy
- Budget for portion of service and pay invoices
- Submit all paperwork on time
- Be responsive to USAC inquiries
- Keep good records
- **CHANGE:** No technology plan required in FY 2015 and beyond

Understand the Eligible Services List

Eligible Services List

- Puts E-rate principles to practice
 - › Defines the services categories
 - › Sets goods and services that qualify for support
 - › Focused on broadband connectivity and infrastructure
- FY 2015 list finalized on October 28
 - › Subject to annual review
 - › Revised significantly from past
- Not listed in the ESL? Assumed not eligible

Eligibility

- Listed on ESL alone is not enough
 - › Must support educational purposes
 - › Must be used by eligible users, in eligible locations
- Delivered during the proper time frame
 - › Recurring services delivered during funding year
 - › Services align with proper ESL
- Matches description given to USAC
- Ineligible items removed from request

Categories

- Priority designations replaced by category
 - › Category 1 (“C1”) ≈ old Priority 1 (“P1”)
 - *To the building*
 - Telecommunications and Internet access
 - › Category 2 (“C2”) ≈ old Priority 2 (“P2”)
 - *Within the building*
 - *Internal connections, managed internal broadband and basic maintenance*
- Category impacts funding
 - › Category 1 : top discount = 90%, exempt from budgets
 - › Category 2 : top discount = 85%, subject to budgets + priority rules

No support for ineligible

- No discounts for ineligible goods and services
- End-user equipment
 - › Desktops (incl. virtual), laptops, handhelds
 - › Large format displays, cameras, speakers, end-user applications, etc.
- Non-critical infrastructure
 - › File servers, content repositories, cloud services
 - › Anti-virus/spam, IDS/IPS, filtering, security, collaboration tools
- Reduce funding requests by value of free ineligible items

Cost Allocations

- E-rate discounts available only for eligible goods/service
- Mixed eligible/ineligible use items requires cost split
- Cost-allocations apply to equipment type and use
 - › No discount for ineligible features
 - › Discounts only for educ. use, users, locations

Category 1 Discounts

- Broadband
 - › Internet access
 - Transport and bandwidth
 - › Wide area networks
 - Point-to-point connectivity
 - › Transport media can be copper, fiber, satellite, wireless, etc.

Category 1 Discounts

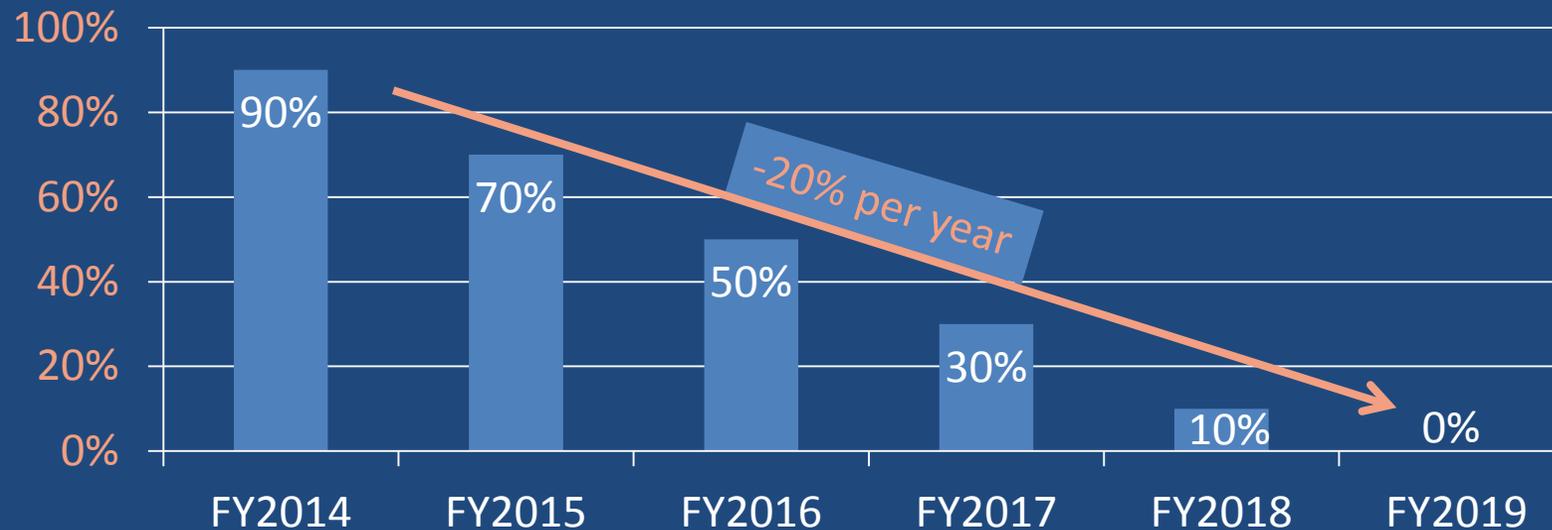
- Fiber Services
 - › Lit (managed) or dark
 - Must be leased from vendor
 - › Dark fiber
 - Must be lit immediately
 - Limitations on upfront construction costs
 - May be provided by any vendor

Category 1 Discounts

- Eligible voice services
 - › Analog lines (POTS/Centrex)
 - › Interconnected VoIP
 - › Long distance
 - › Cellular voice
 - › Circuits dedicated to voice (i.e. SIP trunks, PRIs)
- 20 percentage point reduction in FY 2015

Voice Phased out 20%/year

- Standard discount less 20%
- Separate service designation on Form 471
- Requires separate funding request (FRN)



Category 1 - Equipment

- C1 funding reserved for services only
- Customer-premise equipment (CPE):
 - › Allowed if required for C1 service to function
 - › Cannot perform LAN functions
 - › Technical and contractual restrictions
 - › “Tennessee Test”

Category 1 - Ineligibles

- FCC “Bundling Order” (DA 14-712)
 - › In FY2015, **all** handsets must be cost-allocated
 - › Free or discounted phones with service
 - › If phones are listed at no charge, a value must be determined
- Newly eliminated
 - › Cellular data & text
 - › Phone features incl. voicemail, call blocking, DIDs, dir. asst., etc.
 - › Email & web hosting services
 - › Paging

Category 2 Purchases and Services

- Connectivity within buildings
- Three categories
 - › Internal Connections
 - › Managed Internal Broadband Service
 - › Basic Maintenance of Internal Connections
- Subject to the five-year C2 funding cap

Category 2 Purchases and Services

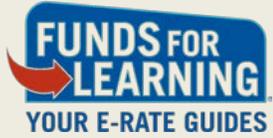
Internal Connections – Network Infrastructure



- Structured cabling and installation
 - › Cat 5/6, fiber, etc.
- LAN infrastructure
 - › Routing and switching
 - › Wireless LAN (APs and controllers)
 - › “Basic” Firewalls
- “Cloud” LAN infrastructure
 - › Controllers in the cloud, etc.

Category 2 Purchases and Services

Internal Connections – Network Infrastructure



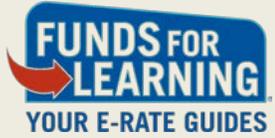
- Caching components
 - › “Caching stores information locally so that the information is accessible more quickly than if it must be transmitted across a network from a distance”
 - › WAN and Internet bandwidth optimization
 - › Caching servers

Category 2 Purchases and Services Internal Connections – Network Infrastructure



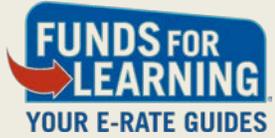
- Additional infrastructure for eligible equipment
 - › Cable raceways
 - › Equipment racks
 - › Uninterruptible Power Supply (UPS)
- Purchase, installation, and configuration
 - › Up to 3-year bundled warranties eligible
 - › Ineligible equip/services must be removed

Category 2 Purchases and Services Internal Connections – Network Infrastructure



- Miscellaneous charges
 - › Shipping, taxes, fees
 - › Setup and training charges
- E-rate Modernization changes
 - › Work can begin as early as April 1 (prior to funding year start)
 - › Installation can come from a separate vendor

Category 2 Purchases and Services Internal Connections – Ineligible Products



- End-user devices
 - › Telephone handsets, monitors, speakers, cameras, projectors, whiteboards
- End-user workstations
 - › Laptops, desktops, tablets
- End-user applications (cloud or premise)
 - › Learning management systems, social learning systems, student information systems, web conferencing

Category 2 Purchases and Services Internal Connections – Ineligible Products



- Non-critical infrastructure
 - › Wireless tracking
- Advanced network security
 - › IDS/IPS, NAC, anti-virus, anti-spam, deep packet inspection
- Content filtering
 - › Required for CIPA compliance, but not eligible
- Non-LAN components
 - › Surveillance, physical security, gateways, authentication

Category 2 Purchases and Services Internal Connections – Newly Ineligible



- Voice Hardware
 - › PBX equipment, VoIP systems, Unified Communications
- Servers and storage
 - › Only exception: servers for caching
- Video Hardware
 - › CODEC, conferencing endpoints, MCUs

Category 2 Purchases and Services Managed Internal Broadband Svc



- “Managed Wi-Fi” new in 2015
- Vendor manages on-campus network(s)
 - › Applicant-owned or leased equipment, or a combination
 - › Includes 24/7 network monitoring, management, maintenance
- WLAN or LAN
 - › Management of eligible IC equipment only
- Deducted from overall Category 2 budget cap

Category 2 Purchases and Services

Basic Maintenance

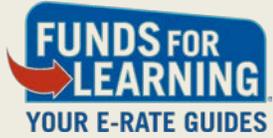
- Repair and upkeep of eligible components
 - › Specify type/location of equip; keep logs
 - › Break-fix billing preferred
- Basic technical support
 - › Software bug fixes/patches/minor updates
 - › Configuration changes
 - › Online or telephone support
 - › Labor, issue resolution

Category 2 Purchases and Services

Basic Maintenance

- “Unbundled Warranties” ineligible
 - › Advance hardware replacement ineligible
 - › Hardware repair: break/fix or “per incident” only
- Fixed-price contracts eligible
 - › Must have “proof that work was done”
- Exceptions:
 - › Software support, tech support, resources, etc.

Category 2 Purchases and Services Eligible Users and Locations



- Category 1 services eligible at all locations
- Category 2 services eligible in “areas of instruction” only
 - › “Hub” sites can house equipment for locations served
 - › Will use part of the C2 budget for each site
- Products and services must “serve” eligible users

Category 2 – Transfers of Equipment

- Equipment purchased with E-rate discounts must serve originally requested sites for at least three years from the date of purchase
 - › Exception: sites which close (temp or permanent)
- After three years, equipment may be moved to any eligible location, regardless of discount rate

Category 2 – Disposal of Equipment

- Five years from the date of purchase, discounted equipment is classified as obsolete
- Obsolete equipment may be:
 - › Sold or auctioned
 - › Trashed or recycled
 - › Donated
 - › Traded in
- Applicants not required to notify USAC of disposal or financial consideration received, however documentation is optimal

Prepare for Category 2 Budgets

Discounts for On-Campus Networks

- Category 2 to receive funding in FY2015 and FY2016
 - › Absent from E-rate program FY2013 and FY2014
 - › FCC guarantees at least \$1 billion/year for two years
- Funded by rollover from prior years
- FCC uses budgets to cap each applicants' C2 support
 - › Budgets designed to spread out funding
 - › Budget system requires reauthorization for FY2017 and beyond

Category 2 Budget Caps

- Calculated on building-by-building basis
 - › Cap applied over 5 years (FY2015 to FY2019)
 - › No sharing of cap between sites
- Pre-discount factor multiplied by discount rate
 - › School @ \$150/student; Library @ \$2.30/sq-ft
 - › Minimum of \$9,200 pre-discount per site
- No budget for NIFs
 - › Non-instructional facilities in schools
 - › Library facilities without public areas

Category 2 Budget Caps

- Caps are in effect for **five years**
 - › No more “two-in-five” rule
 - › Cap lengths are set with first funding request
 - FY2015 or FY2016
- Caps adjust annually
 - › Student population increase = cap increase
 - › Decreases can occur (no repayment required)

Category 2 Budget Caps

- Shared infrastructure (hubs):
 - › Cost must be divided among sites served
- Allocation methods:
 - › Per site (total number of sites served)
 - › Student count (enrollment at each site served)
 - › Other 'fair and reasonable' method

Sample C2 Funding Cap for a Building

- 1,000 students (school/school district)
 - › 85% discount rate
 - › 5 year cap = 1,000 students x \$150 x 85%
= \$127,500 total (5 years)
- 100,000 sq. ft. (library)
 - › 50% discount rate
 - › 5 year cap = 100,000 sq. ft. x \$2.30 x 50%
= \$115,000 (5 years)

Category 2 Prioritization

- Priority system if insufficient funding for Category 2
- FRNs prioritized by discount rate (highest first)
- Within discount rate:
 - › School district: % NSLP students
 - › Libraries: % NSLP students (from school district)
- Funding levels dependent on many factors
 - › Demand for Category 1 and Category 2 discounts
 - › Rollover and increase of overall program annual funding cap

Select Vendors

Vendor Selection Process

- Applicant releases request for services
 - › Submit FCC Form 470 and, if necessary, release RFP
 - › Follow state and local bidding laws and regulations
- Evaluation criteria used by applicant
 - › Price must be given top consideration; low-cost bid not a guarantee
 - › Other factors allowed (e.g. experience, solution,...)
- Master contracts may be used
 - › Form 470 must still be posted
 - › “Mini-bids” required for multi-vendor award contract

More About the Form 470

- Posted on the USAC web site
 - › Describes products and services requested
 - › May include links to RFPs and other information
- Filed at any time during the year
- Must be certified prior to submission of funding requests

More About the Form 470

- Can indicate desired length of contract
- Includes contact person information
- Draft FY 2015 470 approved by OMB, not yet available on USAC site
 - › FY 2014 version can be used

More About the Form 470

- Bidding Period is 28 days from the date the Form 470 is filed
 - › “Allowable Contract Date”
 - › RFP should also be open for 28 concurrent days
- Document retention
 - › Keep copies of all bids received (even losing bids)
 - › Keep records of communication(s) with bona fide respondents

“Vendor Specific” 470s

- Queen of Peace Order
 - › School listed specific vendor on Form 470
 - › USAC denial, FCC appeal
 - › FCC granted appeal, however...
- Now brands, manufacturers, vendors, trade names listed in Forms 470 or RFPs must now be accompanied by the phrase “or equivalent”

“Vendor Specific” 470s

- Example:
 - › Violation: Brand X, Model 123 switch
 - › Acceptable: Brand X, Model 113 switch or equivalent

Competitive Bidding Conduct Important

- Applicants expected to treat all vendors equal
 - › Bid requests may not be vendor-specific
 - › No inside information or special advantages
- “Fair and open” competitive bid process
 - › Vendors should not assist with vendor selection
 - › Vendors should not provide RFP language
 - › Vendors should not assist with Form 470 or RFP preparation

Lowest Corresponding Price

- “Lowest corresponding price is the lowest price that a service provider charges to nonresidential customers who are similarly situated to a particular school, library, or library consortium for similar services.”
- Vendors must provide LCP, even if applicant does not ask

Lowest Corresponding Price

- “Similarly situated” based on “geographic service area”
- Prices higher than LCP may be requested
 - › “.... face demonstrably and significantly higher costs to serve the school or library seeking service. Factors that could affect the cost of service – volume, mileage from facility, and length of contract.

Vendor Communications with Applicants

- USAC guidance: Vendors can...
 - › Have pre-bid discussions
 - › Discuss product offerings with applicants
 - › Teach applicants about new products
 - › Present product demonstrations
- Applicants should document activities to prove compliance
 - › Maintain correspondence
 - › Keep copies of promotional materials and RFPs

Gift Giving Limitations

- Strict limitations on gifts given to applicants
- Applies to anything of value
 - › Meals, travel
 - › Event attendance, golf, “swag”
- Each gift must be valued at \$20 or under
- Total gifts per year per school employee: \$50
- Subject to audit and documentation requirements
- Local rules also apply

Donations

- Charitable donations
 - › Must benefit entire school/library
 - › Can not influence (or appear to influence) vendor selection
 - › Can not reduce or eliminate applicant payments
 - › Can not increase demand for vendor's services

Free Services

- No-cost products or services offered in conjunction with an E-rate project
- Free Services Advisory
 - › Determine eligibility of free services
 - › “Sales inducement?”

Allowable

- Gifts to any applicant employee under \$20
 - › Meals, swag, handouts, etc.
- Non-technological charitable donations
 - › Donations of books, supplies, etc.
- ‘Paid exchange of services’
 - › Purchase of advertising (billboards, yearbook, etc.)

Contracts

- Legally binding agreement required
 - › After 28-day period but prior to funding request (Form 471)
 - › Should include extension/renewal terms
 - › Exception: Month-to-month and tariff services
- Should contain detailed scope of work
 - › Service parameters, equipment make, model and quantity
 - › Billing terms, service logs, etc.
- May be contingent upon funding commitment
- Subject to 10+ year recordkeeping

Contracts

- Applicants may use:
 - › State contracts if authorized by state to do so
 - › Some states file Forms 470; others do not
 - › Using state 470: places trust in state!
- Multi-year contracts if allowed by state/local rules
 - › Must request funding over multi-year period
 - › Contracts of 5 years or less may have an expedited review process after the first year's review

Consortium Applications Permitted

- Group purchasing encouraged by FCC
- Consortium leads
 - › Submit applications on behalf of group
 - › Authorized for multiple years + no longer need authority to order service
 - › Can select multiple vendors
- FCC rules prioritize review of state/regional consortia
- Potential future changes for consortium
 - › Student-weighted average discount rate
 - › 5% discount incentive for large consortium

Preferred Master Contracts (“PMC”)

- FCC may designate PMC as early as FY2015, more likely FY2016
 - › Internal connections equipment (ONLY) offering “excellent pricing”
 - › Nationwide agreement, exempt from the Form 470
- Applicants
 - › May be required to evaluate in purchasing
 - › Are not required to purchase using the PMC
- Typical Master contracts
 - › Are not exempt from the Form 470
 - › Are not considered preferred master contracts

Low Cost Internet Access 470 Exemption

- “Business Class” service
 - › at least 100MB down / 10MB up
- Total cost of less than \$3,600 per site per year
 - › Including installation and one-time charges

Apply for funding

Funding Application

- Funding requests submitted on FCC Form 471
 - › Filed by applicants (schools or libraries)
 - › Multiple applications submitted
- Must be filed during annual “window”
 - › Window typical dates: January – Mid March
 - › FY 2015 window: to-be-determined
- Funding requests identify services, vendor, costs, discount
- FRN = funding request number (references each request)

Item 21 Description of Services

- Provides USAC with detailed info to make funding decisions
- Embedded within the new Form 471
 - › In recent years, Item 21s submitted after the Form 471
 - › Applicants must be ready before hand to share detail
 - › Vendor assistance is allowed
- USAC to publish all non-confidential data
 - › Applicants may opt out for existing contracts
 - › New contracts may NOT opt out
- Be prepared for vendors and others to scrutinize your costs

Calculating the E-rate Discount

- **UNCHANGED**
 - › Discount program
 - › Discount rate calculated based on NSLP eligibility
 - › District-wide and site-specific funding requests
- **NEW**
 - › Discount percentage same at all sites in district
 - › Top Category 2 discount rate lowered from 90% to 85%
 - › Urban/rural definition refined by census definition
 - › Some schools will increase, others decrease

E-rate Discount Matrix

Percent of Students Eligible for NSLP	Category One Discount Rate		Category Two Discount Rate	
	Urban	Rural	Urban	Rural
Less than 1%	20%	25%	20%	25%
1% - 19%	40%	50%	40%	50%
20% - 34%	50%	60%	50%	60%
35% - 49%	60%	70%	60%	70%
50% - 74%	80%	80%	80%	80%
75% - 100%	90%	90%	85%	85%

Example One

	Enroll	NSLP	FY14 Discount
Elem School A	300	250	90%
Elem School B	300	200	80%
Middle School C	500	190	60%
High School D	500	160	50%
Total	1,600	800	66%

Example Two

	Enroll	NSLP	FY14 Discount
Elem School A	300	225	90%
Elem School B	300	150	80%
Middle School C	500	175	60%
High School D	500	140	50%
Total	1,600	690	66%

Example One vs. Two

- Example One
 - › $800/1,600 = 50\%$ NSLP
 - › New Single Discount Rate = 80%
- Example Two
 - › $690/1600 = 43\%$ NSLP
 - › New Single Discount Rate = 60%

Methods to Calculate K-12 NSLP Eligibility



- Actual student participation rates
- Surveys of families
 - › NSLP % based on actual number of returned forms
 - › Projections based on survey samples no longer allowed
- Community Eligibility Provision
 - › CEP school districts use same method for E-rate
 - › # of directly certified students X multiplier (1.6 for FY2015)
- One method per site, but different sites can use diff. methods

Receipt Acknowledgement Letter

- RAL received by applicant when a Form 471 is received by USAC
- Should be archived for recordkeeping purposes
- Provides opportunity to correct some types of mistakes
 - › Bishop Perry Order
 - › Ministerial and clerical errors
 - certain types of errors are correctable
 - › How did the error occur?
 - › backup documentation requested during PIA

PIA: Program Integrity Assurance

- Form 471 application review questions from USAC
- Continues for several months, at multiple levels
- Applicant may ask vendor for assistance
 - › Product/service information
 - › Detailed service descriptions
 - › Cost-allocations
- Vendor may not prepare budget or bid response information

Other Potential Reviews

- Selective Review (“SRIR”)
 - › Detailed, applicant-level review
 - › Competitive bidding process
 - › Budget and other resources
- Cost-effectiveness evaluation of goods and services
- Special compliance reviews

Funding Decision Timeline

- September 1, 2015 decision deadline for “workable” form 471s
 - › Filed timely with all information to enable appropriate decision
 - › Applicant/provider/consultant not subject to investigation or audit
 - › Applicant responds over summer
- Decision appeals must be submitted within 60 days
 - › Most decisions appealed to USAC
 - › Policy-related decisions sent to FCC

“Unworkable” Applications

- USAC will consider an application as ‘unworkable’ if:
 - › USAC has questions
 - › Request includes cellular data
 - › C2 budget is exceeded
 - › Item 21 data is unclear/missing

Receive Services and Discounts

Services Begin

- Service delivery tied to allowable service start dates
 - › Recurring services start no earlier than July 1 of funding year
 - › Category 2 purchases can start as early as April 1 prior to year
- Delivered services must match application
 - › Double-check Item 21 before delivery begins
 - › Service substitutions may be required
- Service start may be contingent on funding decision
 - › Watch for reductions and denials

Applicant Chooses Payment Method

- FCC Form 486 filed by applicant initiates payment
 - › Due within 120 days of service start or funding decision (later of two)
 - › E-rate payments cannot begin until processed by USAC
- Reimbursement (BEAR method)
 - › Applicant pays bill in full
 - › Files reimbursement request via vendor; direct reimburse in FY2016
- Discounted invoices (SPI method)
 - › Applicant pays non-discount portion
 - › Vendor files SPI for discounted amount

Obligation to Pay

- Applicants must pay the non-discount portion
 - › Applicants must show they have “secured access” to non-discount portion prior to funding request
 - › Non-discount amount cannot be waived/forgiven or remain unbilled by vendor
 - › Failure to demonstrate compliance carries significant consequences

Audits of Payments

- Service certifications to confirm service delivery
- Payment Quality Assurance (PQA) mini-audits
- Beneficiary and Contributor Audit (BCAP)
 - › Several days or weeks of on-site work
 - › Several months of review before USAC approval

Deadlines

- Service Delivery Deadline (installation deadline)
 - › 6/30 for recurring; 9/30 for non-recurring
 - › Non-recurring services can qualify for extension
 - › Extension: service delivery deadline extension request
- Contract Expiration Date
 - › Extension: FCC Form 500 after contract is extended
- Invoicing Deadline
 - › 120 days from installation deadline
 - › Extension: invoice deadline extension request (1 only)

Service Substitutions

- Changes to the products and/or services on a funding request
- Four requirements:
 - › Same functionality
 - › Allowed by state and local purchasing rules
 - › Within the scope of original bid/procurement
 - › No increase in ineligible products or services

Service Substitutions

- Substitution process
 - › Applicant sends request letter to USAC
 - › May be submitted any time after the RAL
 - › Provide list of original and replacement parts
 - › Original list should match Item 21 Attachment
 - › Processing time: 45-60 days
- Quantities and prices can fluctuate
 - › Funding amounts will not increase, but can decrease

Document Retention

- Participants are required to retain documents for at least **ten** years from the last date of service
- Ideal document retention policy addresses how documents are stored/retrieved, retention length, and staff responsibility

Document Retention

- All submitted FCC Forms
- All letters from USAC
 - › Receipt Acknowledgement Letter (RAL)
 - › Funding Commitment Decision Letter (FCDL)
 - › Form 486 Notification Letter, etc.
- Substitutions, extensions, comm. with USAC

Document Retention

- Vendor Communication:
 - › Copies of all bid responses
 - › Copies of Forms 470 and RFPs
 - › Communication during bid process
- Contracts and amendments
- Communication at all points during project

Document Retention

- Service delivery:
 - › Purchase orders/requisitions
 - › Shipping documentation
 - › Installation and configuration work orders
 - › Maintenance logs (BMIC requests)
 - › Service substitutions and approvals
- Documentation should be dated and should include location information when applicable

Document Retention

- Payments and invoicing:
 - › FCC Form 472 (BEAR)
 - › Payment record
 - › Vendor invoices to applicant
 - › BEAR reimbursement payments
- Documentation should be dated and identify services purchased

Preparing for FY2015 Filing Window

Next steps

- Get started!
- Develop a timeline
 - › Review procurement requirements
 - › Check Board meeting schedules
- Sign-up for E-rate Manager to document your work
 - › Keep everything for at least ten years from the last date of service
 - › Store documents in E-rate Manager[®] for future reference
- Send questions to help@fundsforlearning.com

Planning for the New E-rate

Arkansas Educational Service Cooperatives

November 11-13, 2014

Micah Rigdon

Communications Coordinator

Funds For Learning, LLC

Email mrigdon@fundsforlearning.com

Twitter [@FFL](https://twitter.com/FFL)