

Tips for Getting the Most Out of Your E-Rate Funding

2021/2022 Edition





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Reliable, high-speed internet access is required for so many of our daily tasks, but the digital divide means that many Americans have to continue to rely on schools and libraries for internet access. Schools and public libraries help support students' learning, help adults find work, connect individuals with vital social services, and give lifelong learners the tools they need to achieve their goals. As such, requests for funding through programs like the FCC's E-rate program, which is funded by the Universal Service Fund (USF), is only set to increase.

Over the last few years, the FCC has shifted E-rate funding focus away from legacy telecommunications services to broadband to significantly expand Wi-Fi access. My hope is that the information below will be a useful tool as you look to understand the recent changes to these programs and strive to meet your technology goals.

What is E-Rate & Who Can Apply for Funding?

If this is your first foray into the world of E-Rate, here is USAC's E-Rate Overview. It is a great way to get yourself introduced to the program.

<https://www.usac.org/e-rate/get-started/>

| E-Rate Changes for 2022

Assuming that for many of you, this is not your first year, here is what you should know as you begin your 2021/2022 journey with E-rate:

- ✓ Last funding year, all Category 2 budgets were renewed and fixed for a new 5-year term. This is a welcome reset for many districts and libraries with projects they may have been putting off projects while things were being reworked by USAC. FY2022 is the second year of the new five-year [C2 budget](#) cycle. The budgets are fixed for the five-year cycle and apply at the school district or library system level. If you requested C2 funding in FY2021 and your student counts or library square footage have increased, you can [request a C2 budget recalculation](#).
- ✓ Beginning in 2021, all budgets will be calculated based on the entire school district enrollment, as opposed to the per-school basis E-rate had been based on historically. This will make it much easier to focus on projects where the need is the greatest.
- ✓ For smaller qualifying organizations, the minimum funding floor was raised from \$9,793.04 to \$25,000. How budgets are allocated has also been changed. Budgets for eligible schools will now be allocated at \$167 per student (previously \$159), and eligible libraries will be funded at \$4.50 per square foot (previously \$2.45).
- ✓ The FCC waived the requirement for NSLP (National School Lunch Program) this year, allowing District's to use 2019 student counts and free and reduced school lunch numbers for this year's E-rate applications. For many schools this is a relief as getting the verification forms back from students that are remote learning has been extremely challenging.
- ✓ There is an updated [eligible services list](#) for 2022.
- ✓ A network design review can help ensure you maximize your E-rate budget. Contact Bytespeed to request a free network design review before you file your 470!

The **2022 FCC Form 471 application filing window** will open on **Wednesday, January 12, 2022**, at 12:00 noon EST and will close on **Tuesday, March 22, 2022**, at 11:59 p.m. EDT.



Applying for E-Rate Funding

There are so many things to keep top of mind when you are beginning the E-rate funding application process.



The Competitive Bid Process

Once the form 470 has been filed with USAC, you may begin soliciting bids. Filing your 470 correctly is very important. For example, make sure you file for support contract renewals under Basic Maintenance of Internal Connections, and request hardware under Internal Connections. Keep in mind that you can file a 471 for a quantity less than you listed on your form 470, but you can never request more.

Making sure to follow all of the guidelines for an open and fair competitive bidding process is very important and often underestimated. If an audit finds that a school or library has not followed those guidelines, they will either not be funded, or have to pay back the money if they have already been awarded the funds. No one wants to find themselves in that situation. Here are a few things to keep in mind:

- ✓ It is very important that you do NOT accept any quotes before your 470 is posted.
- ✓ Make sure you track the product delivery and get an RMA with a return receipt for any demos, POCs, or evaluation gear.
- ✓ According to the latest training sessions and guidance from USAC, product evaluations during the 470 period are limited to 15 days.
- ✓ Outside of the 470 (Competitive Bidding Period) product evaluations are also allowed within reason; however, you should always keep the gift rule in mind.
- ✓ Once you have submitted a Form 470 and it has been certified by USAC, you must wait 28 days before reviewing bids and selecting a winning proposal.
- ✓ When selecting a vendor or service provider, the proposal cost needs to be the highest weighted factor in your decision.
- ✓ Though price must be the heaviest weighted factor, the FCC does allow applicants to consider additional factors, including whether a product can be integrated into their existing infrastructure and prior experience with vendors or service providers. How to construct an evaluation.

Another unprecedented change we saw last year that has been extended: The FCC has waived the RHC and E-rate Program gift rules under specific conditions due to the pandemic. Those specific conditions are that the gift must be used to improve broadband connects or equipment for telehealth or remote learning. The current guidance from October 2021 notes that the suspended gift rule will remain in place until June 30th, 2022.

Many states have active designated State E-Rate Coordinators who can help you with questions through the process free of charge. We highly recommend using these resources or hiring a consultant if one is not available to you and you don't have the time to commit to the process. Hiring a good consultant may cost you some money up front, but could easily end up saving you time and money in the long run.



Submit Signed Contracts & Form 471

Once you have selected the vendor(s) you will be working with, you must receive signed contracts from them before submitting your Form 471. When filing this form, you will need to include documentation detailing the cost, specific products, and services your school, district, or library wishes to purchase and where these items will be deployed. It is important that the items on your 471 match the items you requested on your form 470.



Remain Responsive During the Application Process

USAC uses a process called Program Integrity Assurance (PIA) to review all E-rate applications. During this process, if the PIA raises any questions or discovers any issues with your application, such as missing documentation, you have 15 days to respond with the correct or missing information. If you don't respond within the allotted 15 days, you may be denied funding.



Receive Your Funding Decision

Once your application has been reviewed, the USAC will send you a funding commitment decision letter. If your funding request has been approved, you will need to submit Form 486 before the USAC will release the funds. On Form 486, you must confirm the start date of any services you are receiving funding for and certify that your organization complies with the Child Internet Protection Act (CIPA).



Invoice USAC

The final step in the E-rate funding process is to submit an invoice for the products or services purchased with the funding to the USAC.

If you have paid your service provider or vendor in full, you can be reimbursed for those funds directly by filling out Form 498 to provide banking information to USAC and then fill out Form 472 (the Billed Entity Applicant Reimbursement or BEAR form) to receive payment.

You may also choose to take the service provided invoicing (SPI) route, in which your service provider will handle the reimbursement process with USAC. As such, your school, district, or library will pay for your small portion of the final bill, and USAC will pay the service provider for the remaining portion of the bill. Make sure to consider service providers with a long history with e-rate to ensure you are getting someone with experience to help you through the process.

Whichever reimbursement method you choose, BEAR or SPI, make sure that your chosen service provider's invoice clearly reflects what you requested on your Form 471. If there are discrepancies between your providers invoice and the Form 471 that was approved, it will cause problems during the following PIA reviews.



Why Partner with ByteSpeed?

The experienced team at ByteSpeed has the skills, tools, and connections you need to create a cost-effective project that meets your organization's needs. Our capable engineers have handled e-rate projects for years and our [Contact-Free Network Installation](#) is a great way to keep costs down.

The ByteSpeed team would be happy to meet with your team to create a solution that meets your needs and your budget so you can keep your students or library patrons connected and engaged. We also pride ourselves on our excellent customer support skills and knack for customer service. As we love to say, "just make us aware of it and we'll take care of it!"

For more information about accessing E-rate funding, or to get started the planning phase of your project, please contact our team.

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