

TIPS FOR GETTING THE MOST OUT OF YOUR E-RATE FUNDING



2026/2027 Edition

The FCC's E-Rate program makes telecommunications and information services more affordable for schools and libraries. With funding from the Universal Service Fund, E-Rate provides discounts for telecommunications, Internet access, and internal connections to eligible schools and libraries. We hope this guide will be a useful tool as you navigate the recent changes to these programs and strive to meet your technology goals.

If you haven't already, check out USAC's E-Rate Overview: www.usac.org/e-rate/get-started

LOOKING AHEAD

- Beginning with the FY2028 competitive bidding cycle, the FCC will implement a new USAC-managed competitive bidding portal and document repository. Prospective service providers will be required to submit bids through the portal in response to applicants' requests for services. Applicants will also be required to upload their competitive bidding documentation, including bid evaluations, vendor-selection documentation, and contracts.
- The FY2028 competitive bidding cycle begins July 1, 2027. Applicants should watch for additional FCC and USAC training, system instructions, and implementation guidance before the new process begins.
- As the last revision of this guide, USAC has not yet announced the FY2027 Form 471 filing window closing date, so there is no official FY2027 Form 470 deadline yet.

WHAT THE FCC IS SCRUTINIZING FOR FUTURE YEARS

The FCC specifically requested comments on:

- Whether MIBS should continue to be an eligible service.
- Whether MIBS reimbursement should be based on actual hours worked instead of fixed monthly pricing.
- Whether applicants should provide more detail in their Form 470s and RFPs when seeking managed services.
- Whether districts should compare MIBS pricing against ownership of internal connections before selecting a managed service model.
- How E-Rate should address Network-as-a-Service (NaaS) and other subscription- or usage-based offerings.
- Additional safeguards to prevent ineligible services from being bundled into managed service contracts

WHO QUALIFIES FOR E-RATE:

PUBLIC SCHOOL DISTRICTS (K-12)

- Must be a non-profit institutional day or residential school, including a public charter school & parochial.
- Must not have an endowment exceeding \$50 million.
- Pre-kindergarten - Head Start depends on state (Ex. in Texas if HS is part of a School District it is eligible - CA eligible)
- Juvenile Justice
- Some educational service centers are eligible and this depends on the state, too - such as Pre-K and Head Start

PUBLIC LIBRARIES

- Budget must be completely separate from any schools.
- Must not be operating as a for-profit business.
- Discount tied to the schools discounts for the region the library serves

FY2027 ELIGIBLE SERVICES LIST

The biggest takeaway so far for FY2027 is actually that there is expected to be very few eligibility changes, but the FCC is signaling that it may make significant changes in future years, particularly around MIBS (Managed Internal Broadband Services) and Network-as-a-Service (NaaS)

The FY2027 Eligible Services List has not been published as of the last revision of this guide, so please refer to the Fy2026 list below and look for public updates of the final FY2027 ESL.

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|--|---|--|
| ✓ Antennas, connectors, and related components used for internal broadband connectivity | ✓ Racks and mounting hardware for eligible networking equipment | ✓ Basic firewall services and firewall components separate from the basic protection included with Internet access service |
| ✓ Cabling - including structured cabling supporting LAN/WLAN environments | ✓ Routers - including SD-WAN solutions used for internal broadband distribution | ✓ Access points used within Local Area Network (LAN) or Wireless LAN (WLAN) environment |
| ✓ Caching - servers and software that locally store frequently accessed data to improve internal network performance | ✓ Switches | ✓ Software necessary to support and manage the eligible components listed above |
| | ✓ UPS/Battery Backups | |
| | ✓ Wireless controller systems | |

ADDITIONAL NOTES AND GUIDANCE:

- **Virtualized and Integrated Equipment:** Functionalities listed above that can be virtualized in the cloud, or equipment that combines multiple eligible functions (e.g., routing + switching), are also eligible for E-Rate support.
- **Manufacturer Warranties:** A multi-year warranty (up to three years) provided as an integral part of an eligible component—without a separately identifiable cost—may be included in the total cost of that component.
- **Caching Definition:** Caching stores recently accessed information locally to reduce latency and network load. Eligible caching includes servers or services directly used for internal content caching within school or library networks.
- **Equipment and Software Requests:** Applicants may request both hardware and associated software (e.g., right-to-use licenses, client access licenses) together or separately on Form 471.
 - ✓ Software upgrades, patches, bug fixes, and security updates are considered Basic Maintenance of Internal Connections (BMIC) and must be filed as such.
- **Firewall Services:** Only basic firewall protection is eligible under Category Two. Advanced or content-filtering services are not eligible. Most vendors bundle advanced services, so be prepared for partial cost-sharing.
- **Licensing, Maintenance, and Management:** Multi-year contracts are permitted; however, Form 471 must be filed annually for each funding year in which service is received. Prepayment of multi-year services is allowed, but funding reimbursements are only issued after service delivery each year. Licenses bundled with eligible hardware may be included with the initial purchase but must follow annual filing requirements.
- **Open Bidding Requirements:** Specific make and model references on Form 470 are allowed only as examples and must include the phrase “or equivalent” to provide all manufacturers an opportunity to respond with their products or services that meet the specifications being requested.
- **Local and State Procurement Rules:** Always follow applicable state or local procurement requirements, which may include:
 - ✓ Minimum bid counts (e.g., at least three bids)
 - ✓ Use of district or state bidding portals
 - ✓ Required evaluation rubrics
 - ✓ Longer waiting periods before vendor selectionAny such requirements should be clearly noted in the Form 470 narrative and no local or state procurement rules may provide for a less stringent competitive bidding process than required by the E-Rate Program.



ARE YOU ASKING FOR OR BIDDING THE CORRECT THING IN C2?

Here are a few quick checks to help you file correctly:

Internal Connections (IC): Use this when purchasing new hardware or software for on-premises broadband distribution (switches, access points, cabling, controllers, etc.).

Basic Maintenance of Internal Connections (BMIC): Use this for break/fix support, software updates, or maintenance on previously installed eligible equipment.

Managed Internal Broadband Services (MIBS): Use this when a service provider is managing, monitoring, or operating your internal network on your behalf.

Common Mistakes to Avoid:

- Filing managed or monitoring services under BMIC – these belong under MIBS.
- Forgetting to include software or licenses that support eligible hardware.

Tip: If you’re unsure which category applies, describe the service clearly in your Form 470 narrative (e.g., “wireless network management”). USAC reviewers can often help clarify the correct category during PIA review.

Recommendation: When applying for Category Two services, we recommend checking all three sub-categories (MIBS, Internal Connections, and Maintenance) when filing your Form 470. This provides maximum flexibility if there are questions or changes later during the review process.

	IC & MIBS						BMIC ONLY			MIBS ONLY		
	H/W	S/W	License (may include manufacturer support)	Manufacturer Support (not including break/fix)	Training During Install	Config. (New)	Maintenance	Break/ Fix	Reconfig.	Monitoring	Operation	Management
BMIC	N	N	N	N	N	N	Y (Note 1)	Y (Note 1)	Y (Note 1)	N	N	N
IC	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N
MIBS	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y	Y	Y	N	N	N	Y	Y	Y

Note 1: Must be an estimate of annual trouble tickets billed on T&M (time and materials) basis

Note 2: May be rent, lease, or one-time purchase



REMINDERS FOR A SUCCESSFUL E-RATE APPLICATION

There are many important details to keep in mind when beginning your E-Rate funding application. Following open and fair competitive bidding guidelines is critical — and often underestimated. If an audit determines that a school or library did not comply with these rules, funding may be denied or must be repaid. No one wants to end up in that situation, so careful attention early on can prevent major issues later.

BEST PRACTICES DURING THE COMPETITIVE BIDDING PROCESS

- ✓ Do not accept quotes before posting your Form 470. The Form 470 defines and begins your Competitive Bidding Process.
- ✓ Consider posting your Form 470 early for larger projects that may require an RFP, engineering, evaluation of equipment, or other opportunities to conduct an open and fair evaluation of proposals.
- ✓ All bids must be received and evaluated after your 470 has been posted for the required waiting period, which is a minimum of 28 days.
- ✓ Track all demo or evaluation equipment.
- ✓ Always obtain an RMA and return receipt for any demo, proof-of-concept (POC), or evaluation gear.
- ✓ Per current USAC guidance, product evaluations during the 470 period should not exceed 15 days.
- ✓ Be mindful of the gift rule.
- ✓ Outside of the 470 window, limited product evaluations are allowed, but all activities must comply with FCC and USAC gift rules.
- ✓ Use fair and transparent bid evaluations.
- ✓ While price must be the most heavily weighted factor, applicants may consider other elements such as:
 - ✓ Compatibility with existing infrastructure
 - ✓ Quality of proposed solution or support
 - ✓ Prior experience with the vendor or service provider

GETTING HELP: STATE AND CONSULTANT RESOURCES

Many states have designated State E-Rate Coordinators who can answer questions and guide you through the process free of charge. If your state does not have a coordinator—or if you lack the time or internal resources to manage filings—consider hiring an E-Rate consultant. Although this may require an upfront investment, a knowledgeable consultant can often save you both time and money while ensuring compliance and maximizing your discounts. You can find your state's coordinator contact in the SECA (State E-Rate Coordinator's Alliance) Directory: <https://secaerate.net/directory>

WORKING WITH VENDORS BEFORE FILING

- ☑ Be cautious when working with service providers during your planning process.
- ☑ Applicants may consult with multiple vendors to better understand available technologies and potential solutions; however, any vendor that may later participate in the competitive bidding process should not prepare, write, or assist with the FCC Form 470, RFP, specifications, bill of materials (BOM), evaluation criteria, or other procurement documents.
- ☑ Excessive vendor involvement in developing procurement requirements may compromise the open and fair competitive bidding process and could jeopardize E-Rate funding.

It is common and often necessary for schools and libraries to consult with service providers while evaluating technology needs. Discussions about networking, cybersecurity, wireless coverage, infrastructure upgrades, power requirements, and other technical considerations can help applicants better understand available options.

However, applicants should ensure these discussions do not result in a prospective bidder developing or substantially influencing the FCC Form 470, RFP, bill of materials (BOM), specifications, or bid evaluation criteria.

If assessments, design services, site surveys, power studies, wireless surveys, or other discovery work are needed to determine the appropriate solution, consider including those activities as part of the competitive bidding process so that all interested vendors have an equal opportunity to participate.

Examples of compliant approaches:

- ☑ Include a site assessment, wireless survey, power assessment, or discovery phase as part of the Form 470 or RFP requirements.
- ☑ Allow all interested bidders equal access to facilities, information, and questions during the competitive bidding process.
- ☑ Share any updates, clarifications, or supplemental information with all prospective bidders.

Avoid:

- ☑ Having a prospective bidder prepare the FCC Form 470 or RFP.
- ☑ Using a vendor-developed BOM or specifications as the basis for a procurement.
- ☑ Allowing one vendor to perform discovery work that influences the project scope while other vendors do not have the same opportunity.
- ☑ Letting a Vendor Build the Project Before the 470. Schools often rely on vendors for technical expertise, and there is nothing wrong with seeking advice. However, if a vendor develops the BOM, specifies the exact products, performs the design work, or otherwise shapes the procurement requirements before the Form 470 is posted, that vendor may gain an unfair competitive advantage. For example, if a district needs a power assessment to determine the appropriate UPS models for its sites, that assessment should generally be incorporated into the competitive bidding process rather than performed by a prospective bidder before the Form 470 is released.

THE COMPETITIVE BIDDING PROCESS

Allows applicants to identify and request products and/or services so that potential service providers can review those requests and submit bids for them.

1. GET READY TO FILE

- ✓ Perform a needs assessment
- ✓ Review your state/local procurement rules
- ✓ Review the [Eligible Services List](#)

2. FILE & CERTIFY AN FCC FORM 470

- ✓ No service provider who will bid on your 470 can help you file
- ✓ You may or may not wish to file a Request for Proposal (RFP)
- ✓ Note: Special rules apply for [Low Cost, High Speed Access](#) and [Fiber/Self-Provisioned Networks](#)
- ✓ After you certify your FCC Form 470, USAC issues a Receipt Notification Letter (RNL)

3. ENSURE AN OPEN & FAIR PROCESS

- ✓ Provide any FCC Form 470, RFP and other information/updates in EPC for all potential bidders for at least 28 days
- ✓ Utilize a [Bid Evaluation Matrix](#) with price of eligible services/equipment as the primary factor.
- ✓ Consider all responsive bids
- ✓ The Bid Evaluation Matrix is subject to [document retention rules](#)
- ✓ Abide by the [Gift Rules](#)

4. WAIT AT LEAST 28 DAYS BEFORE SELECTING A SERVICE PROVIDER

- ✓ The Allowable Contract Date (included in your RNL) is 28 days after the FCC Form 470 is certified
- ✓ The day you certify the FCC Form 470 is day one. If the FCC Form 470 is certified on the 1st of the month, you may select a service provider on or after the 29th of the month
 - If you later change the info needed to respond to the bid, you must restart the 28 days
 - If you issue an RFP on a later date, you must restart the 28 days
- * State or Local procurement rules may require a longer waiting period

5. SELECT A SERVICE PROVIDER

- ✓ Prior to certifying the FCC Form 471 and after your allowable contract date
- ✓ Ensure that price is the primary factor in your selection
- ✓ Enter into a legally binding agreement
- ✓ If there is a signed contract, upload it to EPC
- ✓ Bids/quotes should be dated between when the 470 is filed and the available contract date
- ✓ Ensure all info matches Form 470 requests.
- ✓ Respond to Program Integrity Assurance (PIA) inquiries within the allotted 15-day window.

Once a service provider has been selected through a compliant competitive bidding process, they can and should serve as a resource during the FCC Form 471 application, Program Integrity Assurance (PIA) review, funding commitment process, implementation, and invoicing phases. Service providers can help verify eligible products and services, review funding requests for accuracy, provide supporting documentation, and assist applicants in responding to USAC inquiries.

Be sure to retain all necessary documentation related to your competitive bidding process for 10 years after the last day you receive services.

For more information, visit the [USAC COMPETITIVE BIDDING WEBPAGE](#). If you have any questions, [CONTACT USAC](#).

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.

New BEAR/SPI Selection Added to FY2026 E-Rate FCC Form 471 Application

The FY2026 FCC Form 471 was updated with a new field below the Narrative to collect the invoicing method (FCC Form 472/BEAR or FCC Form 474/SPI) for the Funding Request Number (FRN) for each funding request. Pursuant to section 54.514(c) of the program rules, the applicant decides which method to use on a particular FRN: either the FCC Form 472/BEAR (Billed Entity Applicant Reimbursement) or the FCC Form 474/SPI (Service Provider Invoice). The Select an Invoicing Method in E-Rate infographic explains the invoicing methods. If you are copying an FRN from a previous funding year that does not have the invoicing method assigned, you will be prompted to select BEAR or SPI once it has been copied. The selected invoicing method will be displayed on the PDF copy of the FCC Form 471 and on the FRN Record in EPC.

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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