



E-Rate Guide

The Universal Services Fund
Supporting Schools and Libraries

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This guide is meant to be a resource for Optibase resellers and end users. It is a guide only.
The most up to date information about the E-Rate program should be obtained directly from
the USAC: www.USAC.org

About E-Rate

Technology has great power to enhance education. Did you know that school districts are entitled to special pricing for telecommunications and data communications equipment? The Telecommunication Act of 1996 states that all providers of telecommunications services will contribute to a federal universal service fund, supporting equitable access to technology.

How Can E-Rate Save You Money

E-Rate, officially the Schools and Libraries Program, is tasked to provide affordable telecommunications access for all eligible schools and libraries, particularly those in rural and economically disadvantaged areas. The E-Rate program supports connectivity - the conduit or pipeline for communications using telecommunications services and/or the Internet.

Who Is Eligible for E-Rate Funds

Most schools and libraries in the United States are eligible for E-Rate support, provided the purchase proposal meets E-Rate guidelines. Administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC), E-Rate discounts are available now to provide discounted pricing to qualified institutions on almost all of the equipment that Optibase provides.

Funding is requested under four categories of service: telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. Discounts range from 20% to 90% of costs of eligible services. The discount varies based on the level of poverty and the urban/rural status of the population served.

Requests for funding to support core Internet access are considered "Priority One", other service categories are "Priority Two". Generally Priority One requests are filled first, the remaining funds are granted to Priority Two requests, most needful organizations first, until they run out.

Getting E-Rate Funds

The E-Rate program is governed under strict rules. The process is designed to promote fair and open competition among service providers, and promote cost effective “best practices” from applicants.

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. The Technology Plan should contain five elements¹

1. Goals - establish clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services
2. Strategies - professional development strategy to ensure that staff know how to use these new technologies to improve education or library services
3. Needs - assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services
4. Resources – show 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
5. 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

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 approver² for libraries and public schools. The approved plan must include a sufficient level of information to validate the purpose of a Universal Service Fund request.

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.

¹ <http://www.universalservice.org/sl/applicants/step02/technology-planning/>

² <http://www.sl.universalservice.org/reference/tech/default.asp>

Application Guidelines

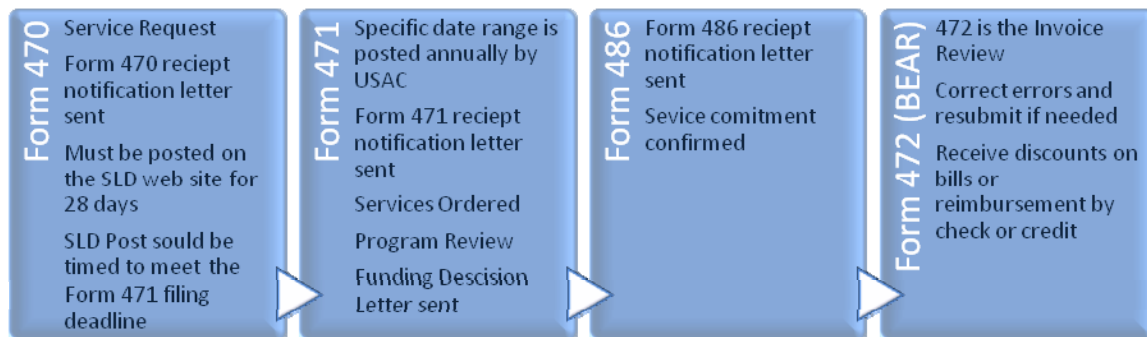
- Audits** The E-Rate program applicants and service providers are regularly audited by the SLD for program compliance. All E-Rate documentation should be saved for a period of 5 years from the last date a product or service was delivered.
- Pricing** Service providers are not permitted to waive the non-discounted portion of an applicant's purchase price, nor are they permitted to incentivize or otherwise influence the applicant. Any special offers or price reductions should be incorporate into the Form 471.
- Planning** Service providers are not permitted to participate in the planning of an applicant's technology plan.
- Forms** Service providers are not permitted to submit a form 470 on behalf of an applicant, or be the main contact on the form 470 for an applicant.

Application Process

Forms

There are several rounds of forms involved in requesting funds. Form 470 must be completed by the client. A service provider that participates in the competitive bidding process as a bidder cannot be involved in the preparation.

The information submitted on the 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. Following is an overview of the application process.



Calendar/Reminders

- Funding Year** July 1 through the following June 30 (non-recurring services through the following September 30).
- Form 470** Posted at least 28 days before the filing of the Services Ordered and Certification Form (Form 471), keeping in mind (1) the timeframe for compliance with all competitive bidding requirements, and (2) the Form 471 application filing window opening and closing dates.
- Form 471** Window, early November to early February preceding the start of the Funding Year (exact dates for each funding year will be posted on USAC's website). Received or postmarked no later than 11:59 p.m. EST on the day of the close of the Form 471 application filing window.
- Form 486** Received or postmarked no later than 120 days after the date of the USAC Funding Commitment Decision Letter or 120 days after the service start date, whichever is later.
- Form 472** Received or postmarked no later than 120 days after the date of the Form 486 Notification Letter or 120 days after the last date to receive service, whichever is later.
- Appeals** Received or postmarked no later than 60 days after the date of USAC's decision letter.

Glossary of Common E-Rate Terms

AP	Applicant, schools and Libraries who apply for E-Rate funding.
BEAR	Billed Entity Applicant Reimbursement Form 472, applicants use this form to receive funding on bills they have already paid.
E-Rate	Education Rate Program – program that provides discounts to schools and libraries so they can obtain affordable telecommunications and Internet access.
ESL	Eligible Services List.
FCDL	Funding Commitment Decision Letter sent to both applicant and selected service provider regarding the commitment on funding.
Form 470	Applicant's files a form 470 on the USAC website to open the competitive bidding process for the services listed either on the form or in the Request for Proposals (RFP) indicated on the form. Must be posted for at least 28 days.
Form 471	Filed to officially requests discounts on eligible services to be provided to eligible entities. It specifies what they would like to purchase, from whom, and how much it will cost.
Form 486	Informs USAC of commencement of services. The applicant must submit this form to tell the SLD that services have begun.
Priority One	Services that fall under Telecommunications or Internet access categories. These requests are funded first.
Priority Two	Services that fall under Internal Connections and Basic Maintenance of Internal connections categories. Priority Two services funded after all Priority One requests and are based on need.
RAL	Receipt Acknowledgement Letter, sent to applicant confirming receipt of Form 471.
RNL	Receipt Notification Letter, sent to the applicant confirming receipt of Form 470.
SLD	Schools and Libraries Division of the Universal Service.
SPI	Service Provider Invoice Form 474, service providers use this form to receive funding directly from the USAC.
SPIN	Service Provider Identification Number assigned by the USAC to all service providers.
Two in Five	Rule that stipulates how often schools and libraries can apply for internal connections discounts, two out of every five years.

USAC

Universal Service Administration Company, governing body of the SLD & E-Rate program.