

TANDBERG

E-rate Survival Guide

E-Rate Overview



WHAT IS E-RATE?

E-Rate is the common name for the Schools and Libraries Universal Service Support Mechanism. E-Rate provides discounts to assist schools and libraries to obtain affordable internal connections, telecommunication services and Internet access. The Universal Service Administrative Company (USAC) administers the program at the direction of the Federal Communications Commission (FCC). USAC's Schools and Libraries Division (SLD) administers the program.

WHO IS ELIGIBLE FOR E-RATE?

- Public schools
- School districts
- Many Charter schools
- Most Private schools
- Libraries

WHAT SERVICES ARE ELIGIBLE FOR DISCOUNT?

Discounts are provided for four service categories — internal connections and basic maintenance of internal connections, telecommunications services and Internet access. The discounts range from 20 to 90 percent of the costs of eligible services, depending on the level of poverty, as determined by the percentage of children eligible for the National School Lunch Program and the urban/rural status of the population served.

WHICH PRODUCTS ARE ELIGIBLE?

- Codecs
- Some cabinets
- Some touchpanels
- UPS System for eligible equipment
- Shipping
- Installation and taxes on eligible equipment
- Maintenance on eligible equipment

A comprehensive list of TANDBERG products can be found on the TANDBERG website at www.tandberg.com

WHEN DOES E-RATE SEASON BEGIN?

Based on previous experience, it is expected that the deadline for posting Form 470 to qualify for discounts for the next funding year will be late December or early January.

It is expected that the filing window for Form 471 applications will open in November or December and close in early February. Under current rules, the application and all pertinent certification documents must be posted or postmarked by the filing window deadline.

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1. DETERMINE YOUR ELIGIBILITY

A school is eligible for E-rate if it:

- Provides elementary or secondary education as determined under state law. It does not matter if it is a public or private institutional day or residential schools, or public charter schools
- Operates as non-profit business
- Does not have an endowment exceeding \$50 million

A library is eligible for E-rate if it:

- Meets the statutory definition of library or library consortium found in the 1996 Library Services and Technology Act (Pub. L. 104-208) (LSTA)
- Has a budget completely separate from a school
- Does not operate as for-profit businesses

2. DEVELOP A TECHNOLOGY PLAN

To be eligible to receive discounts, you must have an approved technology plan. The plan sets out how technology will be used to achieve improved student learning. The plan must also address professional development strategies to ensure that staff knows how to use the technologies to improve education. It must include an assessment of the telecommunication services, hardware, software and other services needed to improve education. It must also show that the school or library has a sufficient budget to cover the non-discounted portions of the plan. The plan must also include an evaluation process to enable the school or library to monitor progress toward the specified goals.

3. OPEN A COMPETITIVE BIDDING PROCESS — FILE FORM 470

The application process actually begins with the posting of Form 470, which specifies the E-rate-eligible products and services you want to purchase. If you develop an RFP for E-rate-eligible equipment, this should be posted at the same time. Form 470 must be posted for at least 28 days before a vendor is chosen and a contract signed.

If you are only seeking discounts for basic local and/or long distance telephone services (wire line or wireless), you are not required to have a technology plan.

4. SELECT A SERVICE PROVIDER

After the required 28-day waiting period is over for Form 470, you may select a vendor or execute a contract for services. When selecting your provider, price must be a deciding factor. However, many applicants create a matrix with weighted criteria, which enables applicants to have more input into which provider and products and services they are selecting. Vendors may also be selected from a State Master Contract, execute multi-year contracts pursuant to a Form 470, and enter into voluntary contract extensions, but certain additional contract requirements apply. In all cases, applicants must comply with state and local procurement laws. It is critical that you save all documentation pertaining to the competitive bidding process and vendor selection for five years. This is a protective measure in case of audit.

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DO NOT FILE YOUR FORM 470 AND FORM 471 ON THE SAME DATE, THERE MUST BE AT LEAST 28 DAYS BETWEEN THE DATE YOUR FORM 470 IS POSTED ON THE SLD WEBSITE AND THE DATE ON WHICH YOU FILE THE FORM 471.

5. CALCULATE THE DISCOUNT LEVELS

Form 471 will help you calculate the discount and by listing the recipients of services for support. FCC rules include a discount matrix that takes into consideration poverty level and the urban or rural location of your organization. For detailed information about how to calculate the percentage discount and complete the Block 4 Worksheet of Form 471, found on the USAC website.

6. DETERMINE ELIGIBLE SERVICES

Detailed information on which products and services are eligible can be found at <http://www.universalservice.org/sl/tools/eligible-services-list.aspx>.

7. SUBMIT FORM 471 — YOUR APPLICATION FOR SUPPORT

Form 471 must be submitted online or on paper and be certified by an authorized person to be considered complete. It must also be postmarked or submitted online prior to the close of the application filing window for the funding year to be considered as filed within the window.

You must also file the Item 21 attachment, which describes the services and products for which discounts are requested. This may also be submitted online. You must also certify that you have access to the resources necessary to pay for:

- The non-discounted portion of the costs for requested eligible services within the funding year
- The ineligible products and services necessary to make effective use of the eligible services requested

After you file, you will receive a Receipt Acknowledgement Letter from the USAC.

8. APPLICATION REVIEW BEGINS

Each application (Form 471) is reviewed to ensure that Universal Service Fund support is committed only for eligible products and services as well as eligible uses by eligible entities.

You can help speed up application reviews by:

- Submitting a complete Form 471 including required certifications and Item 21 Attachments for each funding request
- Responding to requests for additional or clarifying information within seven days
- Verifying that USAC has correct contact information

USAC selects some applicants for a Selective Review to ensure that they are following certain FCC program rules. The result of a Selective Review may be that funding is approved or denied. The applicant may also receive a Resource Deficiency Advisory that explains the areas USAC finds to be deficient. Applicants may not receive direct or indirect help from service providers to pay their non-discounted share.

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ADDITIONAL E-RATE RESOURCES

TANDBERG Grant Services
http://www.tandberg.com/services/grant_services.jsp

Schools and Libraries Division (SLD)
www.sl.universalservice.org.

American Library Association
<http://www.ala.org/ala/washoff/WOissues/techinttele/erate/erate.htm>

eSchool News E-rate Resource Center
<http://www.eschoolnews.com/resources/reports/ffl/>

Funds for Learning
<http://www.fundsforlearning.com/>

9. RECEIVE YOUR FUNDING DECISION

Program funding commitment decisions are issued in “waves,” or regular cycles. Generally, funding year commitment waves will run on a regular bi-weekly schedule until the only remaining applications are those held for heightened scrutiny.

All certified, in-window applications are prioritized based on:

- Priority One — all eligible services are fully funded first
- Priority Two — eligible requests for internal connections and basic maintenance of internal connections from applicants with highest discount levels

Once you receive your Funding Commitment Decision Letter (FCDL), carefully review it for details of your approved or denied request. Always remember to review your technology plan status to ensure that it is compliant with the Children’s Internet Protection Act (CIPA)

If you believe that your funding request has been incorrectly reduced or denied, you may appeal the decision to USAC or to the FCC.

10. RECEIVE YOUR SERVICES

To help USAC ensure that Universal Service Fund support is paid only for services that have actually been delivered, applicants must verify the start date of services and submit a Receipt of Service Confirmation Form (Form 486).

Technology plans must be approved before services start and before the applicant submits the Form 486. Applicants must be able to provide a technology plan approval letter issued by a USAC-certified technology plan approver. If the approval letter is posted on a website, the applicant should print and retain a copy.

11. INVOICE THE USAC

FCC rules require USAC to pay universal service support directly to service providers. Two invoice methods and program forms exist:

Service Provider Invoice (SPI) (Form 474) may be submitted:

- After the service provider provides the services or equipment to the applicant
- After the billed entity submits the Receipt of Service Confirmation Form (Form 486) verifying the service start date
- After the service provider has provided a discounted bill to the billed entity

Billed Entity Applicant Reimbursement (BEAR) Form (Form 472), may be jointly submitted by you and the service provider:

- Following the receipt of discounted eligible services
- After the billed entity submits the Form 486
- After the billed entity has paid the total amount (including the applicant’s non-discount share and the amount to be paid by USAC) to the service provider

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WHAT IS THE E-RATE “TWO OUT OF FIVE” RULE AND HOW DOES IT WORK?

The E-rate “two out of five” rule began in Fiscal Year 2005 and states that eligible entities will only receive support for internal connections in two out of every five funding years. For each eligible entity, the five-year period begins the year in which that entity receives support for internal connections.

This does not apply to telecommunications and Internet access services, nor to basic Category 2 maintenance services. Basic maintenance services are eligible for support each year if they are necessary to the operation of the internal connections network.

This rule applies to individual sites, so it is critical for school districts and consortia to consider their site groupings as part of their application strategy. For example, the district or consortia may apply for all 80% of schools one year, then for all 90% of schools the following year.

IMPORTANT: If you apply and receive approval for internal connections E-rate funding, but then choose not to spend those funds, it does NOT count against one of your 2 of 5 years. If you decide to surrender Internal Connections funding for a funding year, you must file a Form 500 before any services begin.

The Form 500 refunds the committed funding back to the E-rate program, and nullifies the “two out of five” rule where applicable. It is important to keep in mind, however, that any Internal Connections funding request that is utilized in a funding year will trigger the 2 out of 5 rule (for the sites listed on the application) for that funding year.

For instance, if a district (assuming a district-wide application) chooses to forgo a videoconferencing project but still purchases eligible routers and switches from another service provider in the same funding year, the “2 out of 5” year rule will still apply.

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TANDBERG offers consultative assistance and can help answer frequently asked questions, offer application strategy tips and provide valuable feedback. Our dedicated team will work with you to:

- Provide a comprehensive overview of the E-rate program
- Provide needs analysis on which products and services best fit your classroom and library needs
- Discuss and review product eligibility to help determine your ineligible costs
- Arrange consultation(s) with a nationally recognized E-rate consultant to address specific issues and concerns where further assistance from TANDBERG would be in violation of E-rate rules and policies
- Offer preventative guidance on avoiding waste, fraud and abuse violations

For more information on TANDBERG Grant Services and eligible products, please contact us directly at grantservices@tandberg.com.



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