
Federal Communications Commission

Performance Audit of
West Baton Rouge Parish
Central Office

Project Number

17-AUD-05-02

July 12, 2018





OIG HIGHLIGHTS

What We Audited:

The Office of Inspector General (OIG) conducted a performance audit of West Baton Rouge Parish Central Office (Central Office), a Universal Service Fund Schools and Libraries (also known as “E-rate”) program beneficiary. Our objective was to determine whether the beneficiary complied with the FCC rules and orders for the E-rate program, as stated in Title 47 of the Code of Federal Regulations (47 C.F.R.), for funding year 2015, July 1, 2015 through June 30, 2016. We reviewed internal controls applicable to the procedures tested to determine whether those controls were adequate and effective for safeguarding Universal Service Funds (USF). Our testing included a review of the Central Office’s application and contracting process, eligibility, discount calculations, competitive bidding procedures, inventory tracking, the invoicing process and the Children’s Internet Protection Act (CIPA) compliance.

What We Found:

We found that the Central Office generally complied with applicable E-rate program laws, rules and regulations. However, our audit found internal control weaknesses in its invoicing process. The weaknesses resulted in the Central Office receiving overpayments totaling \$47,286 for E-rate services, which represents 11.2 percent of the \$421,687 total USF funds received for funding year 2015. Also, we found inadequate internal controls over the Central Office’s competitive bidding process, which increased the risk of conflicts of interest. Specifically, the Central Office’s policies and procedures were not designed to prevent, detect or remediate violations of independence in the bidding process.

What We Recommended:

We made three recommendations to improve E-rate program internal controls and recover unallowable USF reimbursements. We recommended that the Central Office improve their controls over E-rate document submissions and update the policies and procedures used in their competitive bidding process. We also recommended that the Universal Service Administrative Company (USAC), the fund administrator, recover \$47,286 of unallowable USF reimbursements received by the Central Office.

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BACKGROUND

The Federal Communications Commission (FCC) was established by the Communications Act of 1934 as an independent U.S. government agency and is directly responsible to Congress. The FCC regulates interstate (between states) and international communications by radio, television, wire, satellite and cable in all 50 states, the District of Columbia and U.S. territories.

The Communications Act of 1934 mandated that all people in the United States shall have access to universal service, defined as rapid, efficient, nationwide communications with adequate facilities at reasonable charges. Subsequently, the Telecommunications Act of 1996 expanded the traditional definition of universal service for affordable, nationwide telephone service to include rural health care providers and eligible schools and libraries. Today, the FCC provides universal service support, at a cost of almost \$10 billion annually, through four programs – Schools and Libraries, High Cost, Lifeline, and Rural Health Care.

The Schools and Libraries universal service support program, commonly known as the “E-rate” program, provides funding for schools and libraries to obtain affordable broadband. Annual funding for the E-rate program is based on demand, up to an FCC established annual cap of \$3.9 billion. Funding for a school or library may be requested under two categories of eligible services, category one services (telecommunications, telecommunications services and Internet access), and category two services (internal connections, basic maintenance of internal connections, and managed internal broadband services). The dollar amount of E-rate support a school or library receives is based on poverty program eligibility criteria. The amount is calculated based on the percentage of students within the school district eligible for the National School Lunch Program (NSLP) and whether the school or library is located in an urban or rural area. The school or library’s E-rate discount ranges from 20 to 90 percent of the cost of eligible services.

The E-rate program is administered by the Universal Service Administrative Company (USAC) under the direction of the FCC. Specifically, USAC is responsible for ensuring applicant compliance with program rules, processing program applications, confirming program eligibility, and providing reimbursements to program participants. A flow chart summarizing USAC’s E-rate application process, from competitive bidding through invoicing, is provided in Appendix D of this report.

West Baton Rouge Parish Central Office (Central Office), located in Port Allen, Louisiana, is the administrative office for West Baton Rouge Parish Schools. The Central Office received \$421,687 in E-rate reimbursements for funding year 2015 on behalf of West Baton Rouge Parish schools.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this performance audit was to determine if the E-rate beneficiary was in compliance with the applicable FCC rules and orders for the E-rate program, codified in Title 47 of the United States Code of Federal Regulations (47 C.F.R.). Specifically, the objective included:

1. Determining if the beneficiary complied with 47 C.F.R. §§ 54.500 through 54.523, and applicable orders issued under Section 254 of the Communications Act of 1934, as amended; and
2. Reviewing internal controls applicable to the procedures tested and determining if those controls were adequate and effective for safeguarding the Universal Service Fund (USF).

The scope of our audit included funding year 2015 E-rate program reimbursements received by the Central Office.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Additional details on the audit objectives, scope and methodology are provided in Appendix A of this report.

AUDIT RESULTS

Generally, the Central Office complied with the applicable E-rate program laws, rules and regulations. However, our audit found internal control weaknesses in the Central Office's procedures for applying for reimbursements from USAC. We also identified inadequate controls in the competitive bidding process, which increased the risk of conflicts of interest. We made recommendations to improve the Central Office's internal controls over E-rate document submissions, and update their policies and procedures for the competitive bidding process. We also recommend that USAC, the fund administrator, recover any unallowable USF reimbursements made to the Central Office.

In funding year 2015, the Central Office received USF E-rate support totaling \$421,687 for 7 of its 10 schools. The other three schools did not participate in the E-rate program for the funding year. Additional details on the schools that received and did not receive E-rate support in funding year 2015 are provided in Appendix E of this report.

The majority of the West Baton Rouge Parish schools were located in urban areas and met the poverty eligibility criteria. Therefore, the Central Office qualified for E-rate support at an 80 percent discount rate¹. The discount rate determines the amount USAC reimburses schools and libraries for the cost of telecommunications services, equipment and broadband service.

Eligible E-rate program beneficiaries may request funding support for two categories of services. Category one services include telecommunications, telecommunications services and Internet access or broadband. Category two services are equipment based, and include internal connections, basic maintenance of internal connections, and managed internal broadband services. The Central Office contracted with two service providers, AT&T and Transformyx, Inc., for E-rate services.

Finding 1 – Unallowable USF Reimbursement for Services

Our audit found internal control weaknesses in the Central Office’s policies and procedures for applying for reimbursements from USAC. The weaknesses resulted in the Central Office receiving unallowable USF reimbursements totaling \$47,286, which represents 11.2 percent of the \$421,687 total USF funds the Central Office received for the period of our review.

Category One Services

For funding year 2015, the Central Office executed the option in its contract with AT&T, which included a provision for the Central Office to receive broadband at a cost of \$11,306 per month for 12 months. The monthly costs included \$5,118 for router services and \$6,188 for Wide Area Network services. The Central Office submitted FCC Form 472, *Billed Entity Applicant Reimbursement Form*, to USAC requesting reimbursement for 12 months of category one services for funding year 2015, totaling \$135,672. USAC reimbursed the Central Office for 80 percent of the costs for its category one services, or \$108,537, in accordance with the Central Office’s approved discount rate.

Category Two Services

For funding year 2015, the Central Office also requested, and was authorized funding totaling \$50,209 for category two services for one of its eligible schools. The Central Office purchased category two equipment associated with internal connections, such as Ethernet switches, access points, and power injector equipment. The Central Office then submitted FCC Form 472 to USAC requesting reimbursement for expenses totaling \$50,209 (the full authorized amount for category two services). USAC reimbursed the Central Office for 80 percent of the costs for its

¹ 47 C.F.R. § 54.505(b) *Discount percentages*. ...the discounts available to eligible schools and libraries shall range from 20 percent to 90 percent of the pre-discount price for all eligible services provided by eligible providers, as defined in this subpart. The discounts available to a particular school, library, or consortium of only such entities shall be determined by indicators of poverty and high cost.

category two services, or \$40,167, in accordance with the Central Office’s approved discount rate.

Unallowable USF Reimbursement

Our audit found that the Central Office received an unallowable USF reimbursement of \$47,286 from USAC for E-rate services claimed on the FCC Forms 472. AT&T did not bill the Central Office for, and the central office did not pay for, 12 months of category one router services AT&T provided under its contract with the Central Office. However, the Central Office requested reimbursement for the full contract amount from USAC, including the unbilled (and unpaid) costs for category one router services. Also, the Central Office received \$415 more than it was entitled to for equipment under category two services. In total, the Central Office received unallowable USF reimbursements totaling \$47,286, which includes \$46,871 for category one services and \$415 for category two services, as presented in Table 1.

Table 1 - Actual Costs and Unallowable Reimbursements for USF Supported Services

	(A)	(B)	(C)	(D)	(E)	(F)
Services	Discount Rate	Central Office Costs Claimed	Central Office Actual Costs	USF Reimbursement (80% of Costs Claimed in Column B)	Allowable USF Reimbursement (80% of Actual Costs in Column C)	Unallowable USF Reimbursement (Column D-E)
Category One	80%	\$135,672	\$77,083*	\$108,537	\$61,666	\$46,871
Category Two	80%	\$50,209	\$49,690	\$40,167	\$39,752	\$415
Total						\$47,286

*Includes \$2,827 of taxes and fees.

Central Office management acknowledged that they submitted inaccurate FCC Forms 472 to USAC for reimbursement. This occurred because the Central Office only performed cursory reviews of its invoices and did not confirm that its providers’ bills were accurate and complete, and in accordance with the category one and category two contracts.

The Central Office did not exercise due care when completing FCC Forms 472, resulting in noncompliance with 47 C.F.R. § 54.523, which states “An eligible school, library, or consortium must pay the non-discount portion of services or products purchased with universal service discounts.” The service provider also did not comply with 47 C.F.R. § 54.504(f)(4), which states “The service provider ... certifies that the invoices that are submitted ... pursuant to ... Billed Entity Applicant Reimbursement Form (FCC Form 472) are accurate and represent payments from the Billed Entity to the Service Provider for equipment and services provided pursuant to E-rate program rules.”

The General Accounting Office's *Federal Internal Control Standards* (GAO-14-704G) requires management to divide or segregate key duties and responsibilities, such as authorizing, processing and reviewing transactions, amongst different people to reduce the risk of error, misuse or fraud. The Central Office's management stated that its FCC forms were prepared and submitted by the same employee. OIG's review did not find any evidence of a supervisory or peer review of the forms by other officials beyond the form's preparer.

The Central Office's noncompliance with E-rate program rules and regulations associated with paying the non-discounted portion of services resulted in the Central Office receiving overpayments from the USF totaling \$47,286.

Recommendations:

We recommend that:

1. The Central Office strengthen its internal control over E-rate document submissions by designing and implementing policies and procedures that require an adequate segregation of duties for preparing and reviewing E-rate documents, and ensures the documents are accurate before submission to USAC or the FCC.
2. USAC recover the unallowable USF reimbursements received by the Central Office, Billed Entity Number (BEN) 16037846, totaling \$47,286.

BENEFICIARY'S RESPONSE (SUMMARY):

West Baton Rouge Parish Central Office agreed with the finding and recommendations. The beneficiary's full response is included in Appendix B to the report.

USAC'S MANAGEMENT RESPONSE:

USAC management concurred with the finding and recommendation, and stated that it will seek recovery in the amount of \$47,286. USAC management's full response is included in Appendix C to the report.

OIG AUDITOR'S COMMENTS:

West Baton Rouge Parish Central Office and USAC's management comments were responsive to the audit report's findings and recommendations.

Finding 2 – Contract Bid Evaluation Process – Independence Certifications

Our audit identified inadequate controls within the Central Office's competitive bidding process for awarding contracts. Specifically, we found that the bid evaluation committee members did not sign independence forms to certify that they were free of conflicts of interest before they began the bid evaluation process.

We reviewed the competitive bidding process the Central Office used to identify and request products and services needed for the E-rate program. The Central Office's process included convening a bid evaluation committee, responsible for reviewing bids and selecting the appropriate vendors based on the Central Office's established criteria. The bid evaluation committee membership consisted of four Central Office employees and two former employees who provided contracted services for the Central Office. Although the audit identified internal control risks in the Central Office's bid evaluation process, we did not note any actual conflicts of interest among members of the evaluation committee.

Title 47 C.F.R. § 54.503(a) states that "All entities participating in the schools and libraries universal service support program must conduct a fair and open competitive bidding process." The Standards for Internal Control in the Federal Government (the "Green Book"), sets the standards for an effective internal control system for federal agencies (and stewards of federal funds). It provides the overall framework for designing, implementing, and operating an effective internal control system. Principle 8 requires management to assess the fraud risk of opportunity, defined as "Circumstances...such as the absence of controls, ineffective controls, or the ability of management to override controls, that provide an opportunity to commit fraud." We found the Central Office's policies and procedures did not provide reasonable assurance that its competitive bidding process was fair and open, or effectively safeguarded against opportunities for unfair practices or biases to be injected into the competitive bidding process.

Recommendation:

We recommend that Central Office management establish policies and procedures for its contract bid evaluation and selection process that ensure compliance with E-rate program requirements for fair and open competition. Those policies and procedures should include safeguards to ensure committee members are free of related party or ownership interests. Documentation could include procedures that require committee members sign an independence and disclosure statement.

BENEFICIARY'S RESPONSE (SUMMARY):

West Baton Rouge Parish Central Office agreed with the finding and recommendation. The beneficiary's full response is included in its entirety as Appendix B to the report.

USAC'S MANAGEMENT RESPONSE (SUMMARY):

USAC management concurred with our finding that the beneficiary should strengthen internal controls within its competitive bidding process to more adequately protect against the risk of conflicts of interest. USAC agreed that the beneficiary should include measures that document its process to address conflicts of interest such as related-party or ownership interests. USAC management's full response is included in Appendix C to the report.

OIG AUDITOR'S COMMENTS:

The Central Office and USAC's management comments were responsive to our audit findings and recommendations.

APPENDIX A - OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this performance audit was to determine if the E-rate beneficiary was in compliance with the applicable FCC rules and orders for the E-rate program, codified in Title 47 of the United States Code of Federal Regulations (47 C.F.R.).

Specifically, the objective included:

1. Determining if the beneficiary complied with 47 C.F.R. §§ 54.500 through 54.523, and all applicable orders issued under Section 254 of the Communications Act of 1934, as amended; and
2. Reviewing internal controls applicable to the procedures tested and determining if those controls were adequate and effective for safeguarding the Universal Service Fund (USF).

The scope of our audit included funding year 2015 E-rate program reimbursements. We performed our fieldwork at the West Baton Rouge Central Office in Port Allen, Louisiana and at the FCC Headquarters in Washington, DC.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our audit objectives, we performed audit procedures, as deemed appropriate, including the following:

- Reviewed federal laws, regulations and guidance applicable to the E-rate program;
- Obtained and reviewed the beneficiary's E-rate application data, from USAC, for funding year 2015;
- Conducted a site visit at the Central Office and its seven participating schools. Three of its 10 schools did not participate in the E-rate program in funding year 2015;
- Interviewed Central Office management and Principals at the seven participating schools;
- Completed walkthroughs to gain an understanding of the application process, discount calculation, Children's Internet Protection Act (CIPA) compliance, and competitive bidding and invoicing processes;
- Examined E-rate program documentation to determine the reasonableness of expenses, payments and reimbursements from USAC;
- Conducted a physical inventory of E-rate equipment purchased at the seven participating schools and compared equipment to the inventory records;
- Confirmed the beneficiary's status as an eligible entity based on E-rate regulations;

- Assessed the terms of the beneficiary's contractual agreements and examined service provider contracts;
- Evaluated the Central Office's policies and procedures for developing the discount rate, applying for approval to participate in the E-rate program, completing the competitive bidding process, recording and retaining documentation for assets and services, processing invoices and ensuring compliance with CIPA; and
- Recalculated the beneficiary's discount rate for the seven participating schools using the National School Lunch Program (NSLP) method.

APPENDIX B - BENEFICIARY RESPONSE TO DRAFT



West Baton Rouge Parish Schools

Wes Watts
Superintendent

April 25, 2018

Jason P. Manola
Board President

Dr. Atley D. Walker, Sr.
Vice President

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G. Alden Chustz, Jr.

Leon N. Goudeau

Ronald P. LeBlanc

Michael A. Maranto

Rose L. Roché

Craig M. Sarradet

Toby Sarradet

To: David L. Hunt, Inspector General
Re: Draft Audit Report -
Performance Audit of West Baton Rouge Parish Central Office
(Project No. 17-AUD-05-02)

Mr. Hunt,

This letter is to confirm that West Baton Rouge Parish Schools (BEN: 16037846) has read and agrees with the draft report for project number: 17-AUS-05-02.

Thank you,

Tammy S. Seneca, PhD
Supervisor of Information Systems
and Educational Technology

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APPENDIX C - MANAGEMENT'S RESPONSE TO DRAFT REPORT



Via Electronic Mail

April 20, 2018

Mr. Robert McGriff
Assistant Inspector General - Audits
Office of Inspector General
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Comments of the Universal Service Administrative Company to the Final Draft Funding Year 2015 Performance Audit of West Baton Rouge Parish Central Office (Report No. 17-AUD-05-02)

Dear Mr. McGriff,

The Universal Service Administrative Company (USAC) is providing its response to the above-referenced draft report regarding a performance audit of the West Baton Rouge Parish Central Office (Beneficiary or West Baton Rouge), a Universal Service Fund (USF) Schools and Libraries (also known as "E-rate") program beneficiary. The Federal Communications Commission (FCC) Office of Inspector General (OIG) conducted the performance audit to determine whether the Beneficiary complied with the Commission's rules and orders for the E-rate program and to review whether the Beneficiary's internal controls were adequate and effective. There were two findings in the draft audit report: Specifically, the auditors determined that the Beneficiary: (1) invoiced USAC for services and equipment that were not billed by the Service Provider or paid for by the Beneficiary; and (2) had inadequate internal controls within its E-rate competitive bidding process for awarding contracts. USAC's management response to the two findings is provided below.

USAC Management Response to Finding One:

USAC management concurs with the finding and recommendation. USAC will seek recovery in the amount of \$47,286.

USAC Management Response to Finding Two:

USAC management also concurs that the Beneficiary should strengthen its internal controls within its competitive bidding process to more adequately protect against the risk of conflicts of interest. Section 54.503(a) of the Commission's rules provides that E-rate

Mr. Robert McGriff
April 20, 2018
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entities must conduct a fair and open competitive bidding process. The accompanying note to that rule provides an illustrative list of activities or behaviors that would not result in a fair and open competitive bidding process. For example, an applicant employee with a role in the service provider selection process that also has an ownership interest in a service provider seeking to bid, is an example of an activity that would not result in a fair and open competition. See 47 C.F.R. § 54.503(a) (2017). See also *Request for Review of the Decision of the Universal Service Administrator by Send Technologies, L.L.C., et al.*, CC Docket No. 02-6, Order, 22 FCC Rcd 4960, 4952-53, para. 6 (2007) (holding that the school employee's ownership interest in the service provider was a conflict of interest that impeded fair and open competition as required by the FCC rules).

The performance audit report explains that West Baton Rouge's competitive bidding process included convening a committee to review vendor bids and select the appropriate vendors based on West Baton Rouge's established criteria. While the report states that no conflicts of interest for members of the committee were noted, the report also recommends that the Beneficiary establish policies that include safeguards to document committee members' related party or ownership interests. It also suggests that documentation could include having committee members sign an independence and disclosure statement to evidence the lack of any conflicts of interest within the committee.

As explained above, applicants are required to conduct fair and open competitive bidding that is free from conflicts of interest. Effective procedures that include adequate internal controls will help to effectively safeguard against potential unfair practices or any potential conflicts of interest. Therefore, USAC agrees with the audit report that the Beneficiary should strengthen the internal controls governing its competitive bid process by including measures that document the process to address conflicts of interest such as related-party or ownership interests. We also agree that effective internal controls could include independence and disclosure statements or other documented measures.

This concludes USAC management's response to the two above-referenced findings for the West Baton Rouge draft performance audit report. Please let us know if you have any questions or need further information.

Sincerely,

//s//

Catriona Ayer
Acting Vice President of Schools and Libraries Division

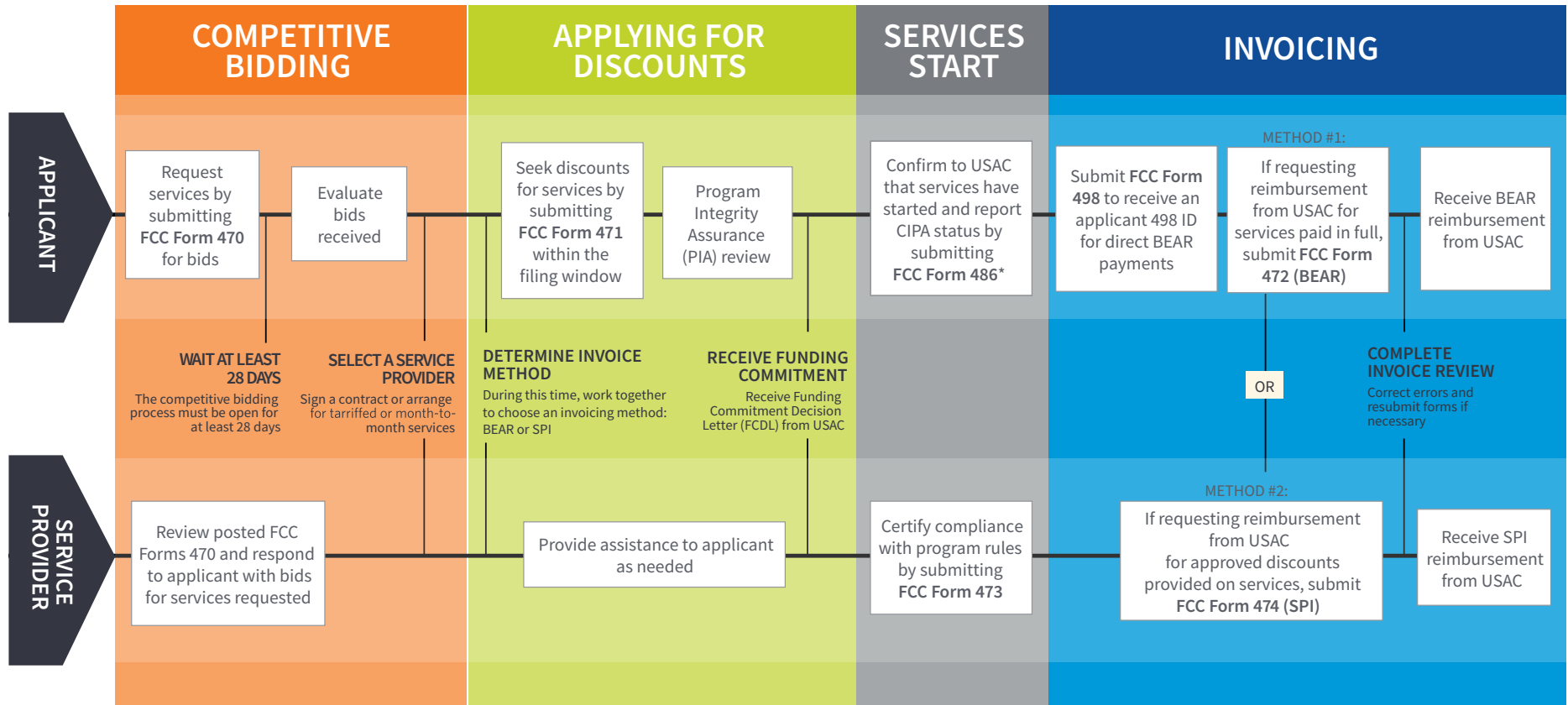


Schools and Libraries (E-rate) Program APPLICATION PROCESS

BEFORE YOU BEGIN:

APPLICANTS: Applicants must first have an entity number and an E-rate Productivity Center (EPC) account.

SERVICE PROVIDERS: Service providers must first obtain a Service Provider Identification Number (SPIN /service provider 498 ID) by submitting FCC Form 498.



FOR MORE INFORMATION:

- Website: The application process is broken down in detail for both applicants and service providers on the Schools and Libraries Program website (www.usac.org/sl).
- Glossary of Terms: Definitions for program terms and acronyms.
- *Consortium members report their CIPA status by submitting the FCC Form 479 to their consortium leader. The consortium leader then files the FCC Form 486.
- To adjust funding commitments and/or modify the dates for receipt of services after the FCDL is issued, file the FCC Form 500.

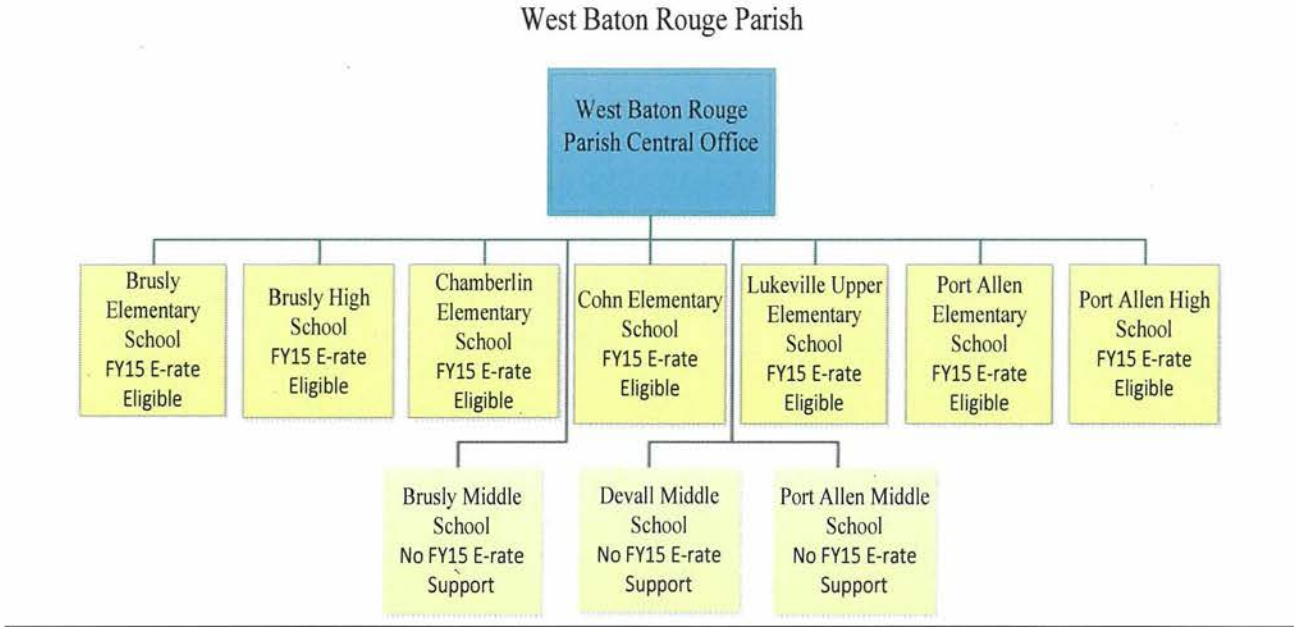
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² http://usac.org/_res/documents/sl/pdf/handouts/application-process-flow-chart.pdf

APPENDIX E - WEST BATON ROUGE E-RATE ELIGIBLE SCHOOLS

Table 2 - West Baton Rouge Parish Schools - Eligible Schools Receiving E-rate Support



APPENDIX F - GLOSSARY OF TERMS

APPLICANT - The entity applying for universal service support. In the Schools and Libraries Program the entity is a school, library, consortium, or other eligible entity that files program forms.

BENEFICIARY - The entity receiving universal service support. In the Schools and Libraries Program the entity is a school, library, consortium, or other eligible entity that files program forms.

BILLED ENTITY NUMBER (BEN) - A unique number assigned by USAC to each billed entity (school, library, or consortium) that pays for services.

CATEGORY ONE SERVICES - Services used to connect broadband or internet to eligible locations, or services that provide the basic conduit access to the internet. Data transmission services and Internet access, and voice services are Category One services. Category One services includes broadband connectivity and basic conduit access to the internet. This does not include charges for content, equipment purchases, or other services beyond basic conduit access to the internet. This service type also covers lit or dark fiber and, in special circumstances, self-provisioning of dark fiber.

CATEGORY TWO SERVICES - Internal connections services needed to enable high-speed broadband connectivity and broadband internal connections components. Category Two includes local area networks/wireless local area networks (LAN/ WLAN), internal connections components, basic maintenance of internal connections components, and managed internal broadband services.

CHILDREN'S INTERNET PROTECTION ACT (CIPA) - A law that mandates certain internet safety policy and filtering requirements for recipients of E-rate Program discounts for services other than telecommunications services.

DISCOUNT PERCENTAGE (also known as discount rate) - The discounts available to eligible schools and libraries shall range from 20 percent to 90 percent of the pre-discount price for all eligible services provided by eligible providers. The discounts available to a particular school, library, or consortium of only such entities shall be determined by indicators of poverty and high cost.

ELIGIBLE ENTITY - An entity that meets the requirements for eligibility to participate in the program.

E-RATE PRODUCTIVITY CENTER (EPC) - EPC is the account and application management portal for the Schools and Libraries (E-rate) Program. Applicants, consultants,

and service providers participating in the E-rate Program use this tool to manage program processes and to submit questions.

ELIGIBLE SERVICES - Products and services that are eligible for universal service support.

E-RATE PROGRAM - The common term used in place of the Schools and Libraries Program. With E-rate standing for Educational Rate, the program provides discounts to schools and libraries for eligible products and services.

FCC FORM 470 - The Description of Services Requested and Certification Form is an FCC form that schools and libraries complete to request services and establish eligibility.

FCC FORM 471 - The Services Ordered and Certification Form is an FCC form that schools and libraries use to report services ordered and discounts requested for those services.

FCC FORM 472 (BEAR) - The Billed Entity Applicant Reimbursement Form is an FCC form that schools and libraries submit to USAC after paying for services, in full, to request reimbursement for the discount on those services.

FCC FORM 473 (SPAC) - The Service Provider Annual Certification Form is an FCC form that service providers file annually to certify that they will comply with program rules and guidelines. This form must be filed before USAC will pay invoices.

FCC FORM 474 (SPI) - The Service Provider Invoice Form is an FCC form that service providers submit to request reimbursement for discounted eligible services already provided to the schools or libraries on their customer bills.

FCC FORM 479 - The Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act Form is an FCC form that consortium members (the administrative authority for CIPA purposes) submit to their consortium leader to certify that they are in compliance with the Children's Internet Protection Act. After all FCC Forms 479 are collected, the consortium leader can accurately complete the FCC Form 486.

FCC FORM 486 - The Receipt of Service Confirmation and Children's Internet Protection Act Certification Form is an FCC form that schools and libraries file to inform USAC that services have begun, and of their CIPA compliance.

FCC FORM 498 - The Service Provider and Billed Entity Identification Number and General Contact Information Form issued to collect contact, remittance, and payment information from service providers and applicants receiving universal service support. Service providers must fill out this form to participate in any of the universal service programs. As of July 1, 2016, applicants who choose the Billed Entity Applicant Reimbursement (BEAR) payment method will need to file this form to receive an ID number (498 ID) for reimbursement payments.

FCC FORM 500 - The Funding Commitment Adjustment Request Form is filed by schools and libraries to notify USAC of reductions to or cancellations of approved FRNs³ and/or changes to reported Service Start Dates or Contract Expiration Dates, to request a service delivery extension for non-recurring services, or to notify USAC of an allowable equipment transfer.⁴

³ The Funding Request Number (FRN) is the unique number that USAC assigns to each funding request in an FCC Form 471.

⁴ USAC's glossary of terms: http://usac.org/_res/documents/sl/pdf/handouts/SL-Glossary-of-Terms.pdf



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