

E-rate Funding Year 2016 — What to Expect Now?

Update: May 26, 2016



2016 Filing Window Update

USAC announced on April 15 that the Form 471 filing window for schools and districts would be extended four weeks to May 26, with a second window for libraries and consortia closing July 21. This gave schools and districts until April 28 to post Form 470s to allow the required 28 days for bidding. Libraries and consortia still have until June 23 to post their Form 470s.

What to Expect Now That the Window Is Closed

Now that the Form 471 filing window is closed for schools and districts, the program enters the next phase of the Funding Year 2016 cycle. USAC stated in their April 15 *announcement*:

“We will begin application review next week, and will estimate demand as soon as the first window closes. Libraries and consortia will enter the review pool as soon as their applications are submitted. Our analysis shows that there should be sufficient funding for all plausible demand scenarios for FY2016, so filers should not be worried about losing funding as a result of this second window.”

Applicants' Form 471s will need to go through the Program Integrity Assurance (“PIA”) review process before Funding Commitment Decisions Letters (“FCDLs”) are sent. The letters notify the applicant of the funding decisions that have been made for each individual Funding Request Number (“FRN”).

When Can Installations Begin for Category Two Non-recurring Services?

A major change with the *E-rate Modernization Order* permits applicants to seek support for non-recurring Category Two eligible services installed on or after April 1, three months prior to the start of the funding year on July 1. If an applicant's funding request is later denied, they would need to make other payment arrangements with their service provider. The goal is to provide schools with the maximum amount of time during the summer recess to install their critical networks (paragraph 132, FCC Seventh Report and Order). More information is available on the USAC site [here](#).

How Does This Work and What Are the Limitations?

It is very important to remember that any services that start before July 1, 2016, or in the case of non-recurring Category Two services before April 1, 2016, will not qualify for a Funding Year 2016 request. Keep in mind:

- Most purchase orders and orders for Category Two non-recurring services can be placed prior to April 1, but if shipments arrive at the applicant's location or if other billable work is completed on applicant premises before April 1, that work or equipment may not qualify for reimbursement
- The *USAC administrators expect* that all service delivery and invoicing will take place according to the terms and conditions specified in the applicant's contract with their vendor (if it contains such a specification)
- USAC will not issue payment before the July 1 start of the funding year, even if the goods and services can be delivered beginning the April 1 prior to the funding year.

For example, if work starts April 1 and an FCDL is received June 15, the earliest USAC will process payment (either an applicant reimbursement or vendor SPI) will still be July 1 at the earliest. The school or applicant can be invoiced and pay prior to July 1, but USAC cannot disburse discounts until July 1.

In most cases where applicants take delivery of equipment prior to an FCDL, they pay for the equipment in full and then seek reimbursement of the E-rate discount through the Billed Entity Applicant Reimbursement ("BEAR") process if their funding requests are approved. Applicants who receive an FCDL would then need to file a Form 486, Receipt of Service Confirmation Form, before filing their Form 472 (BEAR). Additional instructions for these forms can be found on USAC's site [here](#).

Note: This is provided for information purposes only and is not legal advice. Please consult with your own attorney or E-rate consultant(s) to determine the applicability of any rules or regulations in your particular circumstances.

Help and Additional Resources

- USAC provides excellent resources and training to help applicants understand and manage the filing process, FCC requirements, and other E-rate program elements:
 - [USAC Online Learning Library](#)
 - [USAC "File Along with Me" Blog](#) (includes step-by-step guidance)
- Funds for Learning Resources:
 - "Advance Installation of Internal Connections" [FAQ](#)
 - [Online Guide to E-rate Funding](#) (edWeb)
- [Cisco Digital Learning and E-rate](#) website

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