

UNDERSTANDING THE E-RATE PROGRAM

YEAR 13 EDITION

2010-2011 FUNDING CYCLE

Library of Virginia

Understanding the E-Rate Handbook

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Forward

E-Rate is entering its thirteenth year of funding discounted telecommunications and Internet services to schools and libraries. The E-Rate program was enacted into law with the Telecommunications Act of 1996. The law directed the Federal Communications Commission (FCC) to establish a mechanism to provide schools and libraries with discounted telecommunications and advanced services.

During the first few years of the E-Rate program, a few instances of waste, abuse, or outright fraud were discovered. As vendors and applicants devised creative or illegal schemes to maximize discounts or defraud the program, the FCC and Schools and Libraries Division (SLD) incrementally tightened rules and policies to a point where some schools and libraries have simply walked away.

Approximately 20 percent of funding requests were denied in the early years because of process or procedure errors – a box not checked on a form, a missed deadline, or any of a number of other problems. Even after funding has been granted, over 20 percent of E-Rate money goes unclaimed. While recent FCC Orders such as Bishop Perry have reduced the number of denials, the program remains risky.

Because E-Rate funding is never certain, the Library of Virginia does not recommend incorporating E-Rate discounts into library budgets before a funding commitment letter is in hand. While all Virginia libraries have been funded the past three years, commitment decisions can be delayed well into the funding year resulting in cash flow problems.

With new leadership at the FCC, a number of applicant friendly appeal decisions were issued beginning in early 2006. Several admonished the SLD to be more proactive and responsive to applicant needs. With luck, this, the thirteenth year of E-Rate funding will be less painful for applicants.

This booklet is designed to help administrators, school and library boards, and technology coordinators better understand the program so that they may maximize E-Rate discounts and minimize denials during the Year Thirteen (Year 2010) funding cycle.

A Typical “Year” In E-Rate



Fall: Prepare Technology Plans or plan updates
Determine needs for following year
Establish consortia (if needed)
Review new E-Rate rules
Prepare RFPs (if needed)
File Form 470



Winter: Evaluate bid responses
Present proposals to Board
Sign contracts
Determine eligible services
Calculate discount (with school nutrition)
File Form 471 within filing window



Spring: Respond to PIA questions
Item 25 reviews
Additional Certifications
Hopefully receive Funding Commitment Letter



Summer: START OF FUNDING YEAR!



Fall: File Form 486 no later than October 29
(or 120 days after receipt of a Funding
Commitment Letter)



**: Receive Services, Pay bills, Document
Request service, vendor changes, if necessary**



Fall: File Form 472 (applicants) or Form 474 (vendors) by
October 28 to claim E-Rate money
Keep all files for FIVE more years (twenty seasons)

Introduction to the E-Rate Process

Getting Ready to Apply

Success with the E-Rate program requires considerable time and effort by applicants. Planning an overall E-Rate strategy will help minimize problems and maximize discounts. Building an effective E-Rate team will help ensure all eligible services are included, forms are filled out properly and deadlines are met. **The team should include individuals from the business office, technology department, procurement, and maintenance.**

Applicants should assess their present communication infrastructure and plan for future needs. Technology planning is a requirement of the E-Rate program, which is discussed in detail below. Other individuals will be impacted by E-Rate in the planning process and should be part of the process including business office managers, building administrators, technology leaders, and procurement officials. E-Rate planning should encompass much more than just hardware, software, and training. E-Rate coordinators should know how telecommunications bills are paid and by whom, how many students are eligible for free and reduced-priced lunches, which ineligible entities share discounted services, and whether vendors will participate in the program.

Technology Plans

Each recipient of discounted services – beyond basic telephone service – must develop a technology plan that must be approved by an authority designated by the SLD, usually the state department of education or state library. Applicants may submit plans directly to the SLD for approval. Plans must be approved and an approval letter in hand BEFORE services begin.

E-Rate Tip: The technology plan is in some respects the most important aspect of the program. Applicants requesting unconventional services or requesting more money than the Schools and Libraries Division thinks necessary will have applications scrutinized through an “Item 25” review. If the applicants’ technology plan does not support the requested service or large funding request, the likelihood of funding denial is greatly increased.

The following five criteria must be contained in Technology Plans according to FCC regulations:

- (1) The plan must establish clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services;
- (2) The plan must have a professional development strategy to ensure that staff know how to use these new technologies to improve education or library services;
- (3) The plan must include an assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services;
- (4) The plan must provide for a sufficient budget to acquire and maintain the hardware, software, professional development, and other services that will be needed to implement the strategy; and

(5) The plan must include an 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 as they arise.

If an applicant is subject to an Item 25 review (Item 25 of the form 471 certification indicating applicant has all necessary facilities and training to make effective use of E-Rate discounts), the technology plan will be scrutinized by PIA. If the technology plan does not support the E-Rate funding request or there is inadequate or insufficient staff development, the application will be denied. The SLD refuses to divulge what would constitute adequate resources or what level of staff development would be sufficient for a given application.

E-Rate Tip: Make sure technology plans cover ALL requested services and include sufficient provisions for staff development, equipment maintenance, and support.

Technology plans must include anticipated changes to service and additional buildings or facilities scheduled to be operational during the fund year.

Establish Needs Assessment/Procurement Schedule

Once a technology plan has been developed and E-Rate eligible needs have been established, work with the procurement department to coordinate which services will require an RFP and which services can be procured with phone bids or purchased directly off state, regional, or GSA contracts. **The E-Rate program and Form 470 posting is not a substitute for procurement compliance with state or local procurement laws or policies.**

If an RFP is required, coordinate a Form 470 filing with the issuance of the RFP. The RFP must be available for at least 28 days after the corresponding Form 470 has been posted before bidding can be closed, even if a shorter period is allowed under local procurement policies.

RFPs for E-Rate eligible services should specify bidders will be required to participate in the E-Rate program, comply with all E-Rate regulations and, if desired, the vendor will provide discounted bills.

Form 470 (Who you are and what you want)

The Form 470 is the procurement vehicle for E-Rate. A Form 470 should be filed whenever a procurement for E-Rate eligible services is initiated throughout the year. A general “cover all” form 470 should be posted during the E-Rate filing season (October through December) to cover E-Rate service in general or to make existing contracts E-Rate eligible (see Memorializing Contracts).

When the E-Rate coordinator has a good concept of the program and needs of the applicant, a form 470 should be filed. The form 470 provides potential vendors with information about E-Rate applicants. Information provided on the form 470 is posted on the SLD Web site (<http://www.universalservice.org/sl>) and allows vendors to contact E-Rate applicants with offers of service. Applicants may list RFPs for which they desire services, or list general services.

E-Rate Tip: It is highly recommended that, in the absence of an RFP, the services requested on the form 470 be as specific as possible. All categories of service should be included in the request. For Funding Year 2010, ALL Forms 470 should check requests for Telecommunications Services AND Internet Access (Items 8 and 9) because of new requirements listed on the Eligible Services List.

File the Form 470 online. This will eliminate the possibility of automatic rejection. It also results in immediate posting of the form.

It is recommended that several specific items be checked when filing a form 470:

Block 2, Item 7:

Check all boxes (a, b, c, and sub category boxes in b). This gives a broad range of service choices.

Block 2, Items 8, 9, 10, and 11:

Check each item. This gives you more choices when selecting a vendor. If there is no RFP for services, also check box (b) and be as thorough as possible when listing requested services. **If you have an RFP, you must still list requested services on the form. Items 8 and 9 MUST be checked by ALL applicants to avoid funding denial.**

Check the appropriate indicator for box c. The choices are: provide discounts on bills, do not provide discounts and the applicant will request reimbursement, or no preference. **ALL applicants should list services in BOTH Items 8 (Telecommunications) and 9 (Internet Access).**

Block 2, Item 13 a and b:

If you have additional restrictions for vendors, list them in (a).

IMPORTANT: if you are seeking a contract for multiple years and/or want a contract with a renewal option, you MUST detail that in 13 (b). For example, if you are seeking a multi-year contract for WAN service, you must specify the time period you are seeking a contract - two years, five years, with three optional one-year renewals, etc.

Block 3, Item 14:

NEVER CHECK THIS BOX. If you desire only basic telephone service, you can certify that no technology plan is needed on the form 471. If checked, this box will limit the 470 to basic telephone services only and will lead to denial of all other services. **Never check this box.**

Block 4, Item 16:

Include all buildings that are eligible for service - schools, administrative buildings, bus barns, tech centers, field houses, bookmobiles, etc.

Block 4, Item 18:

List all ineligible entities that will participate in the contract – or COULD participate in the contract - such as the county government, community college, or industrial park.

Block 5, Item 20:

NEVER CHECK ITEM (C). Since Block 3, Item 14 was not checked, this box cannot be checked. Again, if you only apply for local and long distance (basic telephone) service, there is a designation for that on the form 471. Do not limit choices on the form 470!

Block 5, Item 27

Sign in ink and date the page or certify online.

The form 470 must be posted on the SLD Web site for at least 28 days before a contract may be signed by the applicant or service provider selected. If you issue a RFP and have a pre-bid meeting, the meeting should be OPTIONAL to keep the 28 day posting period intact.

Applicants need only file one form 470 for multi-year contracts. Applicants that sign contracts resulting from properly posted form 470s may cite that form 470 in subsequent years when filing for discounts.

E-Rate Tip: Because tariffed and month-to-month services are not considered “contracts,” a new form 470 must be filed annually for these services. Tariffs under state law cover a wide variety of services.

E-Rate Tip: E –Rate consultants may assist with filing the form 470 and may even be listed as the contact person, however the consultant must not be associated with a vendor bidding on E-Rate eligible services, and must have written authorization from the applicant to be the form 470 contact. Vendors may absolutely NOT be listed as contact on the Form 470. Applicants MUST have a letter of agreement or agency signed with a consultant prior to the consultant starting work for the applicant.

If an existing contract for E-Rate eligible services has not had a Form 470 filed post a new 470 listing the services in the contract. Evaluate any bids received with the existing contract. If the existing contract is the most cost effective (with price being the primary consideration), memorialize the contract with a memo to the E-Rate file signing on to the existing contract. The date of the memo will be the contract award date.

Evaluate Bid Responses

In addition to a requirement that vendors be given at least 28 days to respond to applicant needs, the other major program intrusion into local procurement regulations is a requirement that price must be the primary consideration when evaluating bid responses. There could be numerous criteria for bid evaluation but price must have the highest weight. There is an appeal before the FCC where price was weighted equally with other criteria. The SLD denied funding and the applicant appealed.

E-Rate Tip: Price must be the primary consideration when evaluating E-Rate eligible contracts. The SLD has indicated that E-Rate eligible services must be used when evaluating bids. For

example, if a cellular vendor offers the lowest cost service but the applicant must purchase new phones (ineligible), only the cost of service may be used for evaluation.

The SLD provides two example evaluations:

<u>Factor</u>	<u>Weight</u>
Price of the ELIGIBLE goods and services	30%
Prior experience	25%
Personnel qualifications	20%
Management capability	15%
Environmental objectives	10%
Total	100%

Example 2:

<u>Factor</u>	<u>Weight</u>
Price of the ELIGIBLE goods and services	30%
Prior experience	25%
Other cost factors (including price of ineligible goods and services, price of changing providers, price for breaking contract, etc)	20%
Management capability	15%
Local Vendor	10%
Total	100%

When considering State Master Contracts or GSA contracts, carefully follow procurement regulations for those contracts. If the State Master Contract or GSA contract has multiple awards, applicants may be required to notify all potential vendors of applicable service when using a local Form 470. If using a state Form 470 and multiple non-geographic vendors are awarded contracts, applicants must evaluate ALL awardees before selecting a vendor.

Sign Contract(s)

After the 28-day posting period has passed and local and state procurement laws have been met, a contract may be signed with the winning bidder or bidders. It is advisable to include the E-rate funding contingency clauses, in addition to local funding clauses in such contracts. A clause in the contract requiring the winning bidder to participate in the E-Rate program is also advisable.

Tariffed telecommunications services and month-to-month Internet or cellular phone services do not require signed, binding contracts, but applicants will need copies of bills, work orders or other documentation to verify that the applicant is receiving or will receive service.

The SLD has provided the following contract guidance on its website:

Except for services to be delivered under non-contracted tariffed or month-to-month arrangements, an E-rate applicant must sign a contract with the service provider before signing and submitting a

completed (certified) Form 471. Applicants must also comply with state contract law. Applicants must be able to demonstrate that they had a signed contract in place before or at the time they submitted their completed Form 471.

Memorializing Local, State or GSA Contracts

Local procurement policy may allow the use of General Services Administration (GSA) contracts. By using either state master contracts or GSA contracts, in many cases purchasing can be simplified and RFPs can be avoided. The GSA website is located at:

<http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0>

In most cases, state and GSA contracts have not been made E-Rate eligible with the filing of a Form 470. By filing a Form 470 listing the desired services covered by the state or GSA contract, the contract may be used as a response to the Form 470 posting. After 28 days, if the state or GSA contract is the most cost effective response, the contract may be used for E-Rate eligible service. A MEMO to the E-Rate file is required when selecting the state contract. The date of the memo will be the “contract award date” for E-Rate filing purposes.

Before selecting a state or GSA contract for your E-Rate eligible purchase, make sure the contract expiration date is either well into the fund year (after July 1, 2010) or covers the entire fund year. To use these contracts the applicant would typically file a 470 describing the services desired. After 28 days use one of the master contracts as a “bid,” or simply procure services under the contract, in accordance with local procurement regulations.

If the procurement requires school, library, or governing board approval, allow sufficient time to bring the contract before the board before the Filing window expires.

FORM 471

Filing Window for Year 13 has not been set by the FCC however the SLD Board has voted that the window should close on February 15. ALL Forms 471 must be filed within the Window.

File Form 471 (How much do you want and for what services)

The entity that actually **pays the bills** to the service provider should file this form. In most instances it will be the school district or library system; however, in some cases, a city or county will pay bills on behalf of the school system. In this case the CITY or COUNTY government should file the 471. If the city or county negotiated the contract, the city or county should have filed the Form 470.

IMPORTANT: File one Form 471 for Telecommunications Services or Internet Access and a SEPARATE Form 471 for Internal Connections or Maintenance. If combined, a funding commitment for Telecommunication or Internet service will be delayed.

With signed and dated contracts for all services, except Tariff or Month-to-Month, a form 471 may be submitted during the E-Rate filing window. The entity that will pay the vendor, whether it is the applicant, county or city government, or state should submit form 471. For example, if the city pays the telephone bill for the schools, the city will submit form 471. The fiscal agent in a consortium would submit the form. Applicants must also calculate their discount rate on form 471.

E-Rate Tip: File the Form 471 online. This will eliminate the possibility of rejection.

E-Rate Tip: ALL buildings (including bookmobiles) must have entity numbers. If you have not applied for entity numbers for every building, do so before starting the Form 471 process. Call the SLD to obtain an entity number at: (888) 203-8100. Press zero for a human.

How to File the Form 471

Block 1: When filing online, information will be pre-populated based on the Billed Entity Number entered in Item 3. If this information is incorrect, you must call the SLD to initiate a change (888) 203-8100.

Block 2 and 3: Please be as thorough as possible when providing this information. No applicant has been denied funding because of information provided in Block 2 but it is important information for the SLD.

Block 4: This is where you calculate discounts. For school divisions or library systems, you will need to complete a separate worksheet for each group of schools served under a single contract or provider. For example, if the school division has 15 schools and five are served by ABC Telephone and the other ten are served by Zoom Telecom, two worksheets will be completed – one for the five schools and one for the other ten. If other contracts cover the entire school division, a third worksheet must be filed for all schools and school buildings.

The form calls for BOTH Entity numbers and NCES codes for all buildings. Note the form does not require the FCC RN, but applicants are required to have at least one FCC RN number per Billed Entity. **It is important to list ALL eligible buildings in the Block 4, including Administrative buildings, bus barns, Head Start buildings, etc. All non-instructional buildings will have Entity numbers, but may not have NCES codes. However, if an entity is not included with the initial 471 application, it can be added at any time without losing E-Rate funding.**

Block 4, Columns 4 and 5 are for reporting total number of students and students eligible for the National School Lunch Program. The SLD verifies the discounts with figures reported to the state and posted on the DPI web site. If your discounts do not match figures on the DPI website, you will be asked to prove your figures are accurate. Administrative buildings (without classrooms) and schools under construction should be reported as having zero students and zero students eligible for the NSLP. New schools should also report zero in Columns 4 and 5.

Note for Libraries: Contact your school district for the NSLP numbers they are using this year. Or, look up the school division 471 online and direct your PIA reviewer to use the school district discount numbers.

Block 4, Column 10 indicates if the particular entity used an alternative discount method, such as sibling match or student survey.

When filing online, all discount calculations are automatically entered. For non-instructional buildings and new schools, discounts will reflect the weighted average for all schools in the Block 4 and will be calculated after all schools have been entered.

Block 5 of the Form 471 is the actual request for funding. Complete one Block 5 per contract or service. If an applicant receives local telephone service from Verizon and long distance service from Sprint, two Block 5s would be completed – one for Sprint and one for Verizon. Typically, a single 471 will have at least six Block 5's, reflecting local, long distance, cellular, Internet, WAN, and pager services.

Block 5 has a number of quirks that can generate questions from program reviewers. For most applicants, Item 10 will not be checked. This item is limited to Internal Connection funding requests that have not been funded from previous years or are under appeal. Item 11 is self explanatory but make sure you are checking the appropriate box for THIS particular Block 5.

Item 12 is the 470 application number for THIS service. If this is the second or third year of a multi-year contract, use the 470 number that initiated the contract some years ago. If the service is tariff or Month-to-Month, use THIS year's 470 – as those services must have a 470 filed each year.

Item 15c should be checked if a third party negotiated the contract. For example, the state negotiated a statewide telecommunications contract. If you select this contract for your service, 15c should be checked.

Item 15d should be checked for continuations of multi-year contracts. Provide the FRN from last year for this contract.

Item 17 is the Allowable Contract Date from the 470 listed in Item 12. For 470s filed this year, it will be this year. For 470s filed in years past for multi-year contracts, it will be a date years ago.

Item 18 is the contract award date or the vendor selection date. **THIS DATE MUST BE AFTER THE DATE IN ITEM 17. This date must also be BEFORE the filing date of the 471 and the Block 6 certification signature date.**

Item 19 will normally be 07/01/2010

Item 20a is used for tariff or month-to-month services and is usually 06/30/2011

Item 20b is the contract expiration date for multi-year contracts. If a contract is extended in subsequent years, this will lead to additional questions by SLD.

Item 21 is the attachment used to justify THIS funding request. The attachment should be listed by number for each Block 5 and should follow guidance on the SLD Web site:

<http://www.universalservice.org/sl/applicants/step07/form471-attachments.aspx#5>

Item 23 includes calculations for determining how much funding is requested under this Block 5. In some cases, recurring services include one-time installation charges. Make sure to include both recurring and one-time charges as appropriate.

Block 6 Item 25a, b, c, d, e, and f: a, b, and c will self calculate. Item 25d asks for the total budgeted amount for non-discounted E-Rate support. **This should be a large figure, but not too large.** If it is too small, it will result in funding denial. If too large, it will invite further scrutiny. This figure should

include salaries for ALL technical personnel, salaries for instructional technology people, contractors, computer upgrades, software purchases, staff training, electrical upgrades, and anything else that is an expense related to E-Rate eligible services.

NEVER CHECK ITEM 25f. This will result in funding denial.

***E-Rate Tip:* Include certifications and attachments for a SINGLE form 471 in each envelope. Do NOT file form 470 certifications in an envelope with form 471 certifications. Document mailing and keep information in your E-Rate file. The SLD contractor has a history of losing more than one application in an envelope.**

***E-Rate Tip:* All applicants who have SIGNED either Forms 470, 471, or 486 will receive a Personal Identification Number (PIN) in the mail. These PINs have been activated and can be used to certify all Year 2010 forms. The PINs can only be used by the person they are assigned to.**

If certifying applications with a PIN, go to the “Apply Online” section of the SLD Web site and select “Display Form 471” to verify the application has been certified. If the application has not been certified, simply print out Block 6, sign it and submit it with all certifications.

Receive Receipt Acknowledgment Letter (RAL) from SLD

Form 471 applications filed within the filing window are delivered to Lawrence, Kansas, for the data entry process. Applications filed online pass through this process rather quickly, because most of the data entry work was accomplished automatically. Manually filed applications can take months to process. After an application has been data entered, SLD will issue a Receipt Acknowledgment Letter (RAL) to the applicant. This letter contains all application and funding information in the SLD database. Applicants must carefully review the RAL for accuracy. If there is a mistake on the RAL, a line should be drawn through the mistake and the accurate information should be written on the page and mailed to Lawrence, Kansas. A copy of the corrected RAL should also be kept by the applicant for documentation.

The RAL correction process can be used to correct mistakes of the data entry process, to correct an incorrect SPIN, to REDUCE or INCREASE a funding request, or to break out multiple service providers mistakenly listed on a single FRN. Corrections can be made up to 20 days after the date of the RAL.

Respond to inquiries from Program Integrity Assurance (PIA)

Once data entry is complete, applications undergo Program Integrity Assurance (PIA) review in Whippany, New Jersey. This is a high-level review of all applications for compliance with program rules. Item 21 attachments justifying E-Rate discounts for each Block 5 must be delivered to PIA during review, typically January through October.

Reviewers at PIA scrutinize all applications and contact applicants when questions arise. Common questions include how applicants determined discount rates, what goods and services are included in contracts, and whether requested discounts are for eligible items.

Thanks to various FCC Orders, applicants may make corrections to applications up to and during PIA review including requesting additional funds, increasing the discount rate, adding buildings, or changing services.

The SLD is concerned that vendors and applicants, particularly at the 90 percent level may be attempting to commit fraud or waste program resources. If SLD suspects fraud or abuse, those applications receive extra scrutiny and funding may be denied. Unfortunately, additional scrutiny of all applications means some legitimate funding requests are also denied. It is better to work with PIA during the review process and avoid denial.

Once denied funding, the only recourse for applicants is to appeal, to either to the FCC or SLD within 60 days of the POSTMARK of the SLD letter of denial. Currently, the backlog of appeals at the SLD is approximately two months. The backlog at the FCC is over 18 months!

E-Rate Tip: Because E-Rate rules and policies constantly change, appeal all funding denials.

Item 25 Review or Selective Review

An “Item 25” review is named after the Item 25 certification on the form 471, where applicants certify they have all necessary facilities and training to make effective use of E-Rate discounts. It is important to respond to PIA requests as soon as possible. When applicants fail to respond to PIA requests, funding applications will be denied. Information requested in an Item 25 review is extensive, requiring many hours to gather information and provide it to PIA. In many respects, an Item 25 review is similar to an audit.

E-Rate Tip: Provide PIA with only information specifically requested. Ensure information is accurate and complies with program rules. If asked to submit technology plan, review plan to ensure it reflects services ordered and includes adequate staff development. Revise technology plan if necessary prior to submission. Technology plans do not need to be approved at this point in the process, but must exist. Four percent of funding request are denied because of failure to adequately document Item 25 requests.

See the Selective Review section of this handbook for more information.

Receive Funding Commitment Decision Letter from SLD

After the PIA has successfully completed its review of funding requests, a Funding Commitment Decision Letter (FCDL) is issued to the applicant. The FCDL is similar to the RAL, discussed earlier, except that it includes a commitment (or denial) of funds to applicants. The FCDL will also contain instructions on how to obtain discounts and how to appeal decisions.

Funding commitments are made on the basis of each form 471, and one decision for each Block 5 submitted. If an applicant submitted two form 471s with 15 Block 5s on one and 10 on the other, then the applicant will receive two FCDL’s (one for each form 471), with 15 and 10 commitments, respectively.

Funding commitments take the following forms:

- Funding in full,
- Partial funding with reasons listed by SLD, or
- Denial of funding with reasons listed by SLD

If the FCDL does not fully fund service requests, applicants are urged to appeal. Appeals must be postmarked no later than 60 days after the date of the FCDL.

File Form 486

After receiving a full or partially funded FCDL and service has started, applicants may file form 486. Form 486 notifies the SLD that service has begun or is about to begin and that the SLD may pay the vendor for invoices or for BEAR forms (form 472) submitted by the applicant. SLD allows early filing of form 486. In cases where the applicant is sure service will begin on or near July 1 of the funding year, form 486 may be submitted after a commitment letter is received prior to July 1.

***E-Rate Tip:* For most applicants, a form 486 must be filed within 120 days of the start of service, usually October 28 of each funding year. However, if a Commitment Letter is issued AFTER July of the fund year, the deadline for filing the Form 486 is 120 days from the DATE of the Commitment Letter. Funding will be reduced by one day for each day the 486 is late. Online filing of the 486 is now available.**

The form 486 is also used for applicants to comply with CIPA regulations. Applicants must certify on the form 486 that they are 1) in compliance with CIPA, 2) are undertaking actions toward compliance, or 3) do not need to comply because discounts are received only on telecommunications services. Generally, all applicants must now certify that they are in compliance with CIPA or are receiving only telecommunications service.

Because Billed Entities are required to submit the form 486 and the Billed Entity may represent a number of applicants (consortia for example), all Billed Entities representing more than one Administrative Authority (see definition in CIPA section) must collect Form 479 from each Administrative Authority listed on their form 471, when funded for Internet access or Internal connections. Telecommunications services are exempt from CIPA compliance, therefore, Billed Entities of multiple Administrative Authorities need not collect form 479s when applying only for telecommunications services.

One confusing twist in the CIPA certification process is a requirement for the Billed Entity of multiple Administrative Authorities to collect Form 479s from ALL Administrative Authorities if only a SINGLE member of the consortium receives either Internet access or internal connections. This is a requirement now but may not stand the FCC appeal test down the road.

Form 479

The form 479 is relatively simple and straightforward. Its only purpose is for Administrative Authorities to certify to their Billed Entities that they are in compliance with CIPA or are taking steps toward compliance. Administrative Authorities must send the form 479 to the Billed Entity.

According to form 479 instructions, "...the Administrative Authority may be the school, school district, school board, local education agency, or other authority with responsibility for administration of the school." There is no further guidance on Administrative Authority.

The form 479 must be submitted to the Billed Entity PRIOR to the Billed Entity filing the form 486 (remember the October 28 deadline).

File Form 500 (if needed)

The FCC form 500, Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form, serves certain functions formerly served by form 486, with one new function provided. These functions are:

- 1.To change a previously reported service start date;
- 2.To change a previously reported contract expiration date;
- 3.To cancel irrevocably an FRN;
- 4.To reduce the amount of a previously committed FRN

***E-Rate Tip:* A Form 500 can be filed to CANCEL Internal Connections Funding and reset the timing clock for the Two-in-Five rule for Internal Connections.**

File Form 472 (BEAR) only if receiving retroactive discounts (You paid full-price)

The Form 472 (Billed Entity Applicant Reimbursement or BEAR) should be filed by applicants that have paid bills in full for E-Rate eligible items and will be receiving retroactive discounts.

BEAR forms should be submitted after bills have been paid and on a quarterly, semi-annual, or annual basis. Once SLD has received and verified the BEAR form, it will issue a check for the requested amount to the vendor. The vendor is required to issue a check to the applicant within 20 business days of receipt of the SLD check. When using the BEAR process applicants should consider payment timing issues. If an applicant submits a single BEAR form at the end of the funding year (after the June bill has arrived in most cases), SLD will issue a check for the total yearly discount. The applicant will receive payment in August or September of the fiscal year *following* the year in which discounts occurred. However, quarterly BEAR submissions will result in only three months of funds being shifted between fiscal years.

***E-Rate Tip:* The deadline for filing the last Form 472 is 120 days after the last day of service, typically October 28 of the year service is received. If this deadline is missed, all remaining funding will be lost! Each year of the E-Rate program, approximately 20 percent of committed funding goes uncollected. If vendors cannot provide accurate bills by the deadline, file an extension request with the SLD.**

Program Compliance

The Commitment Adjustment (COMAD)

The E-Rate program is quite confusing as described thus far in this handbook. In many cases applicants will receive funding but failed to comply with all program rules. When such errors are discovered, the SLD is mandated to adjust the funding commitment to reflect proper payment. There are two inevitable truths regarding commitment adjustments 1. A commitment adjustment occurs AFTER a commitment has been issued (and sometimes funds disbursed and 2. A commitment is NEVER adjusted to increase funding. Below are some common COMADS.

This is the list of program rule violations that can result in a COMAD:

- Competitive Bidding Violations
- Lack of Necessary Recourses (post commitment Item 25 Audit)
- Improper Service Substitution
- Failure to pay Non-Discounted Share
- Duplicate Services
- Failure to Complete Service Within Funding Year (vendors)
- Discount Calculation Violation
- Funded equipment moved in less than three years or is missing
- Services not Provided for Full Year
- Technology Plan not approved or does not cover entire fund year
- Not CIPA compliant (no Internet Safety Policy, filtering, or public hearing)
- Waste, Fraud, or Abuse

The Virginia Tech Plan Issue for 2010

As noted earlier, a draft technology plan must be written BEFORE a Form 470 is filed for the next year. The Virginia Department of Education is in the process of adopting a new Six-Year Technology Plan and school divisions will be expected to develop plans aligned to the DOE plan. Again, to be E-Rate compliant (See COMADs above) the technology plan must be in draft form and cover the entire year before a 470 is posted. Consequently, most school divisions must develop an interim plan to cover the 2010-2011 fund year within the next month. If your existing plan does not expire until at least June 30, 2011, resubmit it to DOE and request a new approval letter for 2010. If your plan expires before June 30, 2011, you must draft a NEW plan now (before filing the 470) and submit it to DOE for approval before June 30. You can revise your existing plan to cover next year but make sure to indicate "Draft" and include the date with your revision.

For libraries, a Technology Plan Template is included with this handbook on page 52. A Word version of this handbook is available on the Library of Virginia Extranet:

<http://www.vpl.lib.va.us/funding/erate/index.asp> A list of current and expiring Technology Plans is also posted on the Extranet.

FCC Registration Numbers

The SLD has posted revised guidance for compliance with the new FCC requirement that all schools, libraries, service providers, consultants, consortium leaders, and any entity that files a Form 470 or 471 obtain a registration number from the FCC (FCC RN). This requirement has been imposed quite simply to allow the FCC to enforce its regulations on all E-Rate participants, particularly fines and funding recovery.

Specific instructions are available at:

<https://fjallfoss.fcc.gov/coresWeb/publicHome.do>

All Billed Entities and vendors must have at least ONE FCC RN.

Red Light Rule

If an applicant or vendor fails to pay obligations to the government, all funding associated with that vendor or applicant will be withheld. If the Red Light cannot be resolved during application review, the entire application will be rejected. **If a vendor is under Red Light, no invoices will be paid. If the APPLICANT is on Red Light, all pending applications will be denied.**

Clarification of Non-Instructional Buildings

In general, all Priority One (telephone and Internet) services provided to school and library employees located in Non-Instructional buildings is eligible for funding. This would include school owned buildings, buildings leased by the school board, or county/city buildings that house school employees (with costs broken down to include only school employees in the E-Rate application).

However - If the "Non-instructional" building has even one classroom that serves eligible students, such as, but not limited to a head start program, a technical class, or a computer class, then the "Non-Instructional" building is now an "Instructional" building - or a "school" or "library" for purpose of SLD evaluation.

Calculating Discounts for Non-Instructional Buildings with Classrooms

If you are able to identify specific students who attend class in the classroom(s) of the former Non-Instructional building, you will report those numbers on the discount calculation worksheet and the building will receive the appropriate discount. For example, in the case of a head start program housed in an administrative building, it is likely that the entire building will eligible for a 90 percent discount.

Non-instructional buildings with classrooms are NOT eligible for Internal connection funding unless the equipment is necessary to provide services to other eligible buildings connected through a Wide Area Network.

If you are absolutely not able to identify specific students using the classroom(s) because of the transient nature of classroom users, you must document that fact and use the division weighted average for discounts associated with that building. In that case the building will revert to "non-instructional" status and internal connections will likely not be eligible for funding.

Internal Connection Maintenance

Maintenance on internal connections is eligible for funding and is exempt from the two-in-five year rule. However, any contract for maintenance must be limited to ONLY maintenance of E-Rate eligible equipment. If PIA discovers the slightest bit of ineligible maintenance, the entire application will be denied. Great care must be taken to ensure that only E-Rate eligible equipment is covered in an internal connection maintenance contract. The Item 21 attachment for maintenance contracts must include make and model number of all covered equipment.

Transfer of Equipment

Equipment purchased with E-Rate funds may not be removed from its installed location within three years of purchase. The only exception is if the school or library is closed. After three years, equipment may be transferred to any eligible entity but may not be sold or exchanged for anything of value. For the purpose of E-Rate, the FCC presumes the value of E-Rate funded equipment will depreciate on a three-year straight line schedule. Applicants are permitted to exchange E-Rate funded equipment for vendor credit on new E-Rate purchases; however, the credit amount must be used to offset the cost basis of the new equipment. Equipment transferred prior to the three year period will be subject to COMAD unless the school or library was closed.

Children's Internet Protection Act (CIPA)

In December 2000, Congress passed the Children's Internet Protection Act (CIPA) requiring some recipients of certain federal funds to protect children from pornographic, inappropriate or child pornographic Internet sites.

For E-Rate, the Federal Communications Commission established regulations for CIPA compliance. The FCC determined that applicants must devise an Internet safety policy that included a public hearing. A public hearing could include a regular board meeting with the Internet safety policy on the public agenda. Private schools may send the proposed Internet safety policy to parents with an invitation for comment. The policy must address the following issues:

- access by minors to inappropriate matter on the Internet and World wide web;
- the safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications;
- unauthorized access, including so-called "hacking," and other unlawful activities by minors online;
- unauthorized disclosure, use, and dissemination of personal information regarding minors; and
- measures designed to restrict minors' access to materials harmful to minors.

The regulations are clear that the level of compliance with CIPA is left entirely to local authorities. Part of the reason is a local control issue, and part is because the FCC recognizes that very few (if any) Internet filters are 100 percent effective and it would be futile to dictate which filters applicants should use. Indeed, contained within the CIPA legislation is a provision that the FCC should evaluate different filters and report on their effectiveness.

Maximizing E-Rate Discounts for 2010-11

- Sign separate internal wiring contracts for highest discount schools. Funding for telecommunications services and Internet access takes priority. Any remaining money will go toward funding internal connections. The highest discount applicants will be funded first for internal connections. Although all successful applications were funded during year two, year three funding did not fall below 81percent. If the individual school is listed as the billed entity, rather than the school division, only the school uses one of the two-in-five year internal connection funding limits.
- Sign separate contracts for servers, routers, and other “internal connections” at your highest discount schools. If you plan a major purchase of servers and routers for your school system, specify in your bid that you want a separate contract for your 90 percent discount schools. This would increase the likelihood for funding for those items. If the individual school is listed as the billed entity, rather than the school division, only the school uses one of the two-in-five year internal connection funding limits.
- Increase your discount percentage by identifying eligible students in high and middle schools. For some reason, older students are more reluctant to participate in the National School Lunch Program. If you can identify participating siblings of non-participating students, living in the same household (typically the siblings are in elementary school), you may count them as “eligible” students. This is most effective if you need relatively few students to jump from one discount level to another. Students that receive Aid for Dependent Children benefits, food stamps, Supplemental Security Income (SSI), Medicaid, or tuition assistance also qualify for the National School Lunch Program and may be counted as eligible. Lock this information away and use it only if the SLD questions your discount or if it is needed for an audit. You may also conduct a survey of students to determine eligibility figures. A sample survey is at the end of this handbook.
- Lease wide area network. Wide area networks are eligible for discounts when leased from a telecommunications carrier or from any vendor (such as a cable company) when the cost of the WAN is less than a telecommunications carrier for equal service. An applicant can leverage the cost of service, installation, and ongoing maintenance of a WAN. The FCC has also ruled that routers leased from ISPs may be eligible for discounts if the schools’ local area network functions with the router turned off and the router connects to another building outside the school. With the Eligible Services List issued on October 19, 2001 (and modified slightly in subsequent years), the SLD gave specific instructions on leased equipment that is housed within a school or library. This equipment is now known as “On-Premise” equipment and must conform to ALL of the following guidelines to be E-Rate eligible:

Leased On-Premise Equipment Eligibility Requirements

The on-premise Priority 1 equipment must be an integral component of the telecommunications or Internet access service. Discounts for services that include charges for on-premise Priority 1 equipment are permissible when the following conditions are met:

- A. The on-premise equipment will be provided by the same service provider that provides the eligible telecommunications or Internet access service of which it is a part.
 - B. Responsibility for maintaining the equipment rests with the service provider, not the school or library.
 - C. Ownership of the equipment will not transfer to the school or library in the future, and the relevant contract or lease does not include an option to purchase the equipment by the school or library.
 - D. Upfront, capital charges of the on-premise equipment are less than 67% of total charges (recurring plus non-recurring) in the funding year.
 - E. The equipment will not be used by the school or library for any purpose other than receipt of the eligible telecommunications or Internet access service of which it is a part.
 - F. The Local Area Network of the school or library is functional without dependence on the equipment.
 - G. There is no contractual, technical, or other limitation that would prevent the service provider from using its network equipment in part for other customers.
- File early. Many applicants wait until the last minute to file forms 470 and 471 and some had their applications rejected because they failed to meet the “minimum filing requirements” established by the SLD and were unable to resubmit their application within the window. For all services that are ongoing (local and long-distance phone service, existing contracts, Internet service, wide area network contracts, etc.) file form 470 as soon as possible. File form 471 when the 28-day posting period has passed for tariff services (applicants DO NOT need a contract in place for tariff services). For “Existing Contracts” - contracts signed on or prior to June 10, 1997, or as the result of a previous form 470 posting - you may file form 471 immediately and need not file another form 470. All other 471 forms can only be filed AFTER you have a signed contract in place. Filing early will give you more time to correct any mistakes in an application that is rejected. Remember, applicants may re-submit rejected applications, but they MUST be corrected and received by the SLD before the filing window closes to receive funding.

Eligible Local Telephone Charges

Single Party Service

Dual Tone Multi Frequency signaling or equivalent

Voice grade access to the public switched network

Access to 911

Access to operator services, interexchange service, directory assistance

900/976 call blocking

Long distance

Taxes

Universal Service charges

Voice mail

911/E911 trunk lines

Burglar/fire alarm telephone lines

Local Telephone Charges Ineligible for E-Rate

These charges must be subtracted from E-Rate funding requests on Block 5:

- Unlisted telephone line charges
- Payphone service
- Telephone Directory listing
- Directory Advertising

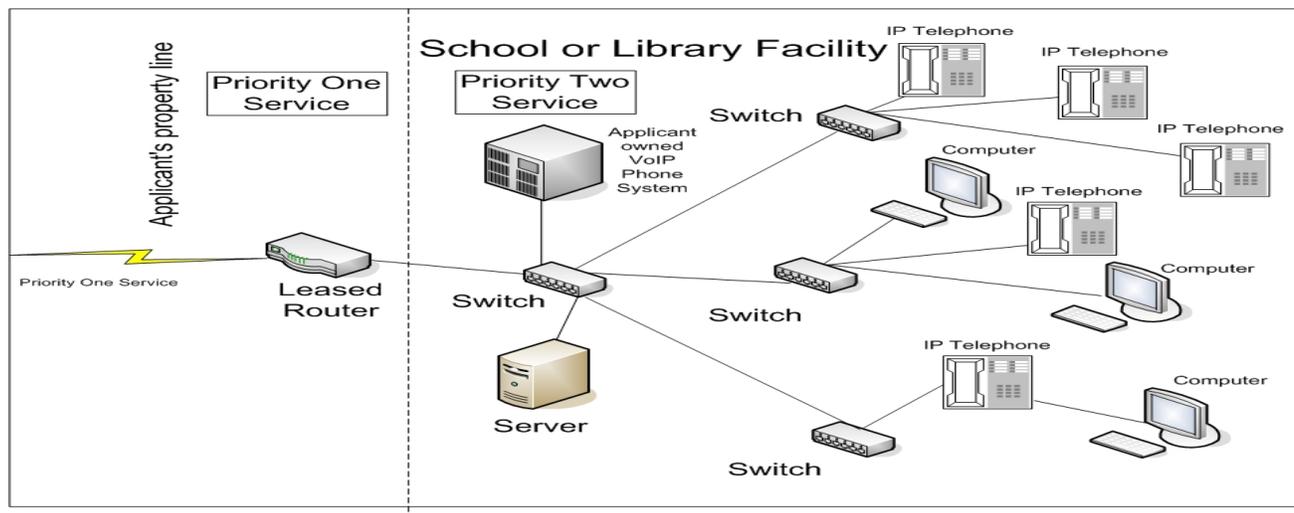
Basic telephone service does not require a technology plan. **NOTE: Centrex service is eligible for funding, and IS considered “basic” phone service, not requiring a technology plan!**

VOIP Service

Many vendors are now offering Voice Over IP telephone service. This is a much more economical transport vehicle than dedicated land lines. Many applicants have installed VOIP equipment and are saving money on calls between buildings using the existing Wide Area Network.

Voice over IP service is eligible a Telecommunications and Internet access. If you want VOIP service, put your request in both Telecommunications and Internet Access on your Form 470.

It is possible to lease a **single** piece of equipment as part of a VOIP solution:



- Document all communications with the SLD. When writing to the SLD send all correspondence return receipt requested. When e-mailing, make a hard copy of questions and answers. Send only one type of correspondence per envelope - One certification page and attachments, for example.
- **Stay in the window, stay in the window, stay in the window.** Each year hundreds of applications are received outside the window. Although paper certifications need not be delivered to the SLD by

the filing deadline, the Form 471 itself must be completely submitted by the window deadline. If the form is not submitted on time all funding will be lost.

- Don't take NO for an answer. Some applications have been rejected incorrectly. Some funding commitment letters have inaccurate dollar amounts or discount percentages, some funding requests have been erroneously denied. Resubmit any rejected 471 within the window and appeal any rejected form 471 after the window closes. Appeal any unfavorable decisions to the SLD. Appeals must be received by SLD within 60 days of issuance of the denial letter. Appeal letters can be as simple as a single sentence requesting an appeal with a copy of the decision letter. When an appeal is made, a strong case can be built. If SLD denies the appeal, go to the FCC. Applicants may skip the appeal to SLD and appeal directly to the FCC, although reviews at the FCC can take up to a year to resolve. A note of caution: do not file an appeal with SLD and FCC at the same time. Assistance with appeals through past FCC decisions is available at: <http://www.e-ratecentral.com> and <http://www.fundsforlearning.com>
- Apply for all eligible discounts. Everyone now pays into the Universal Service fund. Schools and libraries telecommunications bills now include a Universal Service charge of between 10 and 13 percent. Applying for discounts saves that money, and then some!
- Certify Online using PINs.
- When seeking telecommunications services from a provider that is not a well known telecommunications carrier (Verizon, AT&T, etc.), check the FCC Telecommunications Carrier Database at <http://gullfoss2.fcc.gov/cib/form499/499a.cfm> or the SLD BEAR SPIN search at http://www.sl.universalservice.org/Forms/SPIN_Contact_Search.asp to ensure the company has filed a form 499-A. A note of caution: This database is incomplete and may list some carriers that are not actually "common carriers" for E-Rate purposes and some common carriers may not be required to file the form and will not be on the database.

These suggestions are not meant to endorse one strategy over another. Individual schools and school divisions must choose the best technology solutions to serve their needs. School and Library officials also must certify compliance with Federal Communications Regulations when filing E-Rate discount forms.

***E-Rate Tip:* The applicant is ultimately responsible for the application and contract negotiation process. Applicants must not abdicate this responsibility to vendors.**

Virginia Resources

Universal Service Administrative Company: <http://www.universalservice.org/sl>

Federal Communications Commission: <http://www.fcc.gov>

Library of Virginia E-Rate: <http://www.vpl.lib.va.us/funding/erate/index.asp>

Department of Education School Lunch Figures:
http://www.vdoe.vi.virginia.gov/ss_services/nutrition/resources/statistics.shtml

VITA E-Rate Page: <http://www.vita.virginia.gov/services/default.aspx?id=5052>

Other VITA Contracts: <http://www.vita.virginia.gov/procurement/contracts.cfm>

Note: Most Internal Connection contracts expire BEFORE the start of the Fund Year.

Network.Virginia: <http://www.networkvirginia.net>

Fairfax County Contracts: <http://www.fairfaxcounty.gov/cregister/default.asp>

(Many Fairfax County contracts may be used by all Virginia localities)

Federal General Services Administration (U.S. Government contracts for equipment and services):
<http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0>

E-Rate Central: <http://www.e-ratecentral.com>

Greg Weisiger (E-Rate Central) erate1@aol.com
(804) 302-4406

Videos of E-Rate topics: <http://www.ncpublicschools.org/erate/training/>

Master Contracts

Virginia Information Technologies Agency (VITA)

URL with Contract Information: <http://www.vita.virginia.gov/services/default.aspx?id=5052>

Verizon VERV Contract – local/long distance Voice, Data, Voicemail

Vendor: Verizon

SPIN: 143001422

Contract Number: [VA-040801-VERV](#)

Contract Expiration Date: 8/2/2013 (new contract expiration date)

State Filed Form 470 Number: NONE- you must use your own 470.

These services can be secured as MTM or T on the Form 471. A completed Service Order Form on the VITA Web site will be proof of acceptance for the SLD.

VITA also has a number of contracts with Embarq (Now CenturyLink), Comcast, and other local and regional providers. Call VITA Customer Care at: 1-866-637-8482 or email vccc@vita.virginia.gov to get specific information on these contracts.

Virginia Tech (Network Virginia)

URL with Contract Information: <http://www.networkvirginia.net/>

This is a two-part contract. Verizon provides local loop connectivity with a wide variety of services including Transparent LAN (TLS), ATM, and leased equipment as Priority One service.

Sprint provides Internet Access and, through recent contract addendum, VOIP telephone service.

Vendor: Verizon

SPIN: 143001422

Contract Number: CC-0696-BELLAT

Contract Expiration Date: 06/13/2016 (includes optional renewals)

Vendor: Sprint

SPIN: 143005695

Contract Number: CC-0696-SPRINT

Contract Expiration Date: 6/13/2013 (includes optional renewals)

Order Service, or contact Verizon/Sprint here:

<http://www.networkvirginia.net/netva/how-to-order-service>

Cellular Telephone Service

Through VITA: <http://www.vita.virginia.gov/procurement/contractBrowse.cfm?qsCat=1000028>

All contracts expire on 6/30/2011

GSA:

Vendor: Alltel (Now Verizon)

SPIN: 143008900

Contract Number: GS-35F-0714M

Contract Expiration Date: 12/30/2012

Contract Information:

https://www.gsaadvantage.gov/ref_text/GS35F0714M/GS35F0714M_online.htm

(It appears these rates are lower than state or Verizon GSA contract)

Cooperative Contracts:

Fairfax: Long Distance Telephone Service

Vendor: Verizon Business

SPIN: 143001197

Contract Number: RQ0910409569A

Contract Expiration Date: 2/28/14

Contract Information:

<http://166.94.9.180/weblink7/PDF/x04ftke1ymyqdj45fk1c3mm0/208/0910409569-Notice%20of%20Award.pdf>

Virginia Tech: Internet Access

Vendor: Level 3 Communications, LLC

SPIN: 143021460

Contract Number: UCP-TS-014-07

Contract Expiration Date: 7/31/2014

Contact Phone: 540-231-6221

Virginia Association of State College and University Purchasing Professionals:

<https://vascupp.cs.odu.edu/contracts.php>

Procurement Law in Virginia:

<http://www.eva.state.va.us/dps/Manuals/docs/vppa.htm>

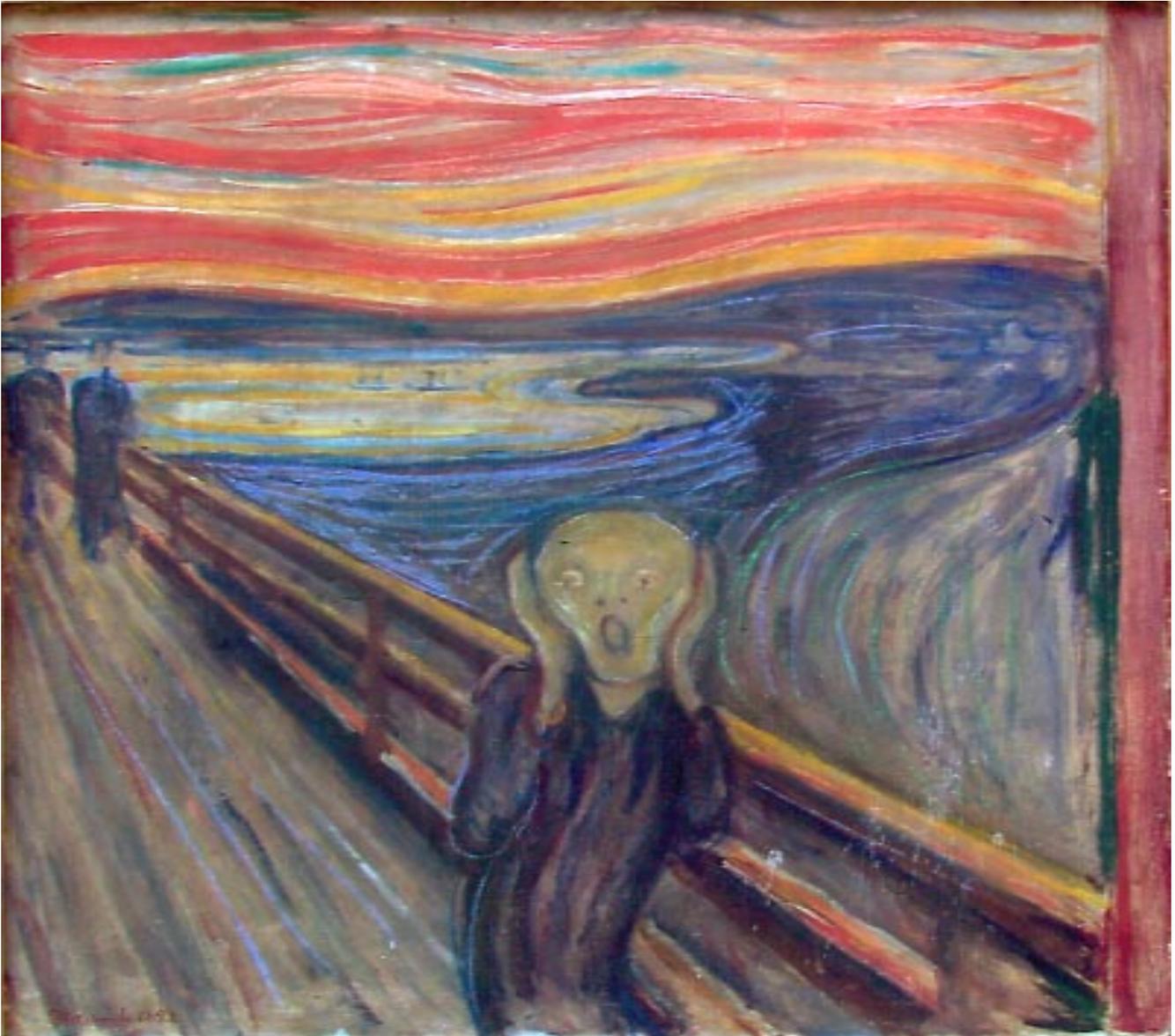
A Word of Caution:

According to the Act, ALL procurements over \$30,000 (up to 50,000 with locality approval) must be done competitively – meaning a public solicitation must be issued. If the locality has a written policy allowing electronic solicitation, the Form 470 could be the solicitation vehicle. According to some Virginia procurement experts, telephone service is NOT exempt from the dollar limit rules.

An audit finding last year cited this rule for a large telephone service procurement. As of this date, the audit has not been finalized so we do not know if the SLD will ask for money back.

EXCEPTION: Localities may utilize state, GSA, or local cooperative contracts for any amount without a formal solicitation (except for the E-Rate posting requirements).

How to Survive a SELECTIVE REVIEW



and Be Well Prepared for an AUDIT

SELECTIVE REVIEW INFORMATION REQUEST (SRIR)			
FUNDING YEAR 2008			
CASE # SR-2008-150208			
To:	Greg Weisiger	From:	Christine Wittrien
Your Phone Number:	804-302-4406	My Phone Number:	973-581-5104
Your Fax Number:	804-302-4407	My Fax Number:	973-599-6515
Entity Name:	Scool County Public Schools	My E-Mail Address:	cwittri@sl.universalservice.org
Today's Date:	6/12/2008	Total Pages:	54
PLEASE RESPOND BY:	7/12/2008		
Form 471 Application Number(s):	XXXXXX, XXXXXX		
PLEASE CALL TO CONFIRM THAT THIS DOCUMENT HAS BEEN RECEIVED IN ITS ENTIRETY.			

It is important that we receive all of the information requested within 30 calendar days from the date of this document so that USAC may complete the review of your funding request(s). USAC urges you to carefully review your response before returning it to ensure that you have provided complete responses to all questions. Finally, note that USAC is unable to grant multiple or lengthy extensions to respond to this request for information.

**(Part I) Competitive bidding and vendor selection processes, and
 (Part II) Information to support the certifications you made on FCC Form 471**

Who can respond to this request for information?

This document requests information that must be provided by the applicant or by the applicant's authorized representative.

How to respond

Please send your responses to the questions outlined on the following pages to:

Via Fax:	Via Expedited Mail:	Via email:
Christine Wittrien PIA Selective Review 973-599-6515	Christine Wittrien SLD 100 S. Jefferson Road Whippany, NJ 07981	cwittri@sl.universalservice.org

Thank you for your assistance as we work to assure the integrity of the Schools and Libraries Universal Service Support Mechanism. It is important that we receive all of the information requested within 30 calendar days. *A checklist of the items requested in this document is included on page 2.* If you have any questions regarding this or these worksheets, please contact the reviewer at the phone number or email address listed above.

Item #	Items to be returned to the E-Rate Reviewer	Document(s) Title & Corresponding FRN	Status								
1	Item 25 Worksheet Summary (page 3)	FRN 16533782	<input type="checkbox"/> Enclosed								
2	Signed & dated contracts and/or other agreements with service providers related to the Form(s) 471		<input type="checkbox"/> X Enclosed <input type="checkbox"/> N/A								
3	Request For Proposal (RFP) Please specify: Release date: mo <u>12</u>/day <u>21</u>/year <u>2007</u> Due date: mo <u>1</u>/day <u>22</u>/year <u>2008</u>	Enclosed	<input type="checkbox"/> X Enclosed <input type="checkbox"/> N/A								
4	All bid responses received for all funding requests. It may be helpful to include a chart as indicated below: <table border="1" data-bbox="224 636 745 730"> <thead> <tr> <th>Appl #</th> <th>FRN #</th> <th>#of bids received</th> <th>Vendor selected</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Appl #	FRN #	#of bids received	Vendor selected					Three Bids Received	<input type="checkbox"/> X Enclosed <input type="checkbox"/> N/A
Appl #	FRN #	#of bids received	Vendor selected								
5	Vendor selection process description (created during the bidding process)		<input type="checkbox"/> X Enclosed <input type="checkbox"/> N/A								
6	Was a consultant used relating to the planning, implementation and support of your E-Rate funding requests? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide a signed and dated Consultant Agreement(s) or Letter of Agency		<input type="checkbox"/> Enclosed <input type="checkbox"/> X N/A								
7	Correspondence between the consultant/service provider and the school/library regarding the competitive bidding process and the application process		<input type="checkbox"/> Enclosed <input type="checkbox"/> X N/A								
8	Organizational Structure, such as organizational flow chart, reporting structure, etc.		<input type="checkbox"/> Enclosed <input type="checkbox"/> X N/A								
9	Resource Plan and E-Rate Implementation Description (page 7)		<input type="checkbox"/> X Enclosed								
10	Technology Plan Support Request for FY 2008 (page 8) Indicate Technology Plan creation date here: Mo. <u>10</u>/day <u>5</u>/year <u>2007</u>		<input type="checkbox"/> X Enclosed								
11	Budget Information (page 7) (Approved operating budget or alternative budget documentation for FY 2008) Please check which you have provided: <input type="checkbox"/> Final and Approved budget for 2008-2009 <input type="checkbox"/> Letter and Budget Alternatives		<input type="checkbox"/> X Enclosed <input type="checkbox"/> Final and Approved budget for 2008-2009 <input type="checkbox"/> Letter and Budget Alternatives								
12	Selective Review Certification (page 8) (Include signature, title and dated.)		<input type="checkbox"/> X Enclosed								

Item 25 WORKSHEET SUMMARY:
Complete and return to Schools and Libraries Division (See pages 5-7 for instructions)

Item 25 Worksheet Summary	Funding Year 2007 (07/01/07– 06/30/08)	Funding Year 2008 (07/01/08–06/30/09)
Section I: Connectivity(see page 5)		
I-A. Commitment Amount Requested		
• Telecom	1	\$1,306,743.84
• Internet Access	2	\$0.00
• Basic Maintenance of Internal Connections	3	\$0.00
• Internal Connections	4	\$266,327.16
TOTAL		1,573,071.00
I-B. Form 471 Applicant's Share		
• Telecom	5	\$1,113,152.16
• Internet Access	6	\$0.00
• Basic Maintenance of Internal Connections	7	\$0.00
• Internal Connections	8	\$54,543.84
TOTAL		\$1,167,696.00
I-C. Amounts not covered by E-Rate		
• Telecom	9	\$1,779,035
• Internet Access	10	\$0
• Basic Maintenance of Internal Connections	11	\$3,419,291
• Internal Connections	12	\$6,229,807
Section II: Hardware (see page 5-6)		
	Funding Year 2007	Funding Year 2008
II-A. Number of Computers Connected	13a. #25,000	13b. #26,000
II-B. Number of Servers Connected	14a. #300	14b. #325
II-C. Number of Data/Voice Drops Installed	15a. #40,000	15b. #41,000
II-D. Applicant Expenditure	16a. \$5,220,000	16b. \$5,874,000
II-E. Contribution / In-Kind Donations	17a. \$0	17b. \$0
Section III: Professional Development (see page 6)		
III-A. Staff Training Hours (since 2006) (Total 100%):		
0-4 Hrs. <u>5</u> % 5-14 Hrs. <u>50</u> % 15-24 Hrs. <u>25</u> % 25-49 Hrs. <u>15</u> %		
50+ Hrs. <u>5</u> %		
III-B. Applicant Expenditure	20a. \$350,000	20b. \$383,860
III-C. Contribution / In-Kind Donations	21a. \$0	21b. \$0
Section IV: Software (see page 6)		
IV-A. Applicant Expenditure	23a. \$770,032	23b. \$746,000
IV-B. Contribution / In-Kind Donations	24a. \$	24b. \$
Section V: Retrofitting (see page 6)		
V-A. Applicant Expenditure	26a. \$N/Available	26b. \$ N/Available
V-B. Contribution / In-Kind Donations	27a. \$0	27b. \$0

Section VI: Maintenance (see page 6)

VI-A. Applicant Expenditure	29a. \$3,200,000	29b. \$3,419,291
VI-B. Contribution / In-Kind Donations	30a. \$	30b. \$

Section VII: Technology Implementation Level (Enter Number of schools/libraries at each level from worksheet)

Level 1 current: Level 2 current: Level 3 current: Level 4 current:

Level 1 by 6/30/09:	Level 2 by 6/30/09:	Level 3 by 6/30/09:	Level 4 by 6/30/09:
0	0	0	88

For Consortium applicants choosing to provide a response on a disaggregated basis:
Block 4 Entity Name: _____ Entity Number: _____

Item 25 Worksheet Summary page: _____ of _____

Selective Review Overview

We are requesting and will be examining information for ALL Form(s) 471 listed on the cover page of this document that were filed by the billed entity for the 2008-2009 funding year (Funding Year 2008). Please notify us if you have any additional Form(s) 471 for your Billed Entity number that we have not listed. Also, please include any applications that may have been filed under a different entity number, if that entity belongs to the Billed Entity (e.g., elementary schools within a School District that file their own applications in addition to the applications filed on their behalf by the School District or a Consortium. This review will include all of those applications as well).

This document is a quick tool to guide you with your Selective Review responses. **For complete instructions and further information regarding the Selective Review process, USAC recommends** you refer to <http://www.usac.org/sl/applicants/step08/undergo-selective-review>.

Special note to Consortium applicants: **You have an option to provide us with the information requested below for the overall Consortium, or on a disaggregated basis with information pertaining to each individual entity listed on the Form(s) 471 Block 4 Worksheet C.**

Please contact the Selective Review team if you need further assistance in responding to this request on a disaggregated basis or you may refer to <http://www.usac.org/sl/applicants/step08/undergo-selective-review> for additional information.

Part I: Information Regarding your Competitive Bidding and Vendor Selection Process

For each of the following items we have outlined the requested documentation you will need to supply. **Please provide the information by funding request number (FRN) unless otherwise indicated.** In the event that a document (e.g., contract, RFP, bid response, etc.) applies to multiple FRNs, simply indicate on the first page of the document which FRN(s) is supported by the document. If for any reason you do not have any of the documentation requested below, you **MUST provide a complete explanation for why it is missing.**

1) CONTRACTS AND/OR OTHER AGREEMENTS

Signed and dated copies of any and all agreements related to each of the Form 471 funding request(s), including any and all contracts, agreements, Statements of Work, etc. (**NOTE: COPIES OF STATE MASTER CONTRACTS ARE NOT REQUIRED IF YOU HAVE ALREADY SENT A COPY OF YOUR STATE MASTER CONTRACT. TELL YOUR REVIEWER THE TYPE OF DOCUMENT PROVIDED AND FORM 471 NUMBER, OR IF YOUR STATE MASTER CONTRACT IS LOCATED ON A WEBSITE, PLEASE PROVIDE US WITH THE WEBSITE URL.**)

2) REQUESTS FOR PROPOSAL (RFP)

Copies of any and all requests for proposals (RFPs), invitations to bid, requests for bids, or other documentation of bid requests for services and/or products requested, or other solicitations in any way associated with the applicant's funding request(s) and/or the selection of the service provider(s) that appear(s) on the applicant's funding request(s). Be sure to include any and all amendments made to the original RFP. All RFPs should indicate when they were first made available to service providers, i.e., release and posting date as well as the due date for which bids must be submitted.

3) BID RESPONSES

Indicate the number of bids/proposals received for all funding requests and provide complete copies of any and all proposals, bid responses, etc., received in response to the Form 470, and/or any RFP, or other solicitation in any way associated with the applicant's funding request and/or with the selection of the service provider that appears on the applicant's funding requests. This information should be provided for all funding requests including tariff, month-to-month and contracted services.

4) VENDOR SELECTION PROCESS

Provide all documentation created during the bidding process that indicated how and why you selected the vendor. Include all bids that you received and any other bid documentation such as attendance sheets, correspondences to and from the bidding vendor and a description of your bid evaluation process. This information should be provided for all funding requests including tariff, month-to-month and contracted services.

5) CONSULTING AGREEMENTS

Please indicate if a consultant was used for the planning, implementation, and support of your E-Rate funding request(s) and provide a signed and dated copy of any consulting agreement (s) or Letters of Agency. If a consultant was not used, please indicate as such.

6) CORRESPONDENCE

Provide a copy of all correspondence between your entity and any service providers or consultants regarding the competitive bidding process and the application process.

7) ORGANIZATIONAL STRUCTURE

If your organization functions in multiple capacities, such as consultant, service provider, and/or applicant, provide a copy of your organizational flow charts or budget clearly identifying your business functionality and reporting structure in the organization.

If there is any other documentation that would be helpful to us in our review to ensure that you complied with the Commission's rules requiring a fair and open competitive bidding process, please provide that as well.

Part II: Information Regarding Your Item 25 Certification

To ensure that E-Rate funds are allocated appropriately, and in accordance with FCC Orders, each applicant is required to certify in Item 25 of the Form(s) 471 that: *"The school(s) or library(ies) I represent have secured access to all the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services."*

1) Item 25 Worksheet Summary Instructions: **(for complete instructions, please go to: <http://www.usac.org/sl/applicants/step08/undergo-selective-review>)**

This part of the review is based on your ability to pay the non-discounted portion of the funding that you requested on your Form(s) 471. Remember that the funds for your share of the E-Rate cannot come directly or indirectly from your service provider.

Section I. Connectivity I-A, I-B, I-C.

We combined the commitment amounts that you requested on your Form(s) 471, Block 5, Item 23k by service category (e.g., telecommunications, Internet access, internal connections, basic maintenance). We placed those sums next to the respective service category(ies). Please verify that these are the correct sums of the funding request amounts.

If you have determined a discrepancy due to:

- Funding Year 2008 Form(s) 471 contains duplication to account for Funding Year 2007 funding uncertainties; and/or
- You have identified additional Form (s) 471 not listed on the cover page of this document: (1) make necessary adjustments to Subsections I-A and I-B to accurately reflect all Form(s) 471 filed by your billed entity, (2) initial it, and (3) in a separate attachment explain the adjustment when you return the worksheet.

Sections II through VI:

Hardware, Professional Development, Software, Retrofitting and Maintenance

You will be asked for investment amounts in these areas for the prior Funding Year 2007 (July 1, 2007 through June 30, 2008) and also for the investment that coincides with Funding Year 2008 (July 1, 2008 through June 30, 2009). It is not initially necessary to document your estimates. However, in the event of a future audit, or depending on the results of our analysis, you may be asked to provide additional documentation to clarify or substantiate your estimates.

Section II: Hardware

	As of Today		As of June 30, 2009
Section II-A, 13a	Number of computers connected to the Internet	Section II-A, 13b	Number of computers to be connected to the Internet
Section II-B, 14a	Enter the number of servers connected to your network	Section II-B, 14b	Enter the number of servers scheduled to be connected to your network
Section II-C, 15a	Enter the number of data and/or voice drops that are currently installed	Section II-C, 15b	Enter the number of data and/or voice drops that are scheduled to be installed
	Funding Year 2007		Funding Year 2008
Section II-D, 16a	Estimate your total expenditures for hardware	Section II-D, 16b	Estimate your total expenditures for hardware
Section II-E, 17a	The value of in-kind hardware donations received	Section II-E, 17a	The value of in-kind hardware donations received

Section III: Professional Development

Professional Development, which is not eligible for E-Rate discounts, is necessary to ensure that you are prepared to make effective use of purchased services. Professional development should provide for ongoing and sustained training for not just the technical staff, but teachers or librarians as well.

Sections IV - VI: Software, Retrofitting, and Maintenance

- **Applicant Expenditure Lines:** Enter your estimate of the value of your E-Rate non-eligible expenditure for software, retrofitting, maintenance for Funding Year 2007 (“a” column) and anticipated expenditures in Funding Year 2008 (“b” column).

- **Contribution/In-Kind Lines:** Enter your estimate of the value of any in-kind contributions/donation or pro-bono work for software, retrofitting, maintenance for Funding Year 2007 (“a” column) and anticipated contributions/donations Funding Year 2008 (“b” column).
- If you indicate zero dollars spent in any of the Software, Retrofitting or Maintenance categories, please provide a brief explanation in Resource Plan and E-Rate Implementation Description regarding why you entered this amount.

Section VII: Technology Implementation Level Worksheet

- In column (A), list the number of schools or libraries that currently fall into the technology levels described below.
- In column (B), indicate where you anticipate your schools/libraries to be, as a result of the technology requests you made on your Funding Year 2008 Form(s) 471.

If you are responding on behalf of a consortium, a school district or a library system that has schools or libraries (outlets/branches) at different levels, please list the number of sites that are at each level.

Please list the <i>number</i> of schools and libraries that <i>will</i> be at each level <i>after</i> the requested service are installed. Each school should be listed once (i.e. if ABC School will be in Level 4, no need to list it in Level 1).		(B) After 2008-2009 E-Rate products/services are installed number of Schools/Libraries
Level 1	Phone Service, and Single Point Internet Access	Enter the above number in “Level 1 by 6/30/09:” on the Item 25 Worksheet.
Level 2	Phone Service and multiple computers connected directly to the Internet in a networked lab or single location in a single library.	Enter the above number in “Level 2 by 6/30/09:” on the Item 25 Worksheet.
Level 3	Phone Service and direct Internet connection on building LAN with some classrooms networked or distributed centers in a library.	Enter the above number in “Level 3 by 6/30/09:” on the Item 25 Worksheet.
Level 4	Phone Service, and direct	

	Internet connection on building LAN with access from all classrooms or library centers.	Enter the above number in "Level 4 by 6/30/09:" on the Item 25 Worksheet.
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Resource Plan and E-Rate Implementation Description: (Submit a Narrative)

Describe your overall strategy for implementing your E-Rate requests this year, including any significant investment in technology prior to Funding Year 2008. Please note if you have applied for matching funds or grants from other sources that have not been approved. Include all information about resources that you have available to make effective use of E-Rate funding. Give us an overall picture of what you are trying to accomplish so that we can better understand how the requested services will work in conjunction with the resources you have identified throughout this document.

If you have indicated zero dollars in Sections IV - VI: Software, Retrofitting, and Maintenance on the Item 25 worksheet, please explain or provide details as to why no investments are being made in those categories; (i.e.,: explain what retrofitting work has already occurred, what software you have on hand, if any maintenance contracts are still in place).

TECHNOLOGY PLAN

- Provide a copy of the written technology plan that covers Funding Year 2008 (July 1, 2008 through June 30, 2009) that supports and validates the services requested on your applications for Funding Year 2008, and that was in place at the time you filed your Form(s) 470 for FY 2008.
- Please indicate who created the technology plan and/or assisted you with the development (e.g. the School District, a consultant, an ESA, etc.) and who approved or will approve the plan.

Your technology plan helps us better understand the resources that are available to support the funding requests that you have submitted on your Form(s) 471.

OPERATING BUDGET

Final, Approved Operating Budget:

Provide an approved 2008-2009 operating or facilities budget, including total revenues and expenses (covering Funding Year 2008: July 1, 2008 – June 30, 2009) that documents your expenditures and ability to pay your share of the purchased products/services. (YOU MUST INDICATE THE EXPENSE LINE(S) FROM WHICH YOUR E-RATE SHARE WILL BE PAID.) If you provide a final approved budget, we may verify that budget with independent sources. Please indicate on the budget whether or not it is final and approved.

Alternatives to a Final, Approved Operating Budget:

If a final, approved budget is not available or is still in the approval process, we will accept certain alternative documentation, please go to: <http://www.usac.org/sl/applicants/step08/undergo-selective-review> for further details.

Selective Review Information Request Completion Certification

Complete and return the enclosed Certification to the Schools and Libraries Division (SLD). If the applicant's authorized representative completed the information in this document, please *attach a copy of the letter of agency or other agreement* between the applicant and consultant authorizing them to act on the school or library's behalf. For the purposes of this form, in the Employer's Name field, a consultant should enter the name of his or her consulting firm. Please note that if an authorized representative signs this form, a signer of school or library official is also required in the space provided below.

SECTION 1: AUTHORIZED SIGNER INFORMATION			
Name of Authorized Signer		Title	
Email Address		Telephone Office:	Fax :
Authorized Signer's Employer's Name			
Employer's Street Address		State	Zip Code
SECTION 2: APPLICANT INFORMATION			
Billed Entity Name		Billed Entity Number	
Funding Year 2008 Forms 471 Application Numbers:			
601902, 632823			
SECTION 3: CERTIFICATION STATEMENTS			
<ul style="list-style-type: none"> ▫ I certify that I prepared the responses in this document on behalf of the above named entity. ▫ I certify that despite any budget deficits, fund-raising effort shortfalls, or other uncertainties we expect to be able to finance this budget. 			
Authorized Signer's Signature		Date	
Authorized School or Library Official's Signature		Date	
Title of Authorized School or Library Official			

The FCC's Fifth Report and Order (FCC 04-190) released on August 13, 2004, sets out document retention requirements for program participants. Failure to comply with these requirements will put your funding at risk.

Resource Plan and E-Rate Implementation Description

School County applies for and manages E-Rate through the Purchasing Department in consultation with the Departments of Information Technology Services, Financial Services, Facilities Management, School Food and Nutrition Services, and Network Services. In the fall of 2007, E-Rate Central was hired as consultant to assist School apply for discounts and secure funds from previous years.

For Fund Year 2008, School applied for ongoing telecommunications services including local, long distance, and cellular telephone service; pager service; Wide Area Network service, and broadband telecommunications gateway. For the first time since 1999, School applied for internal connections equipment and installation at four schools scheduled for major renovation in FY 2009 and 2010.

School does not budget for E-Rate discounts. While the E-Rate Program as enacted through the Telecommunications Act of 1996 envisioned automatic discounts on qualified services, the reality of the program as implemented has been anything but automatic. The Virginia Department of Education provides yearly training for E-Rate applicants and publishes a handbook for local E-Rate Coordinators. The Department of Education recommends applicants budget 100 percent of the cost of eligible services:

Approximately 20 percent of funding requests were denied in the early years because of process or procedure errors – a box not checked on a form, a missed deadline, or any of a number of other problems. Even after funding has been granted, over 20 percent of E-Rate money goes unclaimed. While efforts are being made to reform the process, funding of requests is not automatic.

Because E-Rate funding is never certain, the Department of Education does not recommend incorporating E-Rate discounts into school budgets before a funding commitment letter is in hand. Commitment decisions for Virginia applicants have often been delayed well into the following fiscal year.¹

Based on the handbook and previous experience, School treats E-Rate “discounts” as anticipated revenue in the division annual budget.² For example, School has not received a Funding Commitment Letter before November of the fund year for the past four years; consequently, School pays full price for all eligible services and utilizes the retroactive payment option known as the BEAR process. Payments for eligible services are consolidated by the office of Network Services and Central Operations, under the Communications and Technology Services Division. Ineligible services such as payphone charges and telephone lines for school board members are identified and removed from the E-Rate reimbursement request. The office of Purchasing rechecks the invoices and submits reimbursement requests to the SLD for payment. When payments are received from vendors, the office of Purchasing reports revenues to the Associate Superintendent for Finance and Support Services. All E-Rate records are maintained in the office of Purchasing.

¹ Virginia Department of Education “Understanding the E-Rate Program Year 11 Edition” Page 2.
<http://www.doe.virginia.gov/VDOE/Technology/uerate.pdf>

² School FY 2009 Proposed Budget Operating Fund – Tuitions, Fees and Other Revenues. Page 9

Impact of Technology on Teaching and Learning

With or without E-Rate funding, School embraces and mandate the use of technology for all teachers, students and administrators. Prominent in the school division's Vision Statement, the school board states: "Students who graduate from School County Public Schools will possess the basic knowledge and skills that will assure their proficiency in problem solving and the use of technology." In support of this philosophy, School has established technology instructional and infrastructure support mechanisms second to none in the country.

Instructional Technology Support

School requires teachers and administrators to show evidence of mastery of the Virginia Technology Standards for Instructional Personnel with completion of a technology portfolio.³ School provides specifications for the portfolio on the Standards for Teachers Web site.⁴

School maintains an office of Instructional Technology which provides staff development courses for teachers and administrators. The office also provides support for 80 Instructional Technology Resource Teachers (ITRT) employed by School.

Staff development offerings for Fund Years 2007 and 2008 are included in this package. The Fund Year 2008 catalog includes 65 technology integration courses with over 120 sessions and approximately 1000 hours of formal face-to-face and online instruction. School also provides online technology courses from both the office of Instructional Technology and the School Network. Instructional Technology Resource Teachers provide on-site and on-demand support to classroom teachers for improved learning through the use of technology. The ITRT position is solely for division and school level instructional technology support and they are not classroom teachers. In the aggregate, ITRTs provide over 10,000 hours of one-on-one and small group technology assistance and instruction to School's 5,140 teachers. A current list of ITRT positions is included with this package. School lists ITRT responsibilities as the following:

- Providing instructional technology leadership,
- Demonstrating knowledge of instructional technology applications,
- Keeping current in new and emerging technologies and their application in content areas,
- Identifying and providing technology training in school buildings,
- Conducting staff development for school administration, instructional and support staff,
- Collaborating and planning with teachers to provide lessons and resources for integrating technology, and
- Developing, modeling and co-teaching appropriate curriculum based technology rich lessons with teachers and students.

Technology Infrastructure Support

Maintaining Wide and Local Area Networks is the responsibility of the Department of Information Technology Services. The department provides hardware and software necessary to maintain an

³ See: <http://www.doe.virginia.gov/VDOE/Compliance/TeacherED/tech.html>

⁴ See: (School Website)

integrated information system, including payroll and general ledger accounting, student information systems, and supply and procurement inventory. Telecommunications services, information security, training, and user hotline support are provided by the department.

Fixed infrastructure includes broadband WAN to all schools and non-instructional facilities, including broadband and telephone connections to 10,000 classrooms and 26,000 computers. Network operations, educational and administrative software infrastructure, and storage are maintained on 325 servers.

Information Technology Services employs 41 full-time technicians and 54 full-time specialists to meet its responsibilities. The department includes \$2.6 million in the approved 2009 budget for a technology infrastructure maintenance contract.⁵

Maintaining operational networks for a school division the size of School is a complex and costly proposition. Yet, according to a survey of teachers and administrators, 96 percent are satisfied with services provided by the department. The 2007-08 Customer Satisfaction Survey is included with this document. The survey includes an “excellent” or “Good” rating of 95.7% for IT staff responsiveness, 94.7% for on-site technical support, 94% for Help Desk quality, and 93.6% for the quality of computer hardware.

Personnel costs for technicians and specialists exceed \$7 million. Expenses for new and replacement communication equipment is over \$5.8 million and the total budget for ongoing telecommunications service, including local, long distance and Wide Area Network connectivity is \$3.31 million for the 2008-09 school year.⁶

The Department of Information Technology Services is also responsible for end-user application training, in addition to one-on-one assistance provided by the Help Desk and field technicians. Fifty-one classes are offered to teachers and administrators on various software applications. The training schedule and list of courses is included in this package. The attachments also include a list of archived technology staff development videos available on-demand via the division’s Wide Area Network.

Breakdown of Item 25 Worksheet

Section I, I-A and I-B:

As discussed previously, School has within its operating budget sufficient funds to pay both the E-Rate funding requested and the applicant’s share solely from the “Telephone” line item of the budget on page 29 of the Proposed Budget (\$3,000,000). Individual schools and programs have a total of \$310,000 as Telephone charge line items in their budgets.

Section I-C

In support of Telecommunications and Internet Access, School estimates 25% of Information Technology Personnel time is spent supporting the Wide Area Network, Help Desk for telecommunications issues, and telecommunications support at schools and administration buildings for a total expense of \$1,779,035.

⁵ See: [School](#) Budget document Page 20.

⁶ See proposed budget pages 20 and 29.

Basic maintenance on internal connections includes \$2.6 million for the maintenance contract, \$250,000 for SmartNet warranties, and 8% of specialist and technician time (\$569,291), for a total of \$3,419,291.

Internal connections includes \$5,874,000 in the budget for Data Processing equipment purchases, which include computers, servers, switches and all associated equipment. Five percent of Information Technology personnel are required for installation and configuration of new equipment (\$355,807) for a total expense of \$6,229,807.

Section III-B Professional Development

Both the Department of Instructional Technology and the Department of Information Technology provide professional development to teachers and administrators. Instructional Technology estimates direct expenses related to courses provided is \$200,000 for both 2007 and 2008. Information Technology estimates expenses are \$150,000 for 2007 and \$183,860 for 2008 for a total of \$350,000 for 2007 and \$383,860 for 2008. These figures do not include ITRT salaries, the cost of outside ITRT technology courses, or individual school expenditures for technology staff development.

Section IV Software

This includes aggregate software line items for schools and programs within the budget, \$100,032 (2007) and \$102,000 (2008) for course management software, Microsoft licenses of \$130,000 (2007) and 104,000 (2008), and student management software for new schools of \$40,000 for 2007 and 2008. Total software expenses: \$770,032 (2007) and \$746,000 (2008).

Section V Retrofitting

School is unable to provide an accurate dollar amount for expenses specifically related to retrofitting buildings expressly for LAN and voice services. The 2009 budget includes \$41,947,000 for new schools and additions and \$24,453,000 for Capital Improvement Reserves. From the preponderance of evidence presented in these documents, it should be clear that School would adhere to all applicable building and electrical codes when renovating buildings or establishing new services. The Customer Satisfaction Survey attests to the exceptional reliability of network services and the stellar Technology Implementation Level shows that all schools are well connected.

Bid Selection Grid for FRN 16533782

Reviewers:

Jane Smith, Technology Director
 Bill Wilson, Procurement Officer
 Frank Jones, Technician

Vendor	Excellent, Inc.	OK, LLC	Loser, Co.
<i>Cost of the Eligible Goods and Services(40)</i>	40	38	25
<i>Experience (20)</i>	20	18	17
<i>Availability(20)</i>	20	20	8
<i>Minority Business Status (10)</i>	10	0	0
<i>Project Management Expertise (10)</i>	10	5	0
Total Points	100	81	50

Notes:

- Price of **Eligible goods and services** must be primary (highest weight)
- Numerous other factors may be used in accordance with local procurement regulations
- Keep all bids – winning AND losing
- Keep all reviewer notes and score cards unless forbidden by law (include law if forbidden)

Item 21 Attachment for FRN 16533782

Entity Number 134998		Applicant's Form Identifier School 2008	
Contact Person	Gregory W. Weisiger	Phone Number	(804) 302-4406

Attachment # Excellent Wireless Form 471 #598887

Service Category: **Telecommunications**
 Service Provider: **Excellent, Inc.**

Narrative description: Cellular telephone service for twenty phone lines				
Quantity	Product or Service Description	Unit Cost	Extended Pre-discount Cost	
			Recurring	Non-Recurring
12	Monthly Cellular Service	\$674	\$8,088	
		Total:	8,088.00	-

Survey number: _____
 [For School Use Only]

E-Rate Household Survey 2009-2010 School Year

Please complete and return the survey below. Important: Even if your income does not meet these Income eligibility Guidelines, you must return the survey in order for this survey to be considered a valid measure.

Street Address _____

City _____ State _____ Zip _____

1. On the chart below, CIRCLE the number of people in your household, including all children:

Household Size (Circle One)	Est. Annual Income (As Reported to IRS)	Monthly Income	If Paid Two times per mo.	If Paid Every Two Weeks	Weekly Income
1	\$ 20,036	\$ 1,670	\$ 835	\$ 771	\$ 386
2	26,955	2,247	1,124	1,037	519
3	33,874	2,823	1,412	1,303	652
4	40,793	3,400	1,700	1,569	785
5	47,712	3,976	1,988	1,836	918
6	54,631	4,553	2,277	2,102	1,051
7	61,550	5,130	2,565	2,368	1,184
8	68,469	5,706	2,853	2,634	1,317
Each add'l family member add:	6,919	577	289	267	134

Is your income equal to or less than any of the amounts listed next to the number you circled? Yes _____ No _____

Are your children eligible for free or reduced lunches, breakfasts, snacks or milk at their school(s)? Yes _____ No _____

Is your family eligible for food stamps? Yes _____ No _____

Does your family qualify for medical assistance under Medicaid? Yes _____ No _____

Is your family receiving Supplementary Security Income (SSI)? Yes _____ No _____

Does your family receive Temporary Assistance for Needy Families (TANF)? Yes _____ No _____

Does your family receive housing assistance (section 8)? Yes _____ No _____

Does your family receive home energy assistance (LIHEAP)? Yes _____ No _____

2. Please list all students in your household that attend school. (Enter the grade they will be entering in Fall, 2009. Write on back to list more than 4 students)

3. Certification: I certify that the above information is, to the best of my knowledge, true and complete.

Signed: _____ Date: _____

Sample CIPA-Compliant

INTERNET SAFETY POLICY

Note: The following Internet safety policy was developed by E-Rate Central solely to address the basic policy compliance requirements of CIPA and NCIPA for E-rate funding. Schools and libraries adopting new or revised Internet policies may wish to expand or modify the sample policy language (as suggested in the accompanying Primer) to meet broader policy objectives and local needs. Neither the FCC nor the SLD has established specific standards for a CIPA-compliant Internet safety policy and neither has reviewed, much less endorsed, this sample policy.

INTERNET SAFETY POLICY For <School or Library>

Introduction

It is the policy of <School or Library> to: (a) prevent user access over its computer network to, or transmission of, inappropriate material via Internet, electronic mail, or other forms of direct electronic communications; (b) prevent unauthorized access and other unlawful online activity; (c) prevent unauthorized online disclosure, use, or dissemination of personal identification information of minors; and (d) comply with the Children’s Internet Protection Act [Pub. L. No. 106-554 and 47 USC 254(h)].

Definitions

Key terms are as defined in the Children’s Internet Protection Act.

Access to Inappropriate Material

To the extent practical, technology protection measures (or “Internet filters”) shall be used to block or filter Internet, or other forms of electronic communications, access to inappropriate information.

Specifically, as required by the Children’s Internet Protection Act, blocking shall be applied to visual depictions of material deemed obscene or child pornography, or to any material deemed harmful to minors.

Subject to staff supervision, technology protection measures may be disabled or, in the case of minors, minimized only for bona fide research or other lawful purposes.

Inappropriate Network Usage

To the extent practical, steps shall be taken to promote the safety and security of users of the <School or Library> online computer network when using electronic mail, chat rooms, instant messaging, and other forms of direct electronic communications.

Supervision and Monitoring

It shall be the responsibility of all members of the <**School or Library**> staff to supervise and monitor usage of the online computer network and access to the Internet in accordance with this policy and the Children's Internet Protection Act.

Procedures for disabling or otherwise modifying any technology protection measures shall be the responsibility of <**Title**> or designated representative.

Adoption

The Board of <**School or Library**> adopted this Internet Safety Policy at a public meeting, following normal public notice, on <**Month, Day, Year**>.

CIPA definitions of terms:

TECHNOLOGY PROTECTION MEASURE. The term "technology protection measure" means a specific technology that blocks or filters Internet access to visual depictions that are:

1. **OBSCENE**, as that term is defined in section 1460 of title 18, United States Code;
2. **CHILD PORNOGRAPHY**, as that term is defined in section 2256 of title 18, United States Code; or
3. Harmful to minors.

HARMFUL TO MINORS. The term "harmful to minors" means any picture, image, graphic image file, or other visual depiction that:

1. Taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion;
2. Depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and
3. Taken as a whole, lacks serious literary, artistic, political, or scientific value as to minors.

SEXUAL ACT; SEXUAL CONTACT. The terms "sexual act" and "sexual contact" have the meanings given such terms in section 2246 of title 18, United States Code.

Document Retention Requirements

Applicants have long been required to certify in Form 471 and 472 that they will retain worksheets and records supporting their applications for five years. This "requirement," however, was expanded and codified by the FCC as a formal program rule. This has several important implications.

- 1) The required retention period is defined as five years from the last day of service (e.g., June 30, 2009 for recurring FY 2008 services). This corresponds to the new "administrative limitations period" in which the FCC or USAC can determine that a violation has occurred and can seek the recovery of funds.
- 2) By making this a rule, rather than simply a procedural requirement, violations will hence forth subject an applicant to a commitment adjustment ("COMAD"). If during an audit, an applicant cannot properly document any required aspect of a funded service, USAC may demand the repayment of all associated funds.
- 3) Record retention requirements apply to both applicants and service providers.
- 4) The FCC Order does not specify a full and explicit list of documents, it does provide a rather detailed "illustrative" list that should serve as a strong warning to applicants and service providers alike. In only slightly condensed form, the list reads as follows:
 - **Pre-bidding Process.** Beneficiaries must retain the technology plan and technology plan approval letter. If consultants are involved, beneficiaries must retain signed copies of all written agreements with E-rate consultants.
 - **Bidding Process.** All documents used during the competitive bidding process must be retained. Beneficiaries must retain documents such as: Request(s) for Proposal (RFP(s)) including evidence of the publication date; documents describing the bid evaluation criteria and weighting, as well as the bid evaluation worksheets; all written correspondence between the beneficiary and prospective bidders regarding the products and service sought; all bids submitted, winning and losing; and documents related to the selection of service provider(s). Service providers must retain any of the relevant documents described above; in particular, a copy of the winning bid submitted to the applicant and any correspondence with the applicant. Service providers participating in the bidding process that do not win the bid need not retain any documents.
 - **Contracts.** Both beneficiaries must retain executed contracts. Contracts must be signed and dated by the applicant (and preferably by the service provider also). All amendments and addendums to the contracts must be retained, as well as other agreements relating to E-rate between the beneficiary and service providers such as up-front payment arrangements.
 - **Application Process.** The beneficiary must retain all documents relied upon to submit the Form 471, including National School Lunch Program eligibility documentation supporting the discount percentage sought;

documents to support the necessary resources certification pursuant to section...of the Commission's rules, including budgets; and documents used to prepare the Item 21 description of services attachment.

- **Purchase and Delivery of Services.** Beneficiaries and service providers should retain all documents related to the purchase and delivery of E-rate eligible services and equipment. Beneficiaries must retain purchase requisitions, purchase orders, packing slips, delivery and installation records showing where equipment was delivered and installed or where services were provided. Service providers must retain all applicable documents listed above.
- **Invoicing.** Both service providers and beneficiaries must retain all invoices. Beneficiaries must retain records proving payment of the invoice, such as accounts payable records, service provider statement, beneficiary check, bank statement or ACH transaction records. Beneficiaries must also be able to show proof of service provider payment to the beneficiary of the BEAR, if applicable. Service providers must retain similar records showing invoice payment by beneficiary to the service provider, USAC payment to the service provider, payment of the BEAR to the beneficiary, through receipt or deposit records, bank statements, beneficiary check or automated clearing house (ACH) transaction record, as applicable.
- **Inventory.** Beneficiaries must retain asset and inventory records of equipment purchased and components of supported internal connections services sufficient to verify the location of such equipment. Beneficiaries must also retain detailed records documenting any transfer of equipment within three years after purchase and the reasons for such a transfer.
- **Forms and Rule Compliance.** All program forms, attachments and documents submitted to USAC must be retained. Beneficiaries and service providers must retain all official notification letters from USAC, as applicable. Beneficiaries must retain FCC Form 470 [and] FCC Form 471 and certification pages (if not certified electronically), FCC Form 471 Item 21 attachments, FCC Form 479, FCC Form 486, FCC Form 500, FCC Form 472. Beneficiaries must also retain any documents submitted to USAC during program integrity assurance (PIA) review, Selective Review and Invoicing Review, or for SPIN change or other requests. Service providers must retain FCC Form 473, FCC Form 474 and FCC Form 498, as well as service check documents. In addition, beneficiaries must retain documents to provide compliance with other program rules, such as records relevant to show compliance with CIPA."

According to SLD, the top five missing documents identified during site visits and audits are:

- Discount verification (NSLP, survey, etc.)
- Asset listing not maintained or updated
- Signed and dated contracts
- Consultant agreement of LOA
- Bid evaluation/ Award schedule

SLD now recommends that applicants maintain their documentation in an E-rate binder and has published a suggested table of contents which is included in the materials that follow.

**UNIVERSAL SERVICES ADMINISTRATIVE
FUND SCHOOLS & LIBRARIES
DOCUMENTATION CHECKLIST**

SUGGESTED DOCUMENTATION REQUIREMENT	Completed
I. TECHNOLOGY PLAN	
1. Clear goals and a realistic strategy for using telecommunications and information technology to improve education and library services. The Plan should cover the dates of the funding year and include E-rate funded equipment and services, as well as equipment and services necessary to support E-rate funded equipment and services.	
2. An assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services.	
3. A professional technical development strategy to ensure beneficiary (school or library) staff know how to utilize these E-rate and supporting technologies to improve education or library services.	
4. A technology budget covering the amounts necessary to acquire and support the non-discounted elements of the Technology Plan, e.g., hardware, software, professional development, and other services necessary to implement both the technology and development strategies .	
5. An evaluation process that enables the school(s) or library(ies) to monitor progress in achieving specified Technology Plan goals and objectives, as well as the implementation of changes or corrections to the Technology Plan strategy in response to new developments and opportunities as they arise.	
II. PROGRAM COMPLIANCE	
1. If receiving discounted services from the service provider, maintain copies of the following: a. Vendor invoice or reconciliation worksheet (supported by vendor invoices) supporting billing/payment for the undiscounted portion of the E-rate expenditure. b. Proof of payment for the undiscounted portion (e.g., cancelled check) c. Supporting documentation sufficient to evidence that what was approved per the Funding Commitment Letter was actually procured. d. If feasible and obtainable, copies of the invoice submitted by the service provider to the Schools and Libraries Division and supporting invoice or reconciliation worksheet (obtained from the service provider) supporting the E-rate reimbursement for the beneficiary.	
2. For each Billed Entity Applicant Reimbursement (“BEAR”) form submitted to and reimbursed by WLD, maintain copies of the following: a. Vendor invoice or reconciliation worksheet supporting the claim submitted to WLD. B. Proof of payment (e.g., cancelled	

SUGGESTED DOCUMENTATION REQUIREMENT	Completed
check) for the total E-rate eligible amount (discounted and non-discounted portion) paid to the service provider. C. Documentation verifying reimbursements as a result of the BEAR form have been received from the service provider and deposited (i.e., copy of remittance advice or vendor payment, bank statements, etc.). d. Copies of any written communication with the vendor concerning attempts to get reimbursements.	
3. Reconciliation of the discounted (based on the approved percentage per the Funding Commitment Decision Letter) and non-discounted portion to equal 100% of the E-rate eligible and funded equipment and/or services cost.	
4. If E-rate eligible service and/or installation or equipment costs are included as part of a larger contract or service/equipment billing, support for the allocation of E-rate eligible amounts and reconciliation of that total to the total amount billed to the beneficiary by the service provider.	
5. If E-rate eligible services or equipment provided by a single service provider are allocated to multiple units (schools or libraries), support for the allocation reconciled to the amounts and locations identified in the approved Application (Form 471).	
6. For internal connections equipment purchased with E-rate funds maintain: a. An Asset Register or other appropriate asset listing which documents the make, model serial number, purchase date and specific location of each item of E-rate funded equipment. B. A Replacement Log reflecting the replacement or upgrading of any E-rate funded equipment.	
7. Proof that all E-rate funded internal connections have been received and installed by the cut-off date (i.e., service provider sign-off, dated test data results, etc.).	
8. Proof that E-rate funded services were provided within the allowable contract period/Funding year.	
III. CONTRACTS	
1. Copies of all signed and executed contracts related to E-rate eligible and funded equipment or services, identifying the contract term (start and end dates) and signed and dated by both parties (beneficiary and service provider).	
2. Notice of Award for all (E-rate eligible and funded) Contracts.	
3. Copies of all bids received and documentation supporting the award decision.	
4. Documented bidding policies and procedures and evidence of compliance with state and local procurement/bid requirements.	

SUGGESTED DOCUMENTATION REQUIREMENT	Completed
5. Request for proposals and responses relating to E-rate eligible/funded contracts.	
6. Copies of all change orders or documentation for verbal change orders.	
IV. OTHER	
1. All correspondence with SLD or service providers relating to funding (including copies of the Application and other documentation submitted as part of the funding process) and funding reimbursement.	
2. Documented policies and procedures governing the Application and E-rate funded procurement, expenditure and reimbursement processes.	
3. Detailed listing by Funding Year of all E-rate funded equipment and services provided by item, description of equipment or service, cost and location (see also item III. 6.).	
4. Proof of notification and refund of any amounts due back to SLD as a result of identified over-claims, errors resulting in overpayments or any other situation in which funds are required to be returned.	

Technology Plan Template

E-Rate Funding Years Covered: 07/01/2010 – 6/30/2013

Library name:

Address:

Phone:

FAX:

Prepared by:

Draft Completed: (Must be before Form 470 is submitted)

1. Technology Goals (Describe the library's strategy for using information technology, including the integration of technology into library services, support of extended services and to provide effective and efficient service)
2. Technology Assessment (Describe the current telecommunications service, Internet access, equipment and software currently installed and necessary for the future)
3. E-Rate Eligible Services (What will the library need in the next three years – such as cellular phones, expanded broadband, wireless access points, etc.)
4. Professional Development (Describe your plans for training library staff in effective use of technology to support library service goals such as continuing education, workshops planned, or general technology knowledge requirements)
5. Evaluation (How will the library evaluate the effectiveness of technology in meeting service goals?)
6. Technology Budget:

Item Description	Year 1 of Plan		Year 2 of Plan		Year 3 of Plan	
	<i>Cost of Equipment/ Service</i>	<i>Source (E-rate, State Aid, Local)</i>	<i>Cost of Equipment/ Service</i>	<i>Source (E-rate, State Aid, Local)</i>	<i>Cost of Equipment/ Service</i>	<i>Source (E-rate, State Aid, Local)</i>
Hardware (computers, network equip., etc.)						
Software						
Professional Development						
Maintenance (of hardware, software, network)						
Internet Access (annual cost, includes DSL, Cable costs)						
Telecom (annual cost for phone service)						
TOTAL						