

Schools and Libraries

NEWS BRIEF

August 30, 2013

TIP OF THE WEEK: If you want to request an extension of the deadline for delivery and installation of FY2012 non-recurring services, do so no later than September 30 (see below). USAC cannot approve [service delivery extension requests](#) submitted after that date.

Commitments for Funding Years 2013, 2012, and 2010

Funding Year 2013. USAC will release Funding Year (FY) 2013 Wave 16 Funding Commitment Decision Letters (FCDLs) September 5. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of August 30, FY2013 commitments total over \$460 million and encompass 21,406 of FY2013 applications.

Funding Year 2012. USAC will release FY2012 Wave 58 FCDLs September 6. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denials at 89 percent and below. As of August 30, FY2012 commitments total just under \$2.74 billion.

Funding Year 2010. USAC will release FY2010 Wave 116 FCDLs September 5. This wave can include commitments for approved Priority 2 requests at all discount levels. As of August 30, FY2010 commitments total over \$3.07 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

Non-recurring Services and Contracts

Services eligible for E-rate discounts are classified as either recurring or non-recurring.

Recurring services, such as monthly telephone services or Internet access:

- Are usually delivered continuously during all or part of the funding year.
- End on or before June 30, the last day of the funding year.
- Are reported in Items 23A - 23E of an FCC Form 471 Block 5 funding request.
- **NOTE:** Basic Maintenance of Internal Connections is considered a recurring service. This is true even if the applicant makes a single payment for these services.

Non-recurring services, such as installation of telephone service, cabling and wiring for Internet access, and Internal Connections equipment:

- Are usually delivered and installed once or at specific times.
- End on or before September 30 following the funding year, although this deadline can be extended.
- Are reported in Items 23F - 23H of an FCC Form 471 Block 5 funding request.
- **NOTE:** If you are making monthly payments to purchase equipment, you should NOT report those costs as recurring services. Doing so will set your last date to receive services as June 30 without the possibility of an extension. **If you have reported monthly costs for what is truly a non-recurring service, be sure to correct your FCC Form 471 before USAC issues an FCDL with a commitment for that service.**

The additional three-month period (July 1 – September 30) for the delivery and installation of non-recurring services enables work to be completed during the summer when schools are not in session. However, many applicants and service providers sign contracts for non-recurring services that expire on June 30 even though it is possible for those services to be delivered and installed after that date.

- **USAC will not pay invoices for eligible non-recurring services delivered or installed after the last day to receive service (the service delivery deadline), or the last day your contract is valid (the contract expiration date), whichever is earlier.**

If additional time is needed for the installation or delivery of non-recurring services:

1. A [service delivery extension request](#) must be filed to extend the service delivery deadline.
2. If the existing contract expires before the date when services will be delivered, the applicant and service provider should first work together to extend the existing contract (assuming that an extension is allowable under the terms of the contract and under any applicable state or local requirements). The applicant must then file an FCC Form 500 to notify USAC of the extended contract expiration date.

Requesting a service delivery deadline extension for non-recurring services

In some situations, the service delivery deadline for non-recurring services can be extended for an additional year – either automatically or upon request – and a Funding Request Number (FRN) may receive more than one extension.

A one-year extension of the September 30 deadline **occurs automatically** if:

- USAC issues an FCDL on or after March 1 of the funding year with a positive funding commitment for the FRN.
- USAC issues a [Service Provider Identification Number \(SPIN\) change](#) approval on or after March 1 of the funding year for the FRN.
- USAC issues a [service substitution](#) approval on or after March 1 of the funding year for the FRN.

A one-year extension of the September 30 deadline **can be requested** if:

- The applicant submits documentation to USAC **on or before the service delivery deadline** that the service provider was unable to complete delivery and installation for reasons beyond the service provider's control, or
- The applicant certifies to USAC **on or before the service delivery deadline** that the service provider has been unwilling to complete delivery after USAC withheld payment for those products and services on a properly submitted invoice for more than 60 days after submission of the invoice.

To request an extension, refer to the [Service Delivery](#) document on the USAC website. USAC reviews each extension request submitted and, if appropriate, approves the extension.

- **NOTE: USAC cannot consider service delivery extension requests received or postmarked after the service delivery deadline on record for the FRN, which is generally September 30 following the close of the funding year.**

Extending a contract expiration date for non-recurring services

Applicants report the contract expiration date in Item 20b of each funding request on the FCC Form 471. USAC will not pay invoices for products and services installed and/or delivered after the contract expiration date on file with USAC. If a service delivery extension has been approved – either automatically or upon request – applicants must change the contract expiration date on file with USAC if products and services will be delivered after the date currently on file.

- **NOTE:** The contract extensions we discuss here are solely for the purpose of completing the delivery of services for commitments on Funding Request Numbers (FRNs) for the original funding year, not for extending the services to a new FRN for an upcoming funding year (see below).

If a contract expires before services will be delivered and installed, applicants should do the following:

- Determine if an extension of the contract is allowed under the terms of the contract and under state and local procurement rules and regulations.
- If an extension of the contract is allowed, negotiate an extension with the service provider.
- File an [FCC Form 500](#), Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form, to change the contract expiration date on file with USAC.
- After USAC issues an FCC Form 500 Notification Letter, the products and services can be delivered and installed and USAC can be invoiced. USAC also updates the [FRN Extension Table](#) with the new service delivery deadline.

This kind of contract extension is different from a "contract with voluntary extensions." A contract with voluntary extensions allows the applicant to extend an existing contract with the service provider and apply for discounts on services in an upcoming funding year without filing a new FCC Form 470 and opening a competitive bidding process for the services covered under that contract. For information on contracts with voluntary extensions, refer to the [Contracts](#) guidance document on the USAC website.

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