

ADMINISTRATIVE PROCEDURE

E-RATE PROCEDURES

0709
Procedure No.
July 31, 2019
Date

- I. **PURPOSE:** The purpose of this administrative procedure is to detail the school District’s responsibilities and to define the standard operating procedures and guidelines for compliance with the Federal E-rate program.

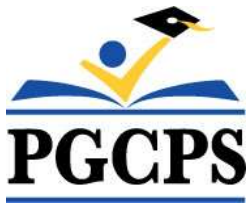
- II. **BACKGROUND:** The Universal Service Discount Program for Schools and Libraries known as E-rate was created in 1997 to ensure that schools and libraries have affordable access to advanced telecommunications services. Under the program, discounts ranging from 20% to 90% on telecommunication services, internet access and internal connections are provided to eligible schools and libraries. PGCPS is committed to fully using all funds available through the E-rate program. Division of Information Technology (IT) staff, Purchasing, Food & Nutrition Services, Accounts Payable, and other supporting departments must keep abreast of all program requirements and obligations. Each year an assessment of telecommunication services, internet access, and internal connections/basic maintenance on internal connections needed to support our technology plan is completed and used to apply for funds from the program. The District compares aspects of the program to its budgeted funding requests and applies for funds as appropriate. The District keeps appropriate records and adheres to all federal statutes and regulations.

- III. **IMPORTANT NOTES ABOUT THIS ADMINISTRATIVE PROCEDURE AND THE FEDERAL E-RATE PROGRAM**
 - A. The Federal E-rate Program, which provides reimbursement to schools and libraries for E-rate eligible products and services, is continuously evolving. New and modified rules occur regularly. This document contains numerous links to Universal Service Administrative Company (USAC) websites. It is possible, however, that some of the links may change as E-rate evolves. USAC is designated by the Federal Communications Commission (FCC) as the administrator of the federal Universal Service Fund. The Schools and Libraries (SLD) Program of the Universal Service Fund, commonly known as "E-rate", is administered by USAC.

 - B. The USAC website is the definitive resource for E-rate.
<http://www.usac.org/default.aspx>.

 - C. The structure of this Administrative Procedure is designed to follow the USAC’s steps for applying for and receiving E-rate funding support.
<https://www.usac.org/sl/about/getting-started/default.aspx>.

 - D. In this procedure, each USAC/SLD step is followed by an outline of PGCPS steps and responsible departments/offices.



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IV. UNDERSTANDING THE E-RATE TIMETABLE, EVENTS, AND DEADLINES

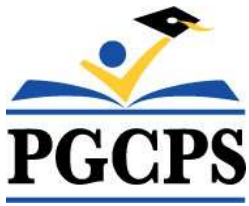
- A. The E-rate funding year gets underway in the year to which it refers (e.g. E-rate funding year 2019 begins July 1, 2019 and ends June 30, 2020), as opposed to the PGCPS fiscal year which is final in the year to which it refers (e.g. PGCPS fiscal year 2019 begins July 1, 2018 and ends June 30, 2019).
- B. The preparation for, and beginning of E-rate forms submission (see below for more about this) for the E-rate funding year occurs from September through November in the year prior to the E-rate funding year.

More about the USAC/SLD Timetable, Events, and Deadlines can be found at: <https://www.usac.org/sl/tools/deadlines/default.aspx/>.

V. DOCUMENT RETENTION

- A. Detailed guidelines about E-rate required document retention, and associated requirements is found at <https://www.usac.org/sl/tools/document-retention.aspx>
 - 1. See Monitoring and Compliance Section for detailed explanation. The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). <https://www.usac.org/sl/tools/document-retention.aspx>
 - 2. In preparation for probable audits by the FCC and/or USAC, offices should keep E-rate bid related documents separate from other documents, and sorted by: IFB/RFP number and further sorted, within each IFB/RFP, by the "5 years after the last day of service date" (which will be recorded and tracked by IT for all equipment and maintenance in each E-rate bid).
 - 3. PGCPS has an asset management system that contains specific fields required to manage and monitor all E-rate subsidized services/products. Each E-rate funded equipment implementation and maintenance instance is tracked within the system. The system includes fields for make, model, serial no., location, service begin date and service end date for all equipment/services purchased with E-rate funds.

The "5 years past the last date to receive service date" is kept – including any extension of the service period. All equipment is bar coded with a unique identifier to assist annual inventory and tracking of data, document, and equipment/service maintenance, retention and disposal. (See reference links for rules and regulations governing equipment disposals/transfers.)



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Disposal or Trade-In of Equipment:

<https://www.usac.org/sl/applicants/before-youre-done/equipment-disposal.aspx>

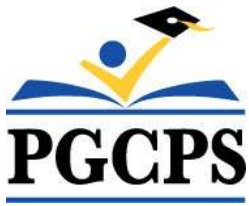
Transfer of Equipment: <https://www.usac.org/sl/applicants/before-youre-done/equipment-transfer.aspx>

- Any PGCPS department or contractor having any document(s) related to any E-rate funded product(s) or service(s) must retain or work with IT to retain said document(s) until the "5 years past the last date to receive service" date has passed, and must ensure that IT is aware/knowledgeable about the existence of said document(s), that IT has access to them, and said documents must be kept separate from non-E-rate documents. The document(s) must exist (not be destroyed), and be available until the "5 years past the last date to receive service" date has passed. For example, the Accounting Office must retain cash receipts, vouchers, checks, invoices, etc., related to E-rate funded product(s) and/or service(s).
- Whenever possible, E-rate documents should be electronic. It is the intent of PGCPS to work toward keeping all E-rate electronic documentation in a central main repository, and the same with the remaining hardcopy E-rate documentation. PGCPS will work to have hardcopy E-rate documentation scanned and stored in the central electronic main repository as well. The retention period, as specified above, for ALL E-rate related documentation (hardcopy, scanned hardcopy, and electronic) still applies.

VI. UTILIZATION OF E-RATE CONSULTANT SERVICES

PGCPS understands that the E-rate application process and all other processes related to management of the Federal E-rate program is the responsibility of the school District. When E-rate Consultant services are utilized, the service provider will work on behalf of the Chief Information Technology Officer, who is responsible for the E-rate program within the District. PGCPS will obtain a Letter of Agency (LOA) that will state the roles and the responsibilities of the consultant in collaboration with the school District and USAC, e.g., PGCPS reviews all documents produced by the consultant before filing with USAC. The consultant's role must be well defined within the contract to protect the District's interests.

VIII. PGCPS PROCEDURES TO MEET USAC'S SIX (6) STEPS FOR ERATE APPLICATION AND RECEIPT



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A. USAC Before You Begin

Reference link: <https://www.usac.org/sl/about/getting-started/default.aspx>

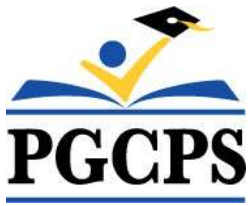
Schools must meet statutory definitions to be eligible for Schools and Libraries support. Federal and State laws determine eligibility of schools, school Districts, and libraries.

1. The school or organization must be eligible for E-rate funding. In general:
 - a. Schools must provide elementary or secondary education as determined under state law.
 - b. Schools may be public or private institutional day or residential schools, or public charter schools.
 - c. Schools must operate as non-profit businesses.
 - d. Schools cannot have an endowment exceeding \$50 million.
 - e. For USAC support, schools must meet the statutory definition of elementary and secondary schools found in the No Child Left Behind Act of 2001 (20 U.S.C. Section 7801(18) and (38)).
2. There are eligibility requirements for traditional schools, and also for non-traditional facilities such as Head Start, Pre-Kindergarten, Juvenile Justice, and Adult Education.
3. PGCPS Procedures for Determining Eligibility:

Responsible Divisions/Offices: PGCPS IT.

Prince George's County Public Schools are eligible for Schools and Libraries support in accordance with USAC/SLD select criteria; e.g., District schools meet statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001**, 20 U.S.C. Section 7801 (18) and (38), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million, etc.

The eligibility of individual schools is determined by PGCPS. PGCPS will assure eligibility of each and every initiative by consulting the SLD web site or by personal contact with SLD personnel. PGCPS will assure



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that applications submitted for external connections do not violate the “Two in Five” requirement whereas eligible entities will only be able to receive support for Internal Connections in two of every five funding years. This applies to individual recipients (individual school, library, or non-instructional facility).

According to FCC Rules, USAC looks at state laws to determine eligibility of non-traditional schools, e.g., Head Start, Pre-Kindergarten, Juvenile Justice, and Adult Education. Under Maryland law, Head Start students and facilities are eligible if the school is part of a public school district or a stand-alone facility recognized by the state. Maryland recognizes facilities and students for Pre-kindergarten; Juvenile Justice; and Adult Education (GED) programs as well.

The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). See Section VI – Document Retention of this administrative procedure for more details.

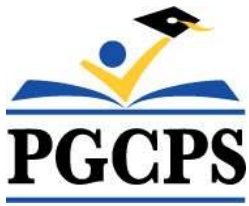
B. USAC Step 1 - Competitive Bidding

Reference link: <https://www.usac.org/sl/applicants/step01/default.aspx>

PGCPS must ensure an open and fair competitive bidding process to receive Schools & Libraries support. The goal is to have as many bidders as possible respond to the Form 470, RFP, or other solicitation method to obtain better service and lower cost. To be “fair”, all bidders must be treated the same with no bidders receiving advance knowledge of project information. To be “open”, means there is transparency, no secrets in the process, e.g., information being shared with one bidder and not the other. Prior to filing the Form 470, the person or people who will evaluate the bid responses should establish the criteria that will be used during the process to help eliminate the possibility of appearance that the evaluation criteria was crafted to give an unfair advantage or disadvantage to a particular service provider.

The Form 470 – services requested form is filed by applicants to define desired eligible services under the correct category of service and open the competitive bidding process.

PGCPS must file a new Form 470 each funding year for requests for tariff or month-to-month services and for new contractual services. When the Form 470 is filed, USAC will make it available to interested service



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providers by posting it to the USAC website. A new Form 470 is not required if PGCPS intends to seek discounts on services provided under a multi-year contract executed under a posted Form 470 in a prior funding year.

The use of RFPs or IFBs may be used to request specific needs and circumstances in addition to the required Form 470.

1. PGCPS Procedures to Open a Competitive Bidding Process:

Responsible Divisions/Offices: PGCPS IT and Purchasing.

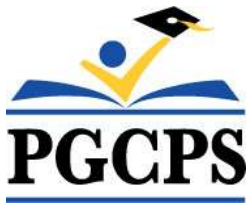
The evaluation team who will review the bid responses will establish the bid evaluation criteria prior to filing the *Description of Services Requested and Certification Form* (Form 470). USAC provides a How to Construct an Evaluation Tip Sheet. Reference link: <https://www.usac.org/sl/applicants/step02/evaluation.aspx> PGCPS will use the Bid Evaluation Matrix as a guide when establishing the bid evaluation criteria. PGCPS files the Form 470, online or manually, to begin the competitive bidding process.

The Purchasing Department will ensure an open, fair, competitive, and advertised bidding process is conducted. The bidding process takes place each fall to coincide with and comply with timetables and deadlines set forth to meet the USAC annual filing window and meet all USAC filing requirements.

PGCPS will ensure that annually, just prior to going out to bid, all personnel designated for E-rate related duties (e.g., designees in IT, Purchasing, Food & Nutrition Services, Accounts Payable/Accounting) will receive copies of all E-rate related Board Policies, Administrative Procedures, timelines, and E-rate record retention requirements set forth in FCC Rule 54.516(a)(1).

Any discussions with vendors should remain neutral to ensure fairness amongst competition.

2. PGCPS follows the school Districts' conflict of interest, ethics, and financial disclosure policies/procedures and State and Federal laws and regulations. Those policies/procedures include Board Policy 0107 – Ethics; Board Policy 0109 – Conflict of Interest (the policy that addresses gifts); Board Policy 4114 – School Official Financial Disclosure, and



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Administrative Procedure 4160 – Employee Conflict of Interest.

Reference Links:

<http://www1.pgcps.org/generalcounsel/boardpolicies/bp0000.aspx>
(Board Policies);

<https://www1.pgcps.org/administrativeprocedures/> (Administrative Procedures).

PGCPS employees are made aware of these rules prohibiting the acceptance of gifts or compensation from anyone or any organization associated in any way with PGCPS contractual considerations, and in this case, E-rated products or services and potential bidders.

Examples of Affidavits from PGCPS vendor bidding materials and contracts are as follows:

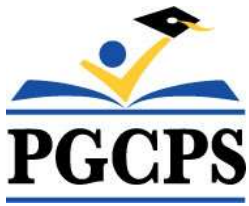
AFFIDAVIT I

The Contractor, his agent, servants and/or employees, have not in any way colluded with anyone for and on behalf of the contractor or themselves, to obtain information that would give the Contractor an unfair advantage over others, nor have they colluded with anyone for and on behalf to the contractor, or themselves, to gain any favoritism in the award of the contract herein.

AFFIDAVIT II

No officer or employee of the Board of Education Prince George's County Public Schools, whether elected or appointed, has in any manner whatsoever, any interest in or has received prior hereto or will receive subsequent hereto any benefit, monetary or material, or consideration from the profits or emoluments of this contract, job, work or service for the Board, and no officer or employee has accepted or received or will receive in the future a service or thing of value, directly or indirectly, upon more favorable terms than those granted to the public generally, nor has any such officer or employee of the Board received or will receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable to the Board in connection with this contract, job, work, or service for the Board, excepting, however, the receipt of dividends on corporation stock.

- a. Gift prohibitions are always in effect. In accordance with FCC rules, PGCPS staff will comply with E-rate program gift rules found in the FCC's Sixth Report and Order (FCC 10-175 para. 87-90). These rules are consistent with federal agency gift rules written to create a fair balance



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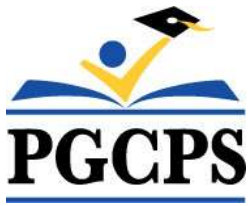
between gifts that may cause prohibited influence on competitive bidding, or those professional interactions of modest refreshments or a token gift. Items \$20 or less that do not exceed \$50 per employee from any one source per funding year, may be permissible gifts. The Commission is responsible for interpreting rules pertinent to the E-rate program. The FCCs \$20 per occurrence/\$50 per employee from any one source/service provider limitation will take precedence over the \$25 limitation stated in PGCPS Board of Education Policy 0109.

In the PGCPS Procurement Manual, Purchasing Office rules further state restrictions on Gifts and Gratuities as follows: It is the policy of PGCPS to decline personal gifts or gratuities in connection with a purchasing function. Board members, school officials, and employees must comply with ethics and conflict of interest Board Policies 0107, 0109, and 4116. Members of the Board of Education, District officials and employees are specifically forbidden to solicit, accept or receive, either directly or indirectly, for any person, firm or corporation to whom any purchase order may possibly be awarded by rebate, gift or otherwise, any money loan, gratuity, favor or anything of value or any promise, obligation or contract for future reward or compensation. Note: Accepting inexpensive gifts of nominal value, such as advertising items of general distribution, e.g., pens, calendars and the like are acceptable, under this policy. Reference link: <https://www1.pgcps.org/generalcounsel/boardpolicies/bp0000.aspx> .

Pursuant to the Board of Education ethics policy and procurement rules, individuals are not allowed any compensation or value for such activity; it is strictly forbidden. The policy says any gifts or gratuity of \$25 cumulative in the course of a year. Procurement Department and PGCPS personnel are not allowed any amount when in course purchasing contractual awards.

- b. All issued Invitation for Bid documents will comply with USAC guidelines, and Prince George's County and State of Maryland procurement regulations.

The Purchasing Department will conduct a formal advertised competition using sealed bids or proposals to be publicly available for 28 days (after the posting of the USAC Form 470 or the RFP/IFB, whichever is later). FCC rules require that the cost of the eligible goods and services be the primary factor in the selection process. (See pages 24 and 25 of PGCPS's Procurement Manual for more detailed information about soliciting bids and proposals.) Reference link: <https://www1.pgcps.org/purchasing/index.aspx?id=42240>



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PGCPS bids are advertised at:

- eMaryland Marketplace: <https://procurement.maryland.gov/>
- PGCPS Procurement Opportunities/Solicitations (posted by Purchasing): <https://www.pgcps.org/purchasing/bids.aspx>

Bidders cannot be on USAC's debarment list and cannot be on the Maryland State debarment list.

Bidders (service providers) may not be involved in the preparation or certification of PGCPS' Form 470 or RFPs/ IFBs.

The Purchasing Department keeps copies of all E-rate related competitive bidding information for a period of at least five years after the last day of service delivered to prove compliance with the statute and Commission rules regarding the form for, receipt of, and delivery of services receiving schools and library discounts. Documents include, but are not limited to RFPs/IFBs including evidence of the publication date and advertisement; documents describing the bid evaluation criteria and weighting, bid evaluation worksheets; written correspondence between PGCPS and prospective bidders regarding products/services sought; all bids submitted (winning and losing); and documents related to the selection of service provider(s).

The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). See section VI- Document Retention of this administrative procedure for more details.

PGCPS IT will retain all FCC Form 470s and RFPs/IFBs.

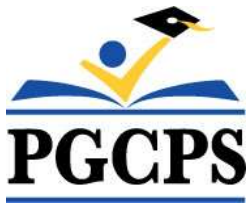
C. USAC Step 2 - Selecting Service Providers

Reference Link: <https://www.usac.org/sl/applicants/step02/evaluation.aspx>

1. PGCPS Procedures to Select a Service Provider

Responsible Divisions/Offices: The Purchasing Department and evaluators of the bid.

The FCC requires that PGCPS must select the most cost effective provider of desired products or services eligible for support, with the price of the eligible



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goods and services as the primary factor. This means that cost of eligible products or services must be the primary factor in the selection process and is weighted more heavily than any other factor; including other price factors such as contract termination fees, ineligible equipment costs, TCO, etc. Cost of eligible products or services must be the primary factor used in the evaluation criteria of service provider(s), but cost does not necessarily have to be the deciding factor. The other factors must be relevant to the selection process. Selection may not be made until the conclusion of the 28-day waiting period from the time the *Description of Services Requested and Certification Form* (Form 470) is posted on the USAC website or after public availability of the RFP, whichever is later. All documentation pertaining to the competitive bidding process and vendor selection must be saved for five years from the last date to receive service.

The Purchasing Department and bid evaluators work together to select a service provider. The SLD provides the following as examples of acceptable criteria that can be used during the evaluation process along with price: “prior experience including past performance; personnel qualifications including technical excellence; management capability including schedule compliance; and environmental objectives.”

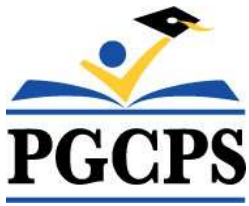
PGCPS procurement rules and policies must be followed to guide the process of scoring the proposals received from potential service providers.

Reference Link for PGCPS Procurement Manual:

<https://www1.pgcps.org/purchasing/index.aspx?id=42240>

Evaluation criteria must conform to SLD requirements that cost must be the primary factor used in the evaluation of service provider(s). Each person on the evaluation committee scores bids and then the scores are aggregated to arrive at a total score for each service provider. Copies of each individual score sheet must be maintained for document retention purposes - See section VI- Document Retention of this administrative procedure for more details.

- a. PGCPS must make the price of E-rate ELIGIBLE goods and services the primary factor in the selection of a vendor when evaluating any proposal involving E-rate funding.
<https://www.usac.org/sl/applicants/step02/evaluation.aspx>
- b. The price of E-rate ELIGIBLE goods and services must be the most heavily weighted factor in the Bid Evaluation Matrix.
<https://www.usac.org/sl/applicants/step02/evaluation.aspx>



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- c. The FCC requires that the winning proposal will be the most cost effective service or equipment offering.
- d. All E-rate contracts with a value in excess of \$25,000 must be presented to the Board of Education for approval at a duly authorized Board meeting. The Chief Executive Officer presents the contracts to the Board for approval. The Purchasing Office approves contracts with a value less than \$25,000.
- e. The Purchasing Department will provide Accounting/Accounts Payable with copies of contracts and/or purchase orders issued for E-rate services for reference and validation of revenues and accounts receivable.

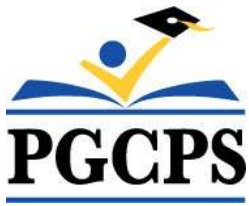
The Purchasing Department shall maintain records for the Competitive Bidding Process for all E-rate related RFPs for a period not less than five years from the last date of received service. All E-rate related services, regardless of price, shall be competitively bid unless there was a competitive bid in a prior year offering a multi-year contract, or month to month services contract.

2. One proposal/No proposals received in response to a Form 470/RFP

If PGCPS receives one bid or no bids in response to a Form 470/RFP, the District will memorialize this fact with an email or a memorandum to the file stating the process that the District performed to select the vendor.

If the District did not receive any proposals after the 28-day waiting period, the District will contact service providers to solicit proposals and then review and evaluate any proposals received as a result. The District will document all of the actions taken to solicit proposals. PGCPS will also follow our state and local procurement rules that might require certain actions when this situation occurs.

In cases where PGCPS received only one proposal, the District will memorialize this fact with an email or memorandum to the file. This document will demonstrate that the District only received one proposal for the requested services if questioned during an audit. All approved vendors will be notified by an award letter, purchase order and/or signed contract after the 28 day waiting period of the posted Form 470 or RFP, whichever is later, after the evaluation process is completed and the winning proposal has been approved by the Board of Education.



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Retention of records shall include: bid announcements and the length of time each bid is posted; copies of the RFP, the evaluation tool, completed evaluations, evidence of Board of Education approval (Board meeting minutes), award letter to vendor, purchase order and/or contract to the awarded vendor. See section VI- Document Retention of this administrative procedure for more details.

D. USAC Step 3 – Applying for Discounts

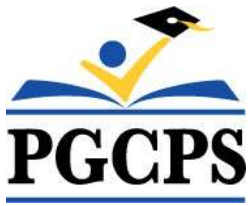
Reference link: <https://www.usac.org/sl/applicants/step03/default.aspx>

1. PGCPS must calculate the discount percentage that the schools are eligible to receive. Schools may only be reimbursed according to the appropriately calculated E-rate discount level.
 - a. The discount is determined using the discount matrix. Reference link: <https://www.usac.org/sl/applicants/step03/discounts.aspx#school-district>
 - b. The matrix is usually based on the school's participation in the National School Lunch Program.
2. Alternative methods for calculating the E-rate discount level for a school may also be used, e.g., a survey:
 - a. <https://www.usac.org/sl/applicants/step03/alternative-discounts.aspx>
 - b. Schools may only be reimbursed according to the appropriately calculated E-rate discount level
3. PGCPS Procedures for Calculating the Discount Level

Responsible Divisions/Offices: PGCPS IT, Food and Nutrition Services Department.

The Form 471 – *Services Ordered and Certification Form* is used to calculate the discount and begins by listing the recipients of services for support. Detailed information about calculating the percentage discount and completing the Block 4 – Discount Calculation Worksheet can be found in the Form 471 instructions document:

Reference link: <https://www.usac.org/sl/applicants/step03/alternative-discounts.aspx>



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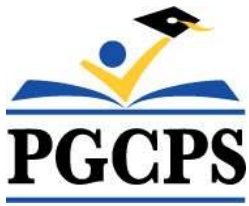
The Free and Reduced-Price Meals data has been the basis for PGCPS calculations to date. If PGCPS plans to start utilizing alternative discount mechanisms, the E-rate Administrative procedures will be revised before the District implements an alternative discount mechanism. The revised procedures will state how the District will make determination to use Free and Reduced Data or an alternative mechanism when calculating the discount percentage.

On Oct. 31st of each year or soon thereafter, the Food and Nutrition Services Department will prepare and supply IT with the Official District Eligibility Report which consists of all validated Free and Reduced-Price Meals data. The Official District Eligibility Report contains the list of District schools and their respective numbers of Free and Reduced-Price Meal students, and the resulting percentages. This includes underlying student data (adhering to disclosure statement requirements) as well, in order to provide responses in the event of FCC or USAC audits. This is the official/validated data sent to the Maryland State Department of Education.

Once PGCPS IT receives the Official District Eligibility Report from the Food & Nutrition Services Department, the E-rate discount for each school and the resulting overall E-rate discount level is calculated. Calculations are dependent upon services requested for specific projects; District-wide and school groupings as well. FCC Rules include a discount matrix that takes poverty level and the urban or rural location of the participating entity into consideration. Additionally, PGCPS calculates its shared discount by calculating a weighted average of the discounts of all individual schools included in the school district. PGCPS IT will validate the Free and Reduced data reported on the Official District Eligibility Report to the data posted on the Maryland State Department of Education's website: <http://marylandpublicschools.org/programs/pages/school-community-nutrition/freereducedpricemealstatistics.aspx> before posting the Forms 471. All non-instructional facilities (i.e. administrative offices) will be listed on the Form 470 in Block 4 as a zero student count.

PGCPS keeps copies of all E-rate related information for a period of at least five years after the last day of service delivered to prove compliance with the statute and FCC Rules regarding the form for, receipt of, and delivery of services receiving schools and discounts. The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). See Section VI- Document Retention of this administrative procedure for more details.

PGCPS IT archives the Official Free and Reduced-Price Meals data that is received from Food & Nutrition Services, as well as the discount level calculation.



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The validated Free and Reduced data posted on the Maryland State Department of Education’s website will be retained with the Official District Eligibility Report for each Fund Year. The Food & Nutrition Services office keeps individual scanned Free & Reduced Meals Family Applications for a period of at least five years after the last date of service.

E. USAC Step 4 – Application Review

Reference link: <https://www.usac.org/sl/applicants/step04/default.aspx>

USAC reviews all Services Ordered and Certification Forms (Forms 471) to verify the accuracy of discount percentages and ensure that support is committed only for eligible products and services

PGCPS Procedures for Undergoing Application Review

Responsible Divisions/Offices: PGCPS IT and support offices; e.g., Food & Nutrition Services, Purchasing, and Accounting/Accounts Payable

PGCPS can help speed up the application reviews by:

- Submitting a complete Form 471 including required certifications and item 21
- Responding to requests for additional or clarifying information within 15 days
- Verifying that USAC has correct contact information (applicant and/or consultant)

If USAC decides that PGCPS will undergo selective review, IT will be responsible for providing USAC with any requested documents and/or information.

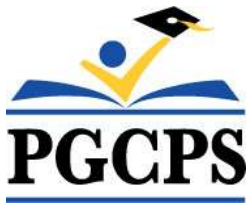
<https://www.usac.org/sl/applicants/step04/selective-review.aspx>

Reference link for a Sample Selective Review Information Request:

<https://www.usac.org/sl/applicants/step04/selective-review.aspx>

The areas covered during a Selective Review and the PGCPS departments responsible for obtaining the requested documentation:

- **Competitive Bidding** (e.g., RFPs, proposals, bid evaluations, contracts) - IT and Purchasing
- **Budget** – IT, Budget and Accounting
- **Necessary Resources** – IT



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See the sample Selective Review Information Request form for the full listing of potential requested items (link referenced above).

In the event of a Selective Review, PGCPS IT will create a file to store any documents that USAC requests for the selective review process.

PGCPS keeps copies of all E-rate related information for a period of at least five years after the last day of service delivered to prove compliance with the statute and Commission rules regarding the form for, receipt of, and delivery of services receiving schools and library discounts. The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). See section VI- Document Retention of this administrative procedure for more details.

F. USAC Step 5 – Starting Services

Reference link: <https://www.usac.org/sl/applicants/step05/default.aspx>

After PGCPS has received the Funding Commitment Decision Letter (FCDL) and the delivery of services has started, PGCPS must file an FCC Form 486 to inform USAC of the following:

1. PGCPS has been approved for discounts and services have started
2. PGCPS is in compliance with the Children’s Internet Protection Act (CIPA) or CIPA does not apply because the application was for telecommunications services only

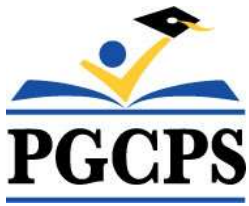
Once USAC has approved the FCC Form 486 and PGCPS has started receiving services, invoicing can begin for the discounted costs of the approved products or services.

G. USAC Step 6 - Invoicing

Reference link: <https://www.usac.org/sl/applicants/step06/default.aspx>

When USAC processes an invoice for a Funding Request Number (FRN), the way USAC is invoiced is set for that particular FRN and cannot be changed. See methods of invoicing below:

1. Invoicing Method #1



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Applicants file the FCC Form 472 (Billed Entity Applicant Reimbursement (BEAR) Form) if they have paid the service provider in full for the products or services and want to be reimbursed for the discount amount.

USAC will review the invoice and will pay the applicant if payment is approved. Billed entities will receive payment directly to their bank account. In order to receive direct BEAR payments, the applicant must have first obtained an applicant 498 ID by certifying an FCC Form 498 (Service Provider and Billed Entity Identification Number and General Contact Information Form). USAC will request and review additional documentation before it approves the form and issues the applicant 498 ID.

2. Invoicing Method #2

Service providers file the FCC Form 474 (Service Provider Invoice (SPI) Form) if they have provided discounted bills to their customer and want to be reimbursed for the discount amount.

USAC will review the invoice and will pay the service provider if payment is approved. Note that applicants are required to pay the non-discount portion of the cost of the services. USAC may ask for verification that the applicant has paid its non-discount share before paying an invoice.

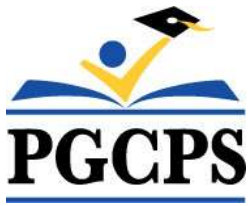
After eligible services have been delivered, service providers and PGCPS may submit invoices for Universal SF Support. FCC rules require USAC to pay universal service support to service providers and not directly to PGCPS. Two invoice methods (Service Provider Invoice (SPI) and Billed Entity Applicant Reimbursement (BEAR) Form) and program forms exist.

SPI (Form 474) – Service providers submit the Form 474 to USAC seeking payment for services.

BEAR (Form 472) – Both PGCPS and the service provider jointly submit the Form 472 to USAC seeking payment for services. See <https://www.usac.org/sl/applicants/step06/form-472-filing.aspx> for more information regarding BEAR forms.

The Form 472 must be postmarked or received no later than 120 days after the last date to receive service, or no later than 120 days after the date of the Form 486 Notification Letter, whichever is later.

3. PGCPS Procedures for Invoicing USAC



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Responsible Divisions/Offices: PGCPS IT, Accounting/Accounts Payable, Assistant Treasurer’s Office.

PGCPS IT will receive all E-rate related invoices from service providers. The PGCPS IT E-rate designee and other PGCPS IT staff, as appropriate, will review the invoices to verify receipt of equipment (comparing to the Asset register) or services rendered. If there are any discrepancies with the service provider invoices, PGCPS IT will contact the service provider before approving the invoice for payment; information and outcome will be documented. The invoices will be reconciled to remove all ineligible products or services before completing and submitting the BEAR form to USAC seeking payment for services.

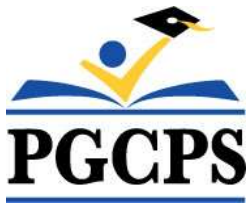
A copy of the reconciled invoice will be retained in PGCPS IT and the approved invoice will be forwarded to Accounts Payable for payment. All invoices will be approved by the PGCPS IT E-rate designee before payment is rendered. Once the invoice is paid, Accounts Payable will forward a copy of payment and paid invoice to PGCPS IT to be filed with the E-rate documentation for that Fund Year. The Manager of Accounts Payable will solicit the Accounting Operations Department to assist in this documentation process as necessary. Accounts Payable will maintain a log of invoices that are forwarded to IT.

NET 30 are the terms for all vendors unless a discount has been agreed to inside of 10, 15, or 20 day payment of invoices. We exercise options on such agreements to maximize savings. PGCPS pays vendors after receiving the invoice from the service provider and then uses the *BEAR* (Form 472) to invoice USAC. PGCPS IT will work with Accounts Payable to ensure all invoices are paid within the agreed upon timeframe.

The PGCPS IT E-rate designee will complete the *BEAR* (Form 472) for submission to SLD. PGCPS and the service provider will **jointly** submit the form to USAC for reimbursement. This action can be taken:

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

The original copy of the Form 472 will be sent to SLD, a copy will be sent to the Manager of Accounting Operations and a copy will be retained in PGCPS IT. The Manager of Accounting Operations requires copies of the forms to anticipate revenue recordation going forward. PGCPS will record the amounts



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verified in the SLD Notification Letter in applicable E-rate accounts; e.g., accounts created for 1) Accounts Receivable – E-rate; and 2) Revenue – E-rate.

USAC will issue a *BEAR Form 472 Notification Letter* to both PGCPS and the service provider(s) upon successful data entry of the Form 472.

Invoices must be postmarked:

- 120 days after the last date to receive service, or
- 120 days after the date of the Form 486 Notification Letter, whichever is later.

If an invoice is postmarked after the deadlines, payment will be denied. USAC provides for extension of invoice deadlines under certain conditions.

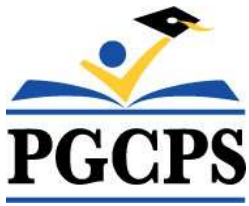
FCC Rules require USAC to pay Universal Service support to the service provider. Once the service provider has received payment from USAC for BEAR forms, the service provider is expected to issue a check to the school district no later than 20 business days after receipt from the fund administrator, and prior to tendering or making use of the payment issued by USAC to the service provider of the approved discounts for the *BEAR* form.

USAC will send the automatically generated Quarterly Disbursement Report to the PGCPS contact listed on the Form 471. PGCPS IT will use that USAC Quarterly report to monitor disbursements to the District.

USACs Quarterly Reimbursement Report will indicate disbursements made to all of the PGCPS vendors and the date the reimbursement was sent to them. PGCPS will count 20 days from that date the check was sent to vendors to estimate the expected date PGCPS will receive payment from the vendor. After the 20 days has expired (or before then), if PGCPS has not received funding from the vendor, PGCPS IT will contact the vendor(s) and inquire about the reimbursement owed to the District. IMPORTANT! PGCPS will document all communications with the vendors about reimbursements owed the District.

PGCPS IT will call the vendor to let them know that they should have already received payment from USAC. If the vendor states they have not received payment, the vendor should be advised to contact USAC to see if the payment has cleared, or if USAC needs to research the issue so PGCPS will get funding.

Receipt of Payment: When payment is received by IT, checks will be logged for tracking purposes and sent to the Accounting Operations office for recording. The responsible accountant will apply the payment against the appropriate



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receivable account and forward the check and related documentation to the Assistant Treasurer’s office to deposit the check.

Certain deadlines apply:

Service delivery link: <https://www.usac.org/sl/applicants/before-youre-done/default.aspx>

Invoices link: <https://www.usac.org/sl/applicants/step06/invoice-deadline-extensions.aspx>

PGCPS may decide to utilize the Form 474 – SPI method in the future. This Administrative procedure will be updated accordingly.

PGCPS IT will keep all invoices, copies of payment, copies of Form 472s, and all E-rate related information for a period of at least five years after the last day of service delivered to prove compliance with the statute and Commission rules regarding the form for, receipt of, and delivery of services receiving schools and library discounts. The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). See section VI- Document Retention of this administrative procedure for more details.

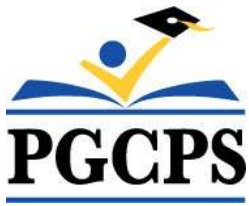
H. USAC Before You’re Done

If it is determined that PGCPS needs to make changes to the funding commitment after the FCC Form 471 *Services Ordered and Certification Form* has been filed and the FCDL has been received, the FCC Form 500, *Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form* will be filed to advise the fund administrator as soon as PGCPS is aware of new circumstance requiring adjustments of FRNs and as soon as possible. A Form 500 may be filed no earlier than the receipt of an FCDL from USAC.

The Form 500 must be filed to accomplish the following:

- To adjust the Funding Year Service Start Date reported on a previously filed Form 486 for this Funding Year
- To adjust the Contract Expiration Date listed on your Form 471 application for this Funding Year
- To cancel irrevocably and totally a Funding Request Number (FRN)
- To reduce irrevocably the amount of a Funding Request Number (FRN)

I. SPIN Change/Service Substitutions Requests



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If PGCPS needs to file a SPIN change request, the District will submit a copy of the SPIN change request with the Form 486. For information on filing a SPIN change request, see <http://www.usac.org/sl/about/changes-corrections/spin-change-guidance.aspx>.

If PGCPS has a need to file a Service Substitution request, the District will follow the USAC procedures for filing a service substitution. For more information see <http://www.usac.org/sl/about/changes-corrections/service-substitutions>.

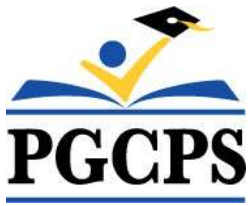
PGCPS IT maintains and archives copies of all Form 486s, Form 500s, SPIN Changes / Service Substitutions requests and other E-rate related information for a period of at least five years after the last day of service delivered to prove compliance with the statute and Commission rules regarding the form for, receipt of, and delivery of services receiving schools and library discounts. The suggested list of documents to be retained can be found in Paragraphs 45-50 in the FCC's 5th Report and Order (FCC 04-190). See section VI- Document Retention of this administrative procedure for more details.

IX. MONITORING AND COMPLIANCE:

- A. All initiatives, even those initiated by individual schools must be approved by the Chief Information Technology Officer on behalf of the school District.
- B. For USAC/SLD Audit purposes, PGCPS and service providers must retain all records related to the application for, receipt, and delivery of discounted services for a period of five (5) years after the last day of service delivered for a particular Funding Year. Documents include receipts and delivery records relating to the technology plans, pre-bidding, bidding, contracts, application process, invoices, provision of services, and other matters relating to the administration of the Universal Service Fund.
- C. PGCPS IT will work with Accounts Payable to ensure all invoices are paid within the agreed upon timeframe.

X. RELATED PROCEDURES: Administrative Procedure 4160, Employee Conflict of Interest.

XI. MAINTENANCE AND UPDATE OF THESE PROCEDURES: This Administrative Procedure originates with the Division of Information Technology and will be updated as necessary.



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- XII. **CANCELLATIONS AND SUPERSEDURES:** This Administrative procedure cancels and supersedes Administrative Procedure 0706 dated February 15, 2010.
- XIII. **EFFECTIVE DATE:** July 31, 2019

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11