

# Document Retention Requirements

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The FCC's July 2014 E-rate Modernization Order expanded the E-rate documentation requirement for both applicants and service providers from five years to 10 years from the last date to receive service, or equipment delivery date, whichever is later. This requirement relates to all documentation related to pre-commitment, contracting, post-commitment, invoicing and all backup data that supports the certifications made on any E-rate application. The current document retention requirement became effective on November 20, 2014.

Generally, the last date to receive service is considered the final day of the funding year. For example: For FY 2021, the upcoming funding year, the last date to receive recurring service is June 30, 2022. All documents related to FY 2021 must be kept through June 30, 2032. For multi-year contracts, contract documentation and bids must be kept 10 years from the last date of service under the contract, even if the contract was competitively bid 15 years ago. For example: If a five year contract started July 1, 2016 and expires June 30, 2021, all documents related to this contract, including original competitive bidding documents, must be kept through June 30, 2031.

Because this is an E-rate rule, rather than simply a procedural requirement, violations can 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.

All applicants and service providers are required to retain receipt and delivery records relating to pre-bidding, bidding, contracts, application process, invoices, provision of services, and other matters relating to the administration of universal service for a period of at least ten years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

For example, if a service provider provides Internet access to an applicant for Funding Year 2015 (July 1, 2015 - June 30, 2016) both the applicant and the service provider must retain all records on this transaction until at least June 30, 2026.

Required documents to be retained include the following

- **Pre-bidding Process.** If applicable, beneficiaries must retain the technology plan and technology plan approval letter for funding years when technology plans were required. 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 and service providers must retain executed contracts. All amendments and addendums to the contracts must be retained, as well as other agreements relating to E-rate between the beneficiary and service provider, such as up-front payment arrangements and all change orders or documentation for verbal change orders.
- **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, including budgets; and documents used to prepare the description of services/equipment as itemized in Funding Requests on Form 471.
- **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 record. 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. Note: As of July 1, 2016, all BEAR reimbursements will be made through electronic funds transfer directly to the applicant's bank account and vendors no longer serve as the pass-through agent for BEAR reimbursements.
- **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 Form 470 and Form 471 and certification pages (if not certified electronically), Form 479, Form 486, Form 500, 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, Form 474 and 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. Beginning with Funding Year 2016, most of the USAC forms and correspondence are issued through and retained in the EPC portal. Applicants should continue to keep all other records and backup documentation to validate or substantiate the data that was provided on the forms.

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
- Missing invoices and cancelled checks
- Bid evaluation documentation

# E-rate Audits

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Safeguarding the integrity of universal service program activities involves important responsibilities for both USAC and program participants. USAC must take in, process, and evaluate information received from program participants and universal service fund contributors in an accurate, timely fashion. Beneficiaries must provide USAC with full, correct information and comply with program rules.

To ensure the highest level of program integrity, USAC conducts audits of beneficiaries. USAC operates the Beneficiary and Contributor Audit Program (BCAP) and Payment Quality Assurance (PQA) Program.

## **BCAP – Beneficiary and Contributor Audit Program**

USAC is committed to collecting universal service contributions and disbursing payments to program beneficiaries that are accurate, properly documented, and in compliance with rules established by the Federal Communications Commission (FCC).

The Beneficiary and Contributor Audit Program (BCAP) is designed to measure rates of program compliance among universal service beneficiaries and contributors. USAC utilizes audit approaches tailored to both the distinctive features of the participant's organization and the specific amounts of money being audited. Carried out by auditors trained in universal service contributor and program audit requirements, these audits serve to identify areas of non-compliance with program rules and amounts of recoverable funds. The audits are designed and conducted so as not to impose undue demands in time or energy on program participants. USAC worked closely with the Federal Communications Commission (FCC) to develop and implement this program.

## **Overview**

The primary purpose of audits is to ensure compliance with FCC rules and program requirements (the Rules) and to assist in program compliance. Audits can be randomly selected or targeted to include a wide variety of entities with regard to size and geographic location. Selection for an audit is not necessarily an indication that USAC believes problems exist.

Beneficiary and service provider audits may be performed by USAC's internal audit staff, the FCC Office of Inspector General, Inspectors General of other federal agencies, or a firm under contract to USAC or the FCC. Please feel free to contact USAC's Audit Team by email at [auditinquiry@USAC.org](mailto:auditinquiry@USAC.org) if you have any concern as to the proper identity of any individual contacting you regarding an audit.

An announcement letter is sent detailing the purpose and scope of the audit, identifying the personnel who will be performing the audit, making a request for pertinent data, and stating the date upon which the documentation is due. Typically a beneficiary will be contacted by USAC two to three weeks prior to the start of an audit to assure that the appropriate personnel and documentation will be available. The anticipated duration of an audit can vary depending on the quantity, size, and dollar value of the funding involved.

## **How USAC Conducts Its Audits**

USAC obtains documentation to support the:

- Applicant eligibility
- Competitive bidding process
- National School Lunch Program (NSLP) discount calculations
- Disbursements
- Children's Internet Protection Act (CIPA); and
- Delivery or installation of eligible products and services
- Technology planning, as appropriate (Funding Year 2014 and prior)

To prepare for an audit, applicants should have certain documentation available for the auditors. See USAC Audit Documentation Checklist.

## **Audit Reporting**

A USAC audit may identify conditions that are categorized as an audit finding or an "other matter." An audit finding is a condition that shows evidence of noncompliance with FCC regulations and orders set forth primarily in 47 C.F.R., as well as other program requirements (collectively, the Rules). An "other matter" is a condition that does not necessarily constitute a Rule violation, but warrants the attention of the auditee and USAC management. The audit findings and "other matters" will contain background information, the audit step performed, the condition noted, and the basis for the condition noted. After the audit is completed, an exit conference will be held with the auditee to review the results of the audit and the next steps of the process.

The auditee will be given an opportunity to provide a response to the audit findings and "other matters" (if any) within five business days – unless advised otherwise by the auditor. USAC management will review the auditee's response, and will prepare a response to address the conditions and note corrective actions as necessary.

Both the auditee and USAC management responses will be incorporated into the draft report and submitted to the USAC Board of Directors to be deemed final. The USAC Board of Directors may request USAC management to reassess any aspect of the report prior to the report becoming final. Once finalized, both the auditee and the FCC will receive copies of the audit report. The final report may be made available to the public upon request.

## **Common Audit Findings**

- Entity did not retain documentation to show compliance with competitive bidding requirements
- Entity invoiced USAC for ineligible products or services
- Entity did not pay their non-discounted share to the service provider within 90 days of delivery of service.
- Applicant was not in compliance with CIPA.
- Products or services were received by an ineligible entity.
- Entity did not retain documentation to support discount calculation data as indicated on the Form 471

- Discrepancies existed in the total student and/or NSLP student count
- The non-discount portion of the cost of services provided was not paid in a timely manner
- Service provider bills did not list the details of services and/or equipment provided
- The applicant could not produce copies of all service provider bills received
- Equipment and/or services were ineligible
- Equipment was not installed
- Equipment could not be located
- The applicant was unable to make effective use of the discounted services
- Consortium was missing Letters of Agency (LOA)

### **Steps to Minimize Audit Findings**

- Document, document, document. Retain appropriate and adequate documentation to support filings, eligibility requirements, data, etc. FCC rules require most beneficiaries to keep documentation for a set number of years (e.g. ten years from disbursement).
- Get organized. Organize your documentation and filings in a logical manner so that transition of responsibilities is seamless.
- Provide sufficient detail on all bills, invoices, and communications with vendors/applicants.
- Review data reported for accuracy prior to submitting to USAC. Check the specifics.
- Ask questions about documentation or data or program requirements. Use USAC as a resource throughout the year.
- Throughout the funding year, obtain copies of necessary documentation (i.e., copies of service provider bills, cancelled checks, contracts, equipment delivery documentation, maintenance documentation, etc.) and keep in a central location.
- Keep equipment inventory up-to-date.
- Perform reconciliation of service provider bills with invoices submitted to USAC using the Form 472

To prepare for an audit, you should have the following documentation readily available for the auditors:

### **Applicant Eligibility**

Documentation to support eligibility, such as:

- For schools - Accreditation, Charter, or other documentation that supports that the entities receiving discounted service meet the state's definition of Elementary or Secondary School
- For libraries – Documentation that shows the entities receiving discounted service are eligible to receive funds from a State library administrative agency under the Library Services and Technology Act (LSTA)
- For non-public schools or libraries – documentation that supports that the school or library is a non-profit entity

### **Competitive Bidding**

Documentation to support competitive bidding, such as:

- Copies of state and local procurement regulations and procedures, if applicable
- Copy of procurement policy and/or procedure
- Overview of the service provider selection process including criteria and weighting of the criteria
- RFPs issued
- Copies of all bids received (winning and losing)
- Written correspondence between the applicant and any prospective bidders
- Bid evaluation documentation including evaluation worksheets

- Meeting minutes, sign-in sheets, and/or meeting agendas where bid evaluation was discussed
- Contracts for supported services
- List of all service providers supplying discounted services including contact information
- Documentation of any SPIN change request including copy of notice to original service provider
- Documentation to support that the selected services and/or equipment was cost effective
- Any other available documentation concerning bid evaluation

### **Discount Calculation**

Documentation to support the discount calculation, such as:

- For individual schools and school districts - Supporting worksheets or reports that were used to populate the discount calculation information
- Copies of any policies and/or procedures related to the discount calculation process or methodology (i.e. – NSLP, surveys, CEP, Provision 1, 2, or 3, etc.)

### **Disbursements**

Documentation to support disbursements, such as:

- Detailed procedures for validating and processing service provider bills and submitting invoices to USAC (if applicable)
- Copies of service provider bills for supported services
- Reconciliation by FRN of service provider bills to invoices submitted to USAC (if applicable)
- Documentation of payment (canceled checks or ACH transfers) for services to service providers
- Documentation showing receipt and deposit of any reimbursement amounts received

### **Children's Internet Protection Act (CIPA)**

Documentation to support compliance with CIPA, such as:

- Copy of the Internet safety policy or acceptable use policy
- Documentation of the adoption of the Internet safety policy
- Documentation supporting that reasonable public notice was given for the public hearing
- A copy of the minutes and the date of the public hearing regarding the Internet safety policy
- A description of the Technology Protection Measure used
- A copy of a report (if applicable) from the Technology Protection Measure for the Funding Year(s) subject to audit ((i.e., reports from the service provider of internet sites blocked, bills from the service provider verifying that the filter was operational, etc.)
- Copies of Forms 479, Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act (CIPA) and/or Forms 486, Receipt of Service Confirmation, as applicable

### **Services**

Documentation to support services, such as:

- Summary of the technology environment and a high-level network diagram
- Summary of the use of the supported service and/or equipment
- Any other documentation on the services (such as training and workstations) necessary to make effective use of Schools and Libraries Program discounts
- List of Schools and Libraries Program supported services and/or equipment including references to vendor bill, USAC invoice, serial number, and current physical location
- Documentation verifying date of receipt of services and/or equipment

- For Basic Maintenance of Internal Connections – documentation to support that the funded service was received
  - For Basic Maintenance of Internal Connections – Service/Maintenance Logs detailing the eligible maintenance performed on E-rate eligible equipment

#### **Other**

- Copies of all forms submitted to USAC and all letters/notifications received from USAC
- OMB A-133 audit, if applicable
- Reports of any other audits conducted that relate to either the Schools and Libraries program or the National School Lunch Program (NSLP)
- Copies of financial statements and annual budgets for the Funding Year(s) under review
- Copy of the records retention policy
- List of individuals including staff, service providers, and consultants that work on Schools and Libraries Program- funding requests, as well as their roles and responsibilities
- Any correspondence from or to USAC, the FCC, potential service providers, or any individuals listed above
- For consortia and consultants - Letters of Agency

#### **Additionally, you should have the following people available to answer questions:**

- Person who managed the bidding and award process
- Person who reviews and approves vendor bills
- Person who prepares invoices
- Person who writes checks, makes deposits, and reconciles the bank account
- Person knowledgeable about the network and the location of equipment

### **Payment Quality Assurance (PQA) Audit Program**

The Payment Quality Assurance (PQA) Program allows USAC to provide the Federal Communications Commission (FCC) with information about improper payments to program beneficiaries, as required by the Improper Payments Information Act of 2002 (IPIA) and the Improper Payments Elimination and Recovery Act of 2010 (IPERA). Under this program, USAC assesses specific payments made to select beneficiaries in all four programs to determine if these payments were made in accordance with FCC rules. Using results of these assessments, USAC calculates estimates of improper payment rates and provides this information to the FCC.

Pursuant to FCC rules, participation in the PQA Program is compulsory for any universal service beneficiaries selected for assessment.

#### **The PQA Process**

When selected, PQA participants receive a letter by email from USAC. This letter will specify the payment under assessment, instructions about what information and documents to gather, and how to submit these materials.

Beneficiaries have 10 business days from the date of the first notification letter to gather and submit the materials requested for carrying out the payment assessment. The time required to produce documents will vary, depending on the volume, complexity, and accessibility of documents requested. Generally speaking, if you need more time, extensions may be obtained by contacting the person who sent you the PQA document request.

PQA participants from the Schools and Libraries Programs will have to submit formal confirmation that they have received and utilized goods and/or services associated with the payment being assessed as well as their eligibility under Federal Communications Commission (FCC) rules for such receipt and use.

### **Follow-Up**

In some cases, USAC will use audit follow-up procedures defined by the Office of Management and Budget to recover funds that are identified as improper payments. PQA processors are available by phone to assist participants with understanding and fulfilling program requirements. A unique case number assigned by USAC is also included in the letter for you to associate all documents and communications related to the assessment.

The materials requested include the following (taken directly from a PQA Audit Letter):

1. Non-public entities only: A document that indicates the beneficiary's non-profit or government subdivision/unit status. Examples include: most recent audited financial statement (stating the type of entity or requiring compliance with Single Audit procedures) or IRS Not-for-Profit Determination Letter.
2. Non-public entities only: A document that indicates status as a primary/secondary school/district, or library eligible under Library Services and Technology Act (LSTA). Examples include: website, or other published or official document.
3. For libraries only: The general budget for the library or library system's finances related to the funding year under review.
4. List of all entity names and entity numbers (at the school/library branch level) that received products and/or services associated with the FRN identified on the notification letter. Please include the physical address and county of all entities.
5. Service Provider bill(s) related to the Customer Billed Date or Customer Service Product Delivery Date identified on the notification letter that support(s) the disbursement under review. Please follow the instructions below:
  - a. Note on the bill the Funding Request Number (FRN);
  - b. Circle on the bill the relevant products and/or services AND charges associated with the FRN under review; and
  - c. Note on the bill the date the beneficiary first received the products and/or services for the funding year under review.

NOTE 1: If the undiscounted charges filed with USAC were incurred over more than one month and/or on more than one bill, be certain to send ALL the bills over which these undiscounted charges were incurred.

NOTE 2: If any single service provider bill related to the FRN under review exceeds 20 pages, please contact PQA processor prior to submitting service provider bills for review.

6. Service Provider Invoice (SPI) Method Only: If the SPI method was used to invoice USAC, provide a copy of the service provider bill(s) showing the discount amount credited or a reimbursement check from the service provider for the disbursement amount under review.

NOTE 1: If providing a reimbursement check from the service provider, please also provide documentation showing it was deposited, such as the cancelled deposit slip or relevant bank statement.

NOTE 2: If the total amount on the discount credit or reimbursement check is larger than the disbursement under review, please provide the breakdown to substantiate that the disbursement is included in the discount or check total.

NOTE 3: If the discount amount credited consists of smaller credits that add to the disbursement under review, please provide all relevant bills and provide a reconciliation to show how the credits support disbursement under review.

7. Billed Entity Applicant Reimbursement (BEAR) Method Only: If the BEAR method was used to invoice USAC then a direct payment from USAC was received by the beneficiary. Provide a copy of the bank statement that shows the disbursement amount was deposited.
8. The Technology Plan Approval Letter for the FRN identified on the notification letter, except for requests for basic telephone services for all funding years, FY 2010 or later requests for Voice Over Internet Protocol (VOIP), FY 2011 or later funding requests for telecommunication services and internet access (Priority One service categories), or all FY 2015 or later requests.
9. Completed, printed, and signed Confirmation Letter, include ALL pages.  
NOTE: Please provide a detailed explanation for any "no" answers.
10. Provide all of the documentation listed below for the Service Provider selection process for the FRN under review.
  - Bid evaluation worksheet(s) including criteria and weighting of the criteria or documents that support the service provider selection process.
  - If one bid or no bids were received, please provide a statement to that effect.
  - Relevant contract(s) between the beneficiary and service provider, except for products and/or service covered by non-contracted tariff/month to month or State Master Contract.
11. Proof of payment to the service provider for the relevant service provider bill(s) Examples of the types of accepted documentation are listed below. One form of documentation from each bullet point is required in order to satisfy the testing requirements
  - Proof of payment, e.g. the front of the payment check(s), subsequent bill(s) showing payment received, or a credit card statement.  
AND
  - Proof the payment was deposited, e.g. the back of the payment check(s), monthly bank statement(s) showing the check(s) cleared, or a credit card statement.

12. If the FRN referenced above included funding for Internet Access, Internal Connections, or Basic Maintenance of Internal Connections, provide a brief description of how your entity was in compliance with the requirement of the Children's Internet Protection Act (CIPA), which states that a technology protection measure was in place that protected both adults and minors against obscene visual depictions or harmful web content, which could have been otherwise accessed through the beneficiary's computers. Please provide a statement to include the following:

- The name of the filtering product (e.g. Barracuda);
- The product title (e.g. Barracuda NG Firewall); and
- A description of the product's capabilities to secure the beneficiary's web content.

If applicable, the documentation could instead include, for example, the contract number for the technology protection measure.

NOTE: Minutes from a Board Meeting are NOT sufficient documentation.

13. Internal Connections Only, please provide the following documentation:

- An Excel spreadsheet of the asset and inventory records reflecting equipment purchased under the FRN referenced in this letter. This listing should include the following items:
  - o Make
  - o Model
  - o Serial number (if available)
  - o Current physical location (include entity name and room number)
  - o Date installed
  - o FRN
  - o Customer bill reference number(s)
- If the FRN included the installation of cabling, a floor plan or as-built drawings showing the locations of all cabling drops installed with the disbursement under review and all MDF/IDF locations.

# Commitment Adjustments / Recovery of Funds

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At times, USAC may conduct the following types of reviews and audits:

- Program Integrity Assurance (PIA)
- Audits
- Payment Quality Assurance (PQA)
- Invoicing
- Appeals
- Heightened scrutiny (e.g., competitive bidding, cost-effectiveness, special compliance, and other post-commitment reviews)

As a result of these reviews/audits, USAC may discover that certain funds were committed in error. The FCC requires USAC to rescind such commitments and recover funding that may have been improperly disbursed. USAC refers to this process as the Commitment Adjustment or "COMAD" process.

## Commitment Adjustment

If a COMAD action is necessary, USAC will provide both the applicant and the service provider with a Commitment Adjustment Letter (CAL) containing an Adjustment Report which lists the Funding Request Number(s) (FRNs), FCC Form 471 Application Number, Billed Entity Number (BEN), and Service Provider Identification Number (SPIN) affected by the COMAD action, as well as an explanation. [Note that some of these explanations may be insufficient and applicants may need to seek more information from USAC to determine whether there are grounds to contest the COMAD].

NOTE: COMAD Letters now are classified as a Revised Funding Commitments Decision Letters and may not clearly explain its purpose is to rescind some or all of previously approved funding. In the event you receive a revised funding commitment decision letter and it appears that the letter reduces previously approved funding, you should consider this to be a COMAD and ensure that you follow the deadlines for submitting an appeal, first to SLD and then later to the FCC if the SLD does not approve your appeal.

## Insufficient or Unclear Explanation for COMAD

If you receive a COMAD and do not understand the rationale for the funding reduction/rescission, you should open a customer service case in EPC, and request more detailed information about the reason for the COMAD. This information may be very important to assisting you in preparing an appeal to challenge the COMAD.

If a party wants to appeal the decision, information on how to prepare and submit an appeal is included in the letter. Please note that there is a very strict 60-day deadline for filing the appeal with USAC.

For Funding Year (FY) 2016 and later funding years, applicants and services providers receive CALs/Revised FCDLs in the E-rate Productivity Center (EPC) News feed. For FY 2015 and previous funding years, USAC emails the CAL/Revised FCDL to the contact person designated in EPC.

If the amount of funds disbursed to date exceeds the adjusted funding commitment amount, FCC rules require USAC to recover the funds disbursed in error. In these cases, USAC will send the CAL to the

responsible party (service provider, applicant, or both parties). USAC will copy the other affected party on the CAL.

If the amount of funds disbursed to date is less than the adjusted funding commitment amount, USAC will continue to process valid invoices up to the adjusted funding commitment amount. If funds need to be recovered, USAC will seek recovery from the party responsible for the COMAD action or rule violation.

In general, if funds need to be recovered, USAC will seek recovery from the responsible party.

### **Recovery of Improperly Disbursed Funds (RIDF)**

When USAC discovers that funds were disbursed in error but the decision to commit the funds was correct, USAC will seek recovery of the improperly disbursed funds (RIDF). For example, if USAC paid an invoice that included ineligible products or services along with the approved products and services, USAC would seek recovery for the costs of the ineligible items. Once the improperly disbursed funds are returned to USAC, USAC will resume paying invoices submitted for that FRN that are for approved, eligible products and/or services.

### **Returning Funds to USAC**

Funds may need to be returned to USAC as a result of a commitment adjustment or a recovery of improperly disbursed funds or when a service provider or applicant discovers they made an error on the BEAR or SPI.

If USAC discovers through an audit or other means that funds have been disbursed by USAC in error, USAC will initiate a process to recover the funds.

If an applicant or service provider has conducted their own internal review and has discovered that funds have been disbursed by USAC in error, the applicant or service provider must return the funds to USAC.

Following are examples of when funds must be returned to USAC. This list is not exhaustive:

- The amount requested on the FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form or the FCC Form 474, Service Provider Invoice (SPI) Form was too high due to a typographical error.
- The applicant or service provider invoiced USAC for one or more pieces of equipment that were later returned to the service provider.
- The amount requested on the BEAR or the SPI was not supported by the amount(s) on the customer bills (bills issued by the service provider to the applicant).
- The applicant or the service provider invoiced USAC before the eligible products/services were shipped or delivered (unless the terms of the contract specifically included this payment provision and the applicant was billed).
- USAC disbursed funds to a consortium that featured an entity which was not eligible to receive products/services.
- The E-rate Program disbursement check was not cashed within the appropriate time frame.

You must return all program funding electronically. Include with your payment a copy of your COMAD, including the funding commitment report, and the Schools and Libraries (SL) Program PID Worksheet. [https://www.usac.org/res/documents/cont/pdf/payments/USAC\\_498ID\\_II\\_PID.pdf](https://www.usac.org/res/documents/cont/pdf/payments/USAC_498ID_II_PID.pdf)

To prepare the electronic funds transfer, go to <https://efile.universalservice.org/EFilePayments/Webpay>.

Be prepared to submit the following information on the online payment form:

- BEN Name
- Billed Entity Number
- Funding Request Number
- Amount of payment
- Contact person's name, phone number and email
- Provide a narrative explanation of how to apply the payment in the comments or upload additional documentation.

The next screen will prompt you to either pay via bank account, credit card or debit card. Alternatively, instructions are available for submitting the payment through an ACH.