



E-Rate Funding—Guaranteed

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Recordkeeping (aka Document Retention)

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Introduction

On-Tech is a technology consulting firm focused on managing the E-Rate process for schools and libraries. We provide a full range of E-Rate services for applicants, including: handling the entire application process; consulting on construction projects to ensure maximum E-Rate funding; and reviewing proposals to ensure E-Rate compliance. In addition, On-Tech obtains E-Rate funding for school and library construction projects. On-Tech is not associated with any service provider.

Dan Riordan has been involved with the E-Rate since 1997, when he was trained by the New Jersey Department of Education to offer assistance to school districts in completing the application. Since then, he has worked on the E-Rate as a trainer, a district technology coordinator, and now a consultant.

What should you keep?

Below are three answers to this question.

The USAC Answer

“All applicants and service providers are required to retain receipt 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.”

The FCC Answer

From the Fifth Report & Order (FCC 04-190)

[W]e do not believe that an exhaustive list of [required] documents is possible. We base this conclusion on our knowledge that due to the diversity that exists among service providers and program beneficiaries, the descriptive titles or names of relevant documents will vary from entity to entity. To address commenters' concerns, however, we provide for illustrative purposes the following description of documents that service providers and program beneficiaries must retain pursuant to this recordkeeping requirement, as applicable:

- **Pre-bidding Process.** Beneficiaries must retain the technology plan and technology plan approval letter. If consultants are involved, beneficiaries must retain signed copies of all written agreements with E-rate consultants.
- **Bidding Process.** All documents used during the competitive bidding process must be retained. Beneficiaries must retain documents such as: Request(s) for Proposal (RFP(s)) including evidence of the publication date; documents describing the bid evaluation criteria and weighting, as well as the bid evaluation worksheets; all written correspondence between the beneficiary and prospective bidders regarding the products and service sought; all bids submitted, winning and losing; and documents related to the selection of service provider(s). Service providers must retain any of the relevant documents described above; in particular, a copy of the winning bid submitted to the applicant and any correspondence with the applicant. Service providers participating in the bidding process that do not win the bid need not retain any documents.
- **Contracts.** Both beneficiaries and service providers must retain executed contracts, signed and dated by both parties. 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.
- **Application Process.** The beneficiary must retain all documents relied upon to submit the Form 471, including National School Lunch Program eligibility documentation supporting the discount percentage sought; documents to support the necessary resources certification pursuant to section 54.505 of the Commission's rules, including budgets; and documents used to prepare the Item 21 description of services attachment.
- **Purchase and Delivery of Services.** Beneficiaries and service providers should retain all documents related to the purchase and delivery of E-rate eligible services and equipment. Beneficiaries must retain purchase requisitions, purchase orders, packing slips, delivery and installation records showing where equipment was delivered and installed or where services were provided. Service providers must retain all applicable documents listed above.

- **Invoicing.** Both service providers and beneficiaries must retain all invoices. Beneficiaries must retain records proving payment of the invoice, such as accounts payable records, service provider statement, beneficiary check, bank statement or ACH transaction 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.
- **Inventory.** Beneficiaries must retain asset and inventory records of equipment purchased and components of supported internal connections services sufficient to verify the location of such equipment. Beneficiaries must also retain detailed records documenting any transfer of equipment within three years after purchase and the reasons for such a transfer.
- **Forms and Rule Compliance.** All program forms, attachments and documents submitted to USAC must be retained. Beneficiaries and service providers must retain all official notification letters from USAC, as applicable. Beneficiaries must retain FCC Form 470 certification pages (if not certified electronically), FCC Form 471 and certification pages (if not certified electronically), FCC Form 471 Item 21 attachments, FCC Form 479, FCC Form 486, FCC Form 500, FCC Form 472. Beneficiaries must also retain any documents submitted to USAC during program integrity assurance (PIA) review, Selective Review and Invoicing Review, or for SPIN change or other requests. Service providers must retain FCC Form 473, FCC Form 474 and FCC Form 498, as well as service check documents. In addition, beneficiaries must retain documents to provide compliance with other program rules, such as records relevant to show compliance with CIPA.

We emphasize that the rule we adopt here requires that program participants retain all documents necessary to demonstrate compliance with the statute and Commission rules regarding the application for, receipt, and delivery of services receiving schools and libraries discounts. Thus, the descriptive list above is provided as a guideline but cannot be considered exhaustive.

Dan's Answer

Keep everything listed above, plus everything else that has anything to do with the E-Rate. Every email, every letter, every document, all your notes, any records of phone calls, everything.

How long should you keep it?

You must retain documents for 5 years after the last date of service, but that doesn't mean you can destroy all documents after 5 years. First of all, the application process starts 18 months (or more) before the last day of service, so you should save everything for 7 years at least. Some documents need to be held longer. Technology plans, for example, last for 3 years, so you need to hold on to them for 8 years. And if your Internet Safety Policy was approved at a board meeting in 2001, you need to keep the minutes of that meeting forever as proof of CIPA compliance.

What do you need to create?

The FCC has made clear that just because a document is on their required list, it doesn't mean that you have to create the document. Most applicants, for example, never get equipment funded through the E-Rate, so they are not required to maintain an inventory. However, applicants have been surprised by some of the documents that have been demanded by USAC, so I've listed some of the documents that you should create.

- If you purchase equipment, you must have an inventory which includes:
 - Location including room number
 - Purchase order or invoice number
 - Serial number
- Logs from your Web filter, showing that the filter was active during the funding year
- Documentation of bid selection: even if you got no bids, create a piece of paper saying that you got no bids, are considering existing service as a bid, and find it cost effective
- Cancelled checks
- Budgets
- Spreadsheets to calculate the amount of reimbursement requests

More Resources

On-Tech

www.on-tech.com/erate

This handout and other E-Rate information and links are available at our Web site.

blog.on-tech.com

For a more informal discussion of the E-Rate, visit our blog. You can search for a topic of interest to you and get an insider's view.

If you have specific questions, contact us.

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Federal Communications Commission (FCC)

The Fifth Report and Order:

http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-190A1.pdf

Schools & Libraries Division (SLD)

www.usac.org/sl

This Web site is a wealth of information, and the information is official. Start by pointing at the light blue "Schools and Library Applicants" button, and selecting the relevant step.

Documentation checklist:

<http://www.universalservice.org/res/documents/sl/pdf/CompDocChecklist.pdf>