

Use “E-Rate” Discounts to Reduce Your School’s Monthly Telephone Bill



C A P S O

A Step-by-Step Guide

from the

California Association of Private School Organizations

- **Reduce your school’s monthly telephone bill by *at least* 20%?**

By investing a modest amount of time to complete the process described below, your school can save a considerable amount of money. “E-Rate” discounts make it possible for every private, not-for-profit school to receive a *minimum* discount of 20% on its regular and long distance telephone service. If your school enrolls children who qualify for the National School Lunch Program, the school could qualify for discounts of up to 90%. (Schools need not *provide* a food program to qualify.) In fact, if as few as 1% of a school’s student population qualifies, its “E-Rate” discount will be 40%.

Let CAPSO help you to better understand the program, determine your school’s discount level and ease your way through the completion of the necessary forms.

- **What is the “E-Rate?”**

The term “E-Rate” refers to a discount for various services and products made available to schools (including private and parochial schools) and libraries through provisions contained in the Federal Telecommunications Act of 1996. The services and products that qualify for discounts are those needed to create a telecommunications *conduit* from the internet to the classroom. Thus, items such as hubs, routers, internal wiring and (non-commercial) internet connection fees are eligible for the application of “E-Rate” discounts.

If your school is applying for discounts on basic and long distance telephone service only, the application procedure is simplified. Therefore, it behooves every private school to secure the benefits of this important opportunity.

Applying for discounts on products and services *beyond* basic and long distance telephone service involves a somewhat more detailed application process that requires the creation and approval of a School Technology Plan. The creation of such plans deserves careful and deliberate consideration. Several CAPSO member organizations have been certified as official technology plan approving agencies and may be consulted for guidance on the development of a plan for your school. For additional information, contact CAPSO via e-mail at: info@capso.org

You'll be happy to know that the procedures governing "E-Rate" applications have been tried, tested and streamlined. All necessary forms can be easily accessed and, if so desired, completed on-line.

- **How much of a discount is my school eligible to receive?**

"E-Rate" discounts are determined by the incidence of poverty in a school. For purposes of this program, "poverty" is designated by a student's eligibility to participate in the National School Lunch Program. **Even if no students in a school meet the poverty criterion, the school is still eligible to receive a 20% "E-Rate" discount.** The following table lists the discount levels associated with the incidence of poverty and a school's location.

"E-Rate" Discount Levels by Incidence of Poverty and Urban/Rural Location of School

Percentage of Enrolled Students Meeting Poverty Criterion	E-Rate Discount Level	
	Urban Area	Rural Area
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

- **How is the program funded?**

"E-Rate" discounts are funded through a tariff paid by consumers (the Universal Service Fee) on their telephone bills. The tariff was initiated many decades ago to help equalize the cost of telephone service to rural and urban areas. Because the program is not funded by tax dollars, some of the important restrictions that accompany other federally funded programs do not apply to the use of "E-Rate" discounts. For instance, a parochial school that uses "E-Rate" discounts to connect its classrooms to the Internet may access online material containing religious content without violating the provisions governing the program.

- **Who administers the program?**

The program is administered by a quasi-governmental entity called the Schools and Libraries Division of the Universal Service Administration Company (the SLD of the USAC). From this point on, we will refer to this authority as the SLD. The SLD's excellent website can be accessed via the following URL:

<http://www.sl.universalservice.org/>

Note: You may access all of the forms, charts and information referred to in this guide by accessing the online version of this document at the California Association of Private School Organizations' website: <http://www.capsso.org/resources/erate.html>

The SLD website contains many helpful tools to help you through the applications process. Use the resources provided on their website together with this document to help ease your way through the applications process.

You will complete several steps in order to apply for a discount on basic and long distance telephone service for your school. *Don't worry.* If you follow our guidelines, you'll kick yourself for not having completed your application sooner! *Remember, the following steps apply to schools wishing to apply for discounts on basic and long distance telephone service only.*

At any stage of the application process, you can receive guidance over the phone from the SLD Client Service Bureau at 888-203-8100, or by fax at 888-276-8736.

Step 1. Complete and File Form 470

Form 470 describes the services for which you seek to apply the "E-Rate" discount. In order to complete this form, your school must possess or receive an "**Entity Number**" issued by the SLD. If this is the first time you are making application for an "E-Rate" discount:

- ✓ Phone the **SLD Client Service Bureau** at **1-888-203-8100** for assignment of an Entity Number. If an organization other than your school pays your school's phone bill (e.g., a church, as the "parent organization" to a school, actually pays the bills) you will need to obtain an Entity Number for that organization, as well. This second organization will be identified as the "Billed Entity."
- ✓ While you've got the SLD on the line, give them the name of your current telephone service provider and ask if the company is an SLD-approved vendor. In the rare event that they are *not* so designated, you will not be able to receive an "E-Rate" discount on that company's services. Again, this is likely to be a rare occurrence.

You may either download and print Form 470, or you may complete the form online at the SLD website. *We recommend printing the form.* This way, the 101 interruptions that accompany your typical workday won't pose an obstacle to the completion of the document.

- ✓ Download and print Form 470 by accessing the following URL:

<http://www.sl.universalservice.org/data/pdf/470.pdf>

Whichever method of completing the form you choose, we urge you to:

- ✓ Access the SLD Companion Document to Form 470 at the following URL:

<http://www.sl.universalservice.org/data/pdf/470i.pdf>

This document will walk you through the process of completing the form, item-by-item. Refer to it as the final authority as necessary.

You are now ready to complete Form 470 which consists of five “Blocks” of required information.

Complete all items appearing on this form unless instructed otherwise by a checked item below. Consult the SLD’s guidelines should you have any doubt about the appropriateness of a given response.

Block 1 asks for information about your school, such as its location, phone and fax numbers, e-mail address, and requests similar information about a designated contact person in your school. The contact person should be assigned by the principal or head of school.

Block 2 asks for a summary description of the services for which the school seeks an “E-Rate” discount.

- ✓ Check box “a” of item 7, indicating that you are seeking to a discount on tariffed services for which your school has no signed, written contract.
- ✓ Check box “b” of item 8, and list the number of telephone lines for which you seek discounted service in the accompanying space.
- ✓ Items 9 and 10 do not apply to applicants seeking discounts on basic telephone service only.

Block 3 requires that you:

- ✓ Check item 14. You will then skip the remainder of the box and proceed to Block 4.

Block 4 asks you to designate recipients of service.

- ✓ Check box “a” of item 16.

- ✓ Item 17 asks for the name and entity number of the “Billed Entity.” The “Billed Entity” refers to the organization that actually pays your phone bills. If, for example, you are a church school and your phone bills are paid by the church, you will list the *church* as the “Billed Entity.” You’ll need to receive an “Entity Number” for the church, just as you did for your school.
- ✓ If your school belongs to a CAPSO-affiliated organization, item 18 does not apply.

Block 5 consists of a certification and signature section.

- ✓ Check box “a” of item 19.
- ✓ Check box “c” of item 20
- ✓ Check box “c” of item 21.
- ✓ Sign and date the form, and you’re on your way to an “E-Rate” discount for your school! (It wasn’t *that* difficult, was it?)

Remember to fill in your school’s entity number, form identifier (a number, letter or code of your own choosing to help you identify this particular form), and the contact person’s name and phone number at the top of all pages that request this information.

**Submit your completed Form 470
to:**

**SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 66044-**

Step 2. Relax. There’s a 28-day waiting period.

Once you’ve filed Form 470, you must wait a minimum of 28 days prior to moving to the next step of the process. During this time period your request for services is posted online, which permits SLD-approved vendors to make bids for your school’s business. Please note that your school is not required to change phone companies or service providers, or to accept the lowest bid. You are free to stay with your current service provider, having already made sure that they are an SLD-approved vendor. However, you will have the option of deciding to do business with any vendor identified through the competitive bidding process.

When the SLD receives and accepts your completed Form 470, you will receive a **Receipt Notification Letter**. *Keep this document in a place where it can be easily accessed.* It will contain information you will need when you complete the next form.

Step 3. Complete and File Form 471.

Form 471 asks schools to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.

You may either download and print Form 471, or you may complete the form online. Once again, we strongly encourage you to opt for the former approach.

- ✓ Download and print Form 471 by accessing the following URL:

<http://www.sl.universalservice.org/data/pdf/471y4.pdf>

- ✓ Access the SLD Companion Document to Form 471 by accessing the following URL:

<http://www.sl.universalservice.org/data/pdf/i471y5.pdf>

This document will walk you through the process of completing the form, item-by-item. Refer to it as the final authority as necessary.

Don't be scared when you first set eyes on this eight-page form. You won't be completing every page.

Form 471 consists of six blocks of required information.

Complete all items appearing on this form unless instructed otherwise by a checked item below. Consult the SLD's guidelines should you have any doubt about the appropriateness of a given response.

Block 1 asks for information about the billed entity, much the same as Block 1 of Form 470.

- ✓ The funding year in question in item 2 is July 1, 2002 thru June 30, 2003.

Block 2 may be skipped (if you are applying for a discount on telephone service only).

Block 3 asks for information regarding the estimated impact of the services for which a discount is sought by your current application.

- ✓ Complete item 9a only.

Block 4 asks you to calculate your “E-Rate” discount basis.

- ✓ Use Worksheet A to calculate your school’s discount rate. You will only need to fill in numbers for one row across the eight columns of the worksheet. You will need to know the number of students in your school who are eligible to participate in the National School Lunch Program (regardless of whether they actually participate or not).
- ✓ To view the eligibility criteria for participation in the National School Lunch Program, access the following URL:

<http://www.fns.usda.gov/cnd/Lunch/Governance/Notices/02-03iegs.htm>

- ✓ The discount matrix is found above, in this document.

Your school may already be in possession of financial data that can facilitate the calculation of its “E-Rate” discount level. If not, we suggest the conduct of a confidential survey whose responses might be viewed and tallied by your school’s financial assistance or scholarship committee chairperson *alone*. The survey would consist of a simple form that asks (custodial) parents or guardians to indicate whether their household size and income fall within the categories found in the following table:

Number of People in Your Household	Family’s Combined Yearly Income is Less Than...or →	Family’s Combined Monthly Income is Less Than...or →	Family’s Combined Weekly Income is Less Than
1	\$15,892	\$1,325	\$ 306
2	\$21,479	\$1,790	\$ 414
3	\$27,066	\$2,256	\$ 521
4	\$32,653	\$2,722	\$ 628
5	\$38,240	\$3,187	\$ 736
6	\$43,827	\$3,653	\$ 843
7	\$49,414	\$4,118	\$ 951
8	\$55,001	\$4,584	\$1,058
For each additional person.....ADD	\$5,587	\$ 466	\$ 108

YES NO

Example: If there are 5 people in your household and your combined income is less than \$38,240 a year, or less than \$3,187 a month, or less than \$736 a week, place a check next to the word “YES.” Otherwise, place a check next to the word “NO.”

- ✓ If you choose to conduct a survey, please explain that the information will be used to help the school to receive a discount on its monthly telephone bill and assure respondents that the information they provide will be held in strictest confidence.

It is important that your school is in a position to validate the basis upon which it calculated its discount level, as participating schools and libraries are subject to audit regarding the information they provide and certify.

- ✓ Once you have completed the worksheet and entered the appropriate figures for your school, **skip worksheets “B” and “C.”**

Block 5 is where you make your actual discount funding request.

- ✓ Check “Telecommunications Service” on item 11.
- ✓ In order to answer item 13, you’ll need your service provider’s SLD identification number, or “**SPIN.**” This information can be accessed through the SLD website by accessing the following URL:

http://www.sl.universalservice.org/Forms/Spin_Contact_Search.asp

You will be able to retrieve the name and contact number of your telephone service provider. *We strongly encourage you to phone this contact. **In addition to verifying their SLD service provider number, ask them to provide you with the information you will need to complete item 21 on Form 471.***

- ✓ Enter “T” in item 15.
- ✓ To complete item 17, please refer to the **Receipt Notification Letter** you will have received after submitting Form 470.
- ✓ Leave item 18 blank.
- ✓ For item 19a, insert “07/01/2002.”
- ✓ On item 19b, enter “06/30/2002.”
- ✓ Leave item 20 blank.
- ✓ As was previously suggested, get in touch with your service provider contact for assistance in completing item 21.
- ✓ List your school’s “Entity Number” in item 22.
- ✓ Item 23a asks you to indicate your monthly charges (for telephone service). Since your phone bill varies from month to month, use several months’ bills to calculate an average and enter this amount.
- ✓ For item 23b, enter “0” (zero), using the numeral.

- ✓ Re-enter the amount listed in column “A” in column “C.”
- ✓ Mark “12” in column “D.”
- ✓ Multiply the amount in column “C” by the amount in column “D” and enter the product in column “E.”
- ✓ If you are continuing your existing telephone service, you’ll enter “0” (zero) in column “F.” If, however, you will be initiating new service that subjects your school to various non-recurring charges (e.g. installation charges), enter the sum of such charges here.
- ✓ Enter “0” (zero) in column “G.”
- ✓ Re-enter the amount listed in column “F” in column “H.”
- ✓ Add the amount listed in Column E to the amount listed in Column H and enter the sum in Column I.
- ✓ Enter the percent discount amount you calculated in Block 4 (Column 10b of item 7) in Column J.
- ✓ Multiply the amount listed in Column I with that listed in Column J and enter the product in Column K.

You are now almost finished!

Block 6 asks you to certify that the information you have provided is accurate.

- ✓ Check box “a” in item 24.
- ✓ Check box “c” in item 26.
- ✓ Check box “c” in item 27.

Remember to fill in your school’s entity number, form identifier (a number, letter or code of your own choosing to help you to identify this particular form), and the contact person’s name and phone number at the top of all pages that request this information.

Sign and date the completed form and mail it to:

**SLD-Form 471
P.O. Box 7026
Lawrence, Kansas 66044-7026**

Step 4. The SLD Processes Form 471

Step 5. Funding Decisions Are Sent to Applicants and Vendors

When your Form 471 has been approved by the SLD, you will receive a **Funding Commitment Decision Letter (FCDL)**. Once you receive this document you may complete the next step.

Step 6. Complete and File Form 486

Form 486 tells the SLD that your school is receiving the services to which the “E-Rate” discount is to be applied.

You may either download and print Form 486, or you may file the form online. (By now, you know what we recommend!)

- ✓ Download and print Form 486 by accessing the following URL:

http://www.sl.universalservice.org/data/pdf/Form486_SEP2002.pdf

- ✓ Access the SLD Companion Document to Form 486 by accessing the following URL:

<http://www.sl.universalservice.org/data/pdf/iForm486.pdf>

This document will walk you through the process of completing the form, item-by-item. Refer to it as the final authority as necessary.

- ✓ Your school’s Form 486 must be filed within 120 days of receipt of the Funding Commitment Decision Letter.

Form 486 consists of four “Blocks.”

Complete all items appearing on this form unless instructed otherwise by a checked item below. Consult the SLD’s guidelines should you have any doubt about the appropriateness of a given response.

Block 1 asks for information relating to the “Billed Entity.” Remember, this is the “entity” that actually pays your school’s telephone bills.

- ✓ **Skip Block 2**

Block 3 asks you to provide information about the SLD-approved services you are now receiving for which your service provider may begin submitting invoices to the SLD.

- ✓ Use the information provided in the Funding Commitment Decision Letter to complete the information in columns A thru F of row 1.

Block 4 consists of certification information.

- ✓ For item 8, enter “None.”
- ✓ For item 11, check box “c” only.

Remember to fill in your school’s entity number, form identifier (a number, letter or code of your own choosing to help you to identify this particular form), and the contact person’s name and phone number at the top of all pages that request this information.

Sign and date the form and mail it to:

**SLD-Form 486
P. O. Box 7026
Lawrence, Kansas 66044-7026**

- ✓ **If you have any questions about the “E-Rate” program and/or application process, please contact the SLD Client Service Bureau either by phone at 888-203-8100, or by fax at 888-276-8736.**

Enjoy your “E-Rate” savings!

- ✓ Please let your board know that **CAPSO** was your partner in securing your school’s “E-Rate” discount!

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