

Project Overview

Under the [Broadband Technologies Opportunities Program](#) (BTOP) funded by the American Reinvestment and Recovery Act (ARRA), the Montana State Library (State Library) is partnering with 42 of Montana's public libraries to expand access to free, high-speed Internet to 86% of the state's population by 2013. Though most local libraries have computers with Internet access, many do not have enough computers, fast enough broadband speeds, or Internet-accessible computer facilities to provide adequate services for the thousands of Montanans who need it. As a result in 2010, library patrons had long wait times of up to two hours for computers, as well as unacceptably slow browsing speeds.

In an effort to improve broadband services and Internet access, The State Library will:

- 1) increase broadband speeds at participating libraries up to 21 mbps;
- 2) cut wait times in half by increasing the total number of workstations and expanding library operation hours;
- 3) improve access by purchasing ADA compliant software, hardware, and furniture, and through minor renovation projects aimed at increasing accessibility of computing center facilities;
- 4) offer courses to increase computer literacy; and
- 5) provide Internet and library resources to rural Montana using a mobile computer lab.

The following report will focus on compliance questions that have consistently come to our attention, as well as common compliance issues among libraries participating in E-Rate.

Purpose of Whitepaper

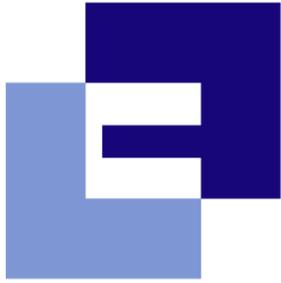
In the summer of 2011, the State Library hired E-rate Elite Services to provide guidance to the State Library and local BTOP participating libraries about E-Rate compliance and participation.

Results

The following report answers compliance questions and concerns raised by libraries regarding the Children's Internet Protection Act (CIPA) requirements. The report identifies some exceptions and explanations regarding what does, and what does not, trigger the need to comply with CIPA. The report also identifies and explains common compliance issues for libraries participating in E-Rate, how to remain in compliance, how to prepare for a potential E-Rate audit, and resources for finding answers to compliance questions.



BTOP Project Director, Montana State Library



E-RATE
ELITE SERVICES, INC.

MONTANA STATE LIBRARY

IDENTIFICATION OF POTENTIAL E-RATE
COMPLIANCE ISSUES FOR LIBRARIES AND
THEIR LOCAL GOVERNMENTS

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MONTANA STATE LIBRARY

IDENTIFICATION OF ISSUES WHICH MAY PREVENT LIBRARIES AND THEIR LOCAL GOVERNMENTS FROM BECOMING E-RATE COMPLIANT AND RECOMMENDATIONS FOR ENHANCING E-RATE COMPLIANCE

INTRODUCTION

The Universal Service Fund (USF) provides affordable access to eligible communications services for schools, libraries, rural health care providers, low-income consumers, and companies serving high-cost areas. On May 7, 1997, the Federal Communications Commission (FCC) adopted a Universal Service Order (FCC Order 97-157) implementing the Telecommunications Act of 1996, including the E-Rate Program of the USF.

For state libraries, like the Montana State Library (MSL), the E-Rate program provides an opportunity to obtain financial support to assist MSL in providing and improving library services to all residents, especially to urban, rural or frontier communities.¹ Because the E-Rate reimbursements favor those libraries that are rural and/or with economic need, it provides additional resources to improve and support applicants like the libraries in Montana.

The Universal Service Administrative Company (USAC) is responsible for administering the USF under the direction of the FCC's Wireline Competition Bureau. The Schools and Libraries Division of USAC (SLD) administers the E-Rate Program. Under the E-Rate Program, eligible schools and libraries may receive discounts from 20 to 90 percent of the cost of eligible communication services, depending on economic need and location of the beneficiary.

Discounts may be applied to four kinds of eligible communication services:

1. Telecommunication Services (Priority One)
 - a. Some examples of E-Rate eligible telecommunications services include
 - i. Monthly local and long distance telephone service, including 800 services such as the one used for the Montana Talking Book Library,
 - ii. Cellular service such as that used by the Montana Bookmobiles
 - iii. Conferencing services for educational and library purposes such as town meetings regarding library services.
 - iv. The telecommunication components of distance learning, video or interactive television
 - v. Wide area network (WAN) services and other digital transmission technologies.

¹ Montana State Library (2008). Montana State Library LSTA Five-Year Plan 2008-1012 Final. Accessed online at <http://www.ims.gov/assets/1/AssetManager/MTplan2012.pdf>

2. Internet access (Priority One)
 - a. Some examples of E-Rate eligible Internet Access services include:
 - i. Bundled and Unbundled Internet Access (T-1, DS3, Fiber, etc.)
 1. Bundled Internet access may include limited leased equipment and/or firewall services.
 - ii. E-mail Service
 - iii. Web hosting
3. Internal Connections (Priority Two)
 - a. Some examples of E-Rate eligible Internal Connections include:
 - i. Network infrastructure (servers, switches, routers, hubs, wireless access points, internal wiring, etc.)
 - ii. Limited software (e-mail, server operating system, virtualization software)
4. Basic Maintenance of Internal Connections (Priority Two)
 - a. Basic maintenance is the servicing of eligible internal connections at a limited basis. The FCC defines necessary basic maintenance as follows: “but for the maintenance at issue, the connection would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such services without E-Rate discounts”.

In accordance with the Inspector General Act of 1978, as amended, the FCC Office of Inspector General (OIG) has oversight responsibilities for the USF as a Federal program of the FCC. The FCC OIG has designed a plan of audit oversight to provide FCC management with a reasonable level of assurance that E-Rate beneficiaries are complying with E-Rate Program rules and regulations and that E-Rate Program controls are adequate to prevent fraud, waste, and abuse.

**UNDERSTANDING THE CHILDREN’S INTERNET PROTECTION ACT (CIPA)
AND THE NEIGHBORING CHILDREN’S INTERNET PROTECTION ACT (NCIPA)**

1. What are the laws governing technology funding and Internet access?

a. CIPA – Children's Internet Protection Act (December 21, 2000)

Requires recipients of federal technology funds for Internet access or internal connections to provide a policy concerning Internet use and implement Internet filtering of visual material deemed obscene, child pornography or harmful to minors.

1. Internet filtering
2. Internet policy

b. NCIPA-Neighborhood Children's Internet Protection Act (December 21, 2000)

Requires recipients (schools and libraries) receiving funds for Internet access and/or internal connections must meet Internet safety policies for:

1. electronic messaging,
2. disclosure of personal information of minor,
3. unlawful online activities, and
4. access by minors of inappropriate material as defined by the individual libraries or their governing bodies.

2. Who must meet CIPA & NCIPA requirements?

Any library or school receiving E-Rate funds for:

1. Internet Access
2. Internal Connections
3. Basic Maintenance

Exemption - Applicants seeking funding for telecommunications services only, such as phone service, VOIP (voice over Internet protocol), digital transmission services (circuit/bandwidth only) or dark fiber² without Internet connectivity, are not required to submit an Internet safety policy.

Applicants without CIPA or NCIPA compliance may still submit funding requests for eligible unbundled services such as telecommunications. Non-CIPA compliance applicants may also submit funding requests for bundled services if the specific cost for the eligible portions is identifiable.

3. When is compliance required?

² Dark fiber is a fiber network provided by a service provider that is not “lit.” The applicant is required to provide the modulating electronics to light the fiber (initiate traffic) and the fiber must be lit immediately.

- a. If, for example, 2011 is the first year that you will request funding for Internet access, internal connections or basic maintenance, then you do not need to be fully compliant, however, you must “certify that you are undertaking actions to be in compliance for the next funding year.”³ It is important that this certification is archived and kept with your funding request for 2011.

The certification statement should follow the following format:

“I certify that, as of the date of the start of discounted services, pursuant to the Children's Internet Protection Act, as codified at 47 U.S.C. § 254(h) and (l), the recipient(s) of service represented in the Funding Request Number(s) on this Form 486 is (are) undertaking such actions, including any necessary procurement procedures, to comply with the requirements of CIPA for the next funding year, but has (have) not completed all requirements of CIPA for this funding year.”⁴

Evidence of actions taken before the start of services to become fully compliant should be documented and archived with the certified statement. This evidence includes but is not limited to published school board documents, staff meeting notes, printed notes from related public meetings or correspondence with service providers regarding CIPA compliant technology, etc.

- b. For the year following a request for funding of services governed by CIPA (2012 in the example above) or Year two, Form 486⁵ may be used by the billed entity to certify compliance that year. In the case of libraries which are part of a consortium and are not billed directly, they should file Form 479⁶, Certification by Administrative Authority to Billed Entity of Compliance with the Children’s Internet Protection Act,

4. What are the requirements for compliance?

a. Filtering

- i. Filtering is a technology protection measure – CIPA compliance requires an Internet filter to block access to visual depictions defined as “obscene, child pornography” or harmful to minors” (cited above). Blocked materials may include additional materials blocked to comply with local standards for materials deemed inappropriate for minors.
- ii. There are no restrictions on the type of filters (software/hardware) used. At this date, the FCC has not established any rating for the effectiveness of filters. One option would be to implement different filtering levels

³ USAC (2011) Children’s Internet Protection Act. Accessed online at <http://www.universalservice.org/sl/applicants/step10/cipa.aspx>

⁴ USAC (2011) *ibid*.

⁵ USAC (2011) Form 486 Accessed at http://www.universalservice.org/_res/documents/sl/pdf/486.pdf

⁶ USAC (2011) Accessed at http://www.universalservice.org/_res/documents/sl/pdf/479.pdf

based on age or individual use.

- iii. Filtering must be on all Internet-enabled computers of an E-Rate recipient (for all users - children or adults).
- iv. E-Rate does allow the filtering to be disabled for adults engaged in “bona fide research or other lawful purposes”. There are no provisions for minors.
- v. Maintain documentation to evidence technology protection measures were in place during each funding year where CIPA is applicable. These may be receipts for the purchase or update of the technology protection measure, software logs listing blocked content, etc.

b. Parental Waiver

- i. The CIPA language (as noted above) states specifically that only adults, those seventeen years of age and older may request that the filtering be disabled. A child under the age of seventeen may not have access to an unfiltered computer even if their parents or guardians sign a waiver because that would still be a request by the child for access albeit with his parents/guardian’s permission. CIPA does not provide a library with that option.
- ii. The FCC has left the defining of “filtered content deemed harmful” to the local authorities for the library/libraries.
- iii. The first amendment has never protected obscenity or child pornography.

c. Public Meeting

Before enacting a public policy restricting access to the Internet, the CIPA guidelines require that at least one public meeting be held, with reasonable notice to allow the interested public to attend. Applicants are advised to keep records of both the meeting notice and the minutes or recorded discussion.

d. Written/Published Policy

As part of the CIPA compliance requirements, the library should have an Internet safety policy. Prior to creating this document, it is advised that the library review any existing usage policies/installed software/Internet filtering options.

- e. On the Form 486, the library certifies that such a written Internet policy exists and that the library has implemented filtering and monitoring to fulfill the CIPA requirements.

5. Key issues to address:

- a. Note that your written policy applies to minors, adult library users and staff. Include the words “Internet Safety policy” in your policy statement. You may note that filtering will only be disabled for bona fide research or other lawful purposes. Access is controlled by adult staff only. For an example see the policy for Glacier County Library at <http://www.glaciercountygov.com/internet-use-policy/>
- b. Specify the Internet filtering mechanism used for:
 - i. blocking obscene images
 - ii. child pornography imagery
 - iii. visual material harmful to minors
- c. Document and summarize staff responsibilities and guidelines for enforcement.
- d. Include wording to address the NCIPA policy for safe use of:
 - i. Email and forms of electronic communication (define)
 - ii. Unauthorized disclosure of personal information
 - iii. Unlawful online activity
- e. Submit funding requests only for eligible services and products when a library is not CIPA compliant. Funding requests may still be submitted for:
 - i. Eligible unbundled services or
 - ii. Bundled services where the service provider has identified costs for E-Rate eligible portions.
 - a. Example: A service provider may offer Internet access to an applicant that does not filter. The applicant would request a cost allocation for the bandwidth (pipe) and Internet access. The cost associated with the bandwidth would be eligible for E-Rate funding. The applicant should retain the service provider’s cost allocation as a part of their E-Rate application documentation.

INTERNET SAFETY AND PROTECTION

There are two main policy requirements that affect E-Rate eligibility and funding. The first is CIPA, the Children's Internet Protection Act which requires that any library or school receiving funding from the Universal Services Administrative Company (USAC) for Internet Services, Internet Access or Internal Connections must implement filtering programs that block minors (17 and under) from accessing visual imagery that is classified as "obscene, child pornography⁷ or harmful to minors⁸ for computers that are accessed by minors⁹" and that "taken as a whole lacks serious literary, artistic, political or scientific value as to minors.¹⁰". This requirement allows that the filtering can be disabled for use by adults for bona fide research and for legal reasons. There is no CIPA requirement for libraries that are only applying for telecommunications funding.¹¹

The second, Section 1731 of the Congressional Record is cited as the Neighborhood Children's Internet Protection Act (NCIPA). This Act requires a safety policy covering electronic messaging, disclosure of personal information and unlawful activities such as hacking. In addition, NCIPA also requires that the policy address access by minors of inappropriate materials on the Internet, but the Act stipulates that the definition of what is inappropriate be made by the individual library.

The enforcement of these Acts by USAC as administered by the SLD is such that "no payments will be made on behalf of any applicant who does not file the required certifications. If during an audit, certifications are found missing or falsified, applicants must reimburse the Universal Services Fund for any funds and/or discounts received during the service period. Failure to follow stated policies may subject users to warnings, usage restrictions, disciplinary actions or legal proceedings. On the FCC website (<http://www.fcc.gov/search/results/CIPA>), USAC recommended complete recovery of all funding for every instance when the applicant failed to comply with CIPA requirements.¹²

In their book *Public libraries and Internet service roles: Measuring and maximizing*, Charles McClure and Paul Jaeger¹³ state that many libraries have not taken advantage of any USAC funding because of philosophical concerns about freedom of speech and information access. Neither Act prohibits all access; CIPA specifically states that filtering may be lifted for adults for "bona fide" usage. For some options in addressing these issues, see the online policy examples in Appendix 1. Separate workstations for adults and minors and sign-on access options are some potential ways of meeting the requirements of the Acts as well as the needs of the library clientele. Appendix 2 provides resources for libraries for drafting Internet safety policies and achieving CIPA compliance.

⁷ 18 U.S.C. 2256

⁸ US et al. V. American Library Association, Inc. et. al. No. 02-361, 2003

⁹ 47 U.S.C. 254.1.B Sec. 1732, 2000

¹⁰ 47 U.S.C. 254.1.B Sec. 1732, 2000

¹¹ FCC 10-175 Small Entity Compliance Sixth Report and Order, September 28, 2010

¹² Barash, S. FCC DA 09-86 RE: Schools and Libraries Program WC Docket No. 02-6, January 16, 2009

¹³ McClure, C. & Jaeger, P. (2008). *Public libraries and Internet service roles: Measuring and Maximizing Internet services*. ALA Editions.

**COMMON COMPLIANCE ISSUES FOR LIBRARIES DURING E-RATE RELATED
AUDITS**

The following issues are those most commonly occurring among all E-Rate applicant libraries. By working together with the Montana State Library to meet E-Rate requirements and deadlines, the individual libraries in the state of Montana can avoid these pitfalls and minimize audit findings and/or rejected applications.

1. Improper bidding procedures

Some states secure statewide contracts, which allow individual libraries to opt-in instead of bidding independently.

a. Signing a contract before the required bidding process is completed

The procurement process for the E-Rate program is designed to allow all qualified vendors the time and opportunity to respond to any request for proposals (RFP). The E-Rate program has no requirements for Request for Proposals. All request for proposal references are at the discretion of the library and/or local procurement requirements.

b. Failure to post the RFP or Form 470 within required deadlines

c. Failure to include all vendor qualifications or bid factors on the RFP or Form 470

d. Absent, incomplete or invalid certification of RFP or Form 470

e. Creating an RFP or Form 470 inconsistent with the technology plan (if required)

2. Selection and Application

a. Failure to file the Form 471 within the deadline

b. Absent, incomplete or invalid certification of Form 471

c. Allowing a service provider to participate in vendor selection or to certify Form 471

d. Filing a Form 471 that is inconsistent with the technology plan (if required)

3. Discounts

a. Using an incorrect or unverifiable discount amount

How can a rural or urban Montana library determine their discount percentage?

i. Determine the district whose data you will use.

Use your physical address to determine the school district/s you serve.¹⁴ For example, if the address for your library were for a house, where would a student living in that house attend school? If more than one district is possible, then your library may choose the most advantageous. In any case, your library should note what criteria and logic you used to determine the applicable discount.

- ii. Obtain the National Student Lunch Program (NSLP) discount data for your school district.

Montana libraries should obtain the data provided on the Montana Office of Public Instruction website¹⁵; they may also receive discount data directly from their local school district.

- b. Failing to document and retain discount information.
 - i. Information from the Montana Office of Public Instruction should be printed and archived with each year's E-Rate records. Information from local school districts should be in writing (e-mail, published document or letter) and archived with the corresponding E-Rate applications.

4. Invoicing

- a. Missed deadline for filing Form 486
- b. Submitting Form 486 that is inconsistent with any or all of the following: Form 470, Form 471 or technology plan.¹⁶
- c. Misappropriation of unused E-Rate program funds.
- d. Invoices to USAC included ineligible items such as duplicate or back-up equipment, equipment that was not delivered, late fees, software, etc.
- e. Failure to correct clerical or ministerial errors

While the E-Rate program recognizes that mistakes can happen, the responsibility of correcting those mistakes lies with the applicant. Just as many Montana libraries post notices that parents are responsible for their children, E-Rate assumes that libraries will be responsible for their applications.

5. General E-Rate Program Compliance

- a. Inability to demonstrate sufficient funds to pay for the non-discounted portions of the E-Rate funded products and services.

¹⁴ Find-A-School <http://data.opi.mt.gov/SchoolDirectory/Index.asp>

¹⁵ <http://opi.mt.gov/Reports&Data/Index.html>

¹⁶ Not required for Priority One services.

- b. Inability to implement E-Rate funded products or services because of a lack of sufficient resources to utilize them.
6. Technology plan
- a. Allowing a service provider to participate in creating your technology plan
 - b. Creating a plan based on a specific service providers products or services.
 - c. Failure to have a technology plan completed with all required elements and approved in a timely fashion

A technology plan is not required for a library to receive priority one E-Rate funding. A Montana library interested in applying for discounts on internal connections and/or the basic maintenance of internal connections (Priority Two) would need to have a technology plan that delineated the connections & equipment (servers, switches, routers, racks, hubs, etc.) included in their maintenance plan. Specifics regarding technology plan requirements will be outlined in subsequent reports.

COMMON E-RATE AUDIT ISSUES FOR LIBRARIES

The E-Rate program places responsibility for fulfilling program requirements on the applicant. When forms are correctly completed and filed, there is an assumption that the school or library has also correctly documented and completed all other requirements of the program. E-Rate respects and supports the capability and independent spirit of all libraries and has designed the application process around this. The audits are used to help libraries maintain and improve those qualities.

1. Invoices provided by service providers do not contain sufficient detail. The invoice should include an FRN (Funding Request Number), a description of the items purchased including a description of the item, the quantity, serial numbers and product delivery information where applicable. If the service provider does not include the FRN, it may also be added manually to the invoice.
2. Invoices provided by the service provider do not include net payment terms on the invoice/bill. Since the E-Rate program allows both credits and reimbursements, it is very important for invoices to clearly state payment terms and conditions.
3. When different billing accounts are included on the same FRN they should be listed individually on separate lines when completing forms for their Billed Entity Applicant Reimbursement (BEAR) or Service Provider Invoice (SPI).
4. Applicant failed to retain appropriate documentation.

PREVENTING E-RATE COMPLIANCE ISSUES

1. Plan ahead - When the initial RFP or bid is posted, include language that requests that the service provider include or be able to include as much E-Rate information as possible on each bill such as payment terms, individual charges, service descriptions, account numbers and/or the Funding Request Number (FRN).

As noted above, the FRN can also be manually added to individual bills by the accountant or individual handling the service provider invoices.

2. When awarding a bid, check the references provided. Be careful not to jeopardize your funding with a non-compliant service provider.
3. When the initial RFP or bid is posted, request that the service provider be able to list ineligible items separately from the E-Rate eligible items, unless they can legitimately be included in a bundled offer. If services are bundled, the invoice should list all the services in that bundle.
4. Applicants should list each bill on a separate line when completing a BEAR or SPI. One method of encouraging compliance is to create a table for the filing year, which includes lines for each month and columns for billed, paid, and ineligible charges.
5. Create or develop a system for filing, recording and storing all documentation. Educate your staff and check to make certain the system is being followed.
6. Maintain your documents for the required time. USAC requires that all documents be stored for a minimum of five years after the last receipt of service for a filing year.

Example: If the filing year is 2010, the last day to receive services is June 30, 2011 then documents must be kept until June 30, 2016. See Appendix 1 for a list of documentation that should be retained for compliance and which would be requested in the event of an audit¹⁷. <http://www.usac.org/res/documents/sl/pdf/CompDocChecklist.pdf>

7. According to the Bishop Perry Order¹⁸ (2006), all E-Rate applicants are provided an opportunity to correct clerical and ministerial errors. See the List of Correctable Ministerial and Clerical Errors online at <http://www.usac.org/res/documents/sl/pdf/List-of-Correctable-Ministerial-and-Clerical-Errors.pdf>

¹⁷ 17 USAC website, Schools and Libraries, Audit - Document Checklist, July 18, 2011, <<http://www.universalservice.org/res/documents/sl/pdf/CompDocChecklist.pdf>>.

¹⁸ FCC 06-54 Bishop Perry Middle School New Orleans, LA et al vs, SKD-487170 etal, May 2, 2006.

8. Educate your staff to guarantee compliant procedures. The best way to be compliant is to start compliant.

PREPARING FOR AUDIT COMPLIANCE¹⁹

1. Follow all E-Rate requirements for compliance (See preceding section).
2. Maintain all documentation for the required time such that the files are accessible and complete.
3. Designate staff to review individual E-Rate procedures and documentation. Provide the program compliance information to internal audit staff for a cursory review and recommendations.
4. Respond promptly to any notice of audit

¹⁹ SLD provides email and phone support for questions concerning E-Rate regulations and compliance. <http://www.usac.org/about/tools/contact-us.aspx>

SLD RESPONSES TO NON-COMPLIANCE

1. Penalties

- a. Rejection or denial of funding request.

USAC may reject or deny any request containing 30% or more ineligible products and/or services. Compare all service provider proposals and quotes to the Eligible Services List for the respective funding year.

- b. Reduction of requested funding.

USAC may adjust and correct your funding request to remove the non-compliant services or products. SLD will confirm the intended reductions with the applicant and list the removed items on the funding commitment decision letter.

When some funds have already been disbursed before an audit occurs, the adjusted commitment total is compared to the total amount disbursed. If the amount of the disbursed funds is greater than the Commitment Adjustment (COMAD) then USAC will take steps to recover the difference.

- c. Recovery of funds from the applicant or the service provider (based on the audit finding).

Part of the audit includes a determination of responsibility. Recovery may be sought from the applicant, the service provider or both depending on who the audit found to be non-compliant.

- d. Suspension of all applicant's funding until compliance issues are resolved.

Where USAC has determined that funds should be recovered because of either an error or improper disbursement, all of the applicant's undisbursed requests will be suspended until the funding discrepancies have been resolved.

- e. Civil or criminal action against individuals found guilty of fraud, misappropriation of funds, etc.

2. Options

- a. Before a funding request is denied or rejected, applicants have an opportunity to respond and correct their application. Responses must be received by SLD within a set number of days so it is important to have a responsible individual who is available and capable of answering any SLD questions or concerns.

- b. Appeals. Denials, rejections or findings of non-compliance are appealable. Adverse funding decisions and non-compliance matters are appealable within 60 days of notice.²⁰ If the SLD denies the appeal, the finding may then be appealed directly to the FCC within 60 days of the SLD denial.

Note: Audits may be generated randomly as part of an objective study of the E-Rate program or they may be targeted to groups or individual libraries. Since some audits are randomly assigned, any library may be audited. The best protection is to maintain good compliance and thorough record keeping.

FORM 486

The Form 486 confirms that the library will actually utilize the funding allotted in the Funding Commitment Decision Letter (FCDL), a technology plan has been approved, and the library is CIPA compliant. The Form 486 should be filed no later than 120 days after the receipt of the FCDL or the start of the service, whichever later. It may not be filed prior to the receipt of a FCDL. If the library is not required to have a technology plan, due to no requests for Priority Two services, and/or they choose not to be CIPA compliant, it is important to note these items in the appropriate places on the Form 486.

ADDITIONAL SAFETY ISSUES

Steps a library can take to protect your computer system, patrons and data:

1. Develop a backup plan in the event of a virus, cyber-attack or breakdown. This may include daily or weekly system back-up, cloud back-up, separate back-up storage, etc.
2. Know your software source and set up your system to check all downloads for viruses & malware.
3. Implement Anti-Viral software. Many of these programs include CIPA filtering and blocking options.

²⁰ Code of Federal Regulations. (2011) 47 C.F.R §§ 54.719, 54.720

CONCLUSION

Overall, libraries may easily achieve and maintain E-Rate compliance by following state and local procurement regulations along with E-Rate requirements for bidding, service provider selection, documentation and record retention.

Avoiding compliance issues requires a clear understanding of the E-Rate program guidelines and documentation of actions taken throughout the process. When problems arise, reliable documentation may act as the best defense to prove that due diligence was taken to ensure compliance.

Since E-Rate is a dynamic program, adapting and changing from year to year in response to applicant needs and concerns as well as administrative issues, the Montana State Library should monitor these changes. Both the MSL and individual Montana libraries may subscribe to the SLD News Briefs and receive weekly reports and helpful filing tips.²¹ Any questions regarding eligibility, policy, restrictions, etc. can be submitted directly to SLD online²² and both questions and responses saved and archived with your E-Rate documents.

²¹ <http://www.usac.org/sl/tools/news-briefs/subscribe.aspx>

²² http://www.slforms.universalservice.org/EMailResponse/EMail_Intro.aspx

Appendix 1: Examples of E-Rate Documentation to be retained for a Minimum of Five Years

Bidding	Procurement policy and procedures, with dates of implementation, records from forums or meetings including state and local procurement regulations and procedures, if applicable.
	Outline of the process used in selecting your service provider, including dates of posting, where posted, evaluation criteria and weighting of criteria, if applicable.
	Copy of all RFPs or bid requests (save a copy or printout of the newspaper, public notice or online notice); include any addendum, corrections or clarifications. Do not rely on a bookmarked URL.
	Copies of all bids received (both winning and losing)
	Bid evaluation documentation, including evaluations, worksheets, correspondence and Notice of Award.
	Copies of all contracts for supported services. No contract should be dated until 28 days after the posted bid/RFP. Include any change orders.
Invoices & Services	Outline of procedures/policies for E-Rate application, E-Rate procurement, expenditures, service provider bill validation and processing.
	Equipment documentation with date of receipt/delivery
	Copies of all invoices for E-Rate supported services
	Association of FRNs with Service Provider bills and USAC invoices
	Copies of payments (canceled checks) for services to service providers
	Receipts and deposits for amounts received for BEAR invoices
	Copies of SPIN requests (if applicable) including a copy of a notice to the original service provider.
CIPA	Copy of your Internet safety policy, including date of adoption.
	Copy of the minutes and date of the public hearing for your Internet safety policy.
	Copy of Form 479- Certification by Administrative Authority to Billed Entity of Compliance with the Children’s Internet Protection Act (CIPA).
	Copy of Form 486 – Receipt of Service Confirmation (if applicable).

Technology	Copy of the technology plan, approval letters as required with the date of implementation for all services except basic Telecommunications.
	High-level network diagram and summary of the technology environment.
	Documentation for training or workstations needed for effective use of USAC funding.
	List of E-Rate supported equipment including physical location, serial number, disposition, replacement and related USAC invoice and vendor bills.
Discount Calculation	Documentation and supporting worksheets for the discount calculations
Records	Copy of your record-keeping procedures.
Correspondence	Correspondence to/from USC, the FCC, service providers, letters of agency and all forms filed for E-Rate funding.

Resources for E-Rate - Internet Safety

Children's Internet Policy Act (CIPA) (Complete copy of H12302 Title XVII)	http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?dbname=2000_record&page=H12302&position=all
FCC Guide to CIPA	http://www.fcc.gov/guides/childrens-internet-protection-act
SLD CIPA Frequently Asked Questions	http://www.sl.universalservice.org/reference/CIPAFaq.asp
American Library Association (ALA)	http://www.ala.org/ala/issuesadvocacy/advocacy/federallegislation/cipa/index.cfm
CPPA, COPA, CIPA: Which is Which (ALA)	http://www.ala.org/ala/aboutala/offices/oif/ifissues/issuesrelatedlinks/cppacopacipa.cfm
Libraries and the Internet Toolkit	http://www.ala.org/ala/aboutala/offices/oif/iftoolkits/litoolkit/default.cfm
Children and the Internet (Laws)	http://www.ncsl.org/default.aspx?tabid=13491
Checklist for Creating an Internet Use Policy (ALA)	http://www.ala.org/ala/aboutala/offices/oif/iftoolkits/litoolkit/checklistcreating.cfm
Sample Public Library Policies	
Ames Public Library (2 pages) <i>Revised 2010</i>	http://www.amespubliclibrary.org/Docs_PDFs/Policy/InternetUsePolicyandGuidelines.pdf
Cleveland Heights - University Heights Public Library (13 pages) Revised 2007	http://www.heightslibrary.org/pdf/policies/access.pdf
Multnomah County Library (2 pages) Updated 2011 (All Library Usage)	http://www.multcolib.org/about/pol-internet.html
San Antonio Public Library (1 page) (2007) Public Use of the Internet	http://www.sat.lib.tx.us/shared_docs/ent/0000_Policies%20And%20Procedures/Public%20Use%20of%20the%20Internet.pdf
Resources for Internet filtering (For information and comparison only) Note: E-Rate compliance filtering services must be posted for bid	
GetNetwise.org -	Allows an applicant to review filtering criteria used by different companies http://kids.getnetwise.org/tools/
VirtualGlobalTaskForce.com - ThinkUKnow Success: Creating Awareness of the Online Risks to Children (2011)	http://www.virtualglobaltaskforce.com/2011/thinkuknow-success-creating-awareness-of-the-online-risks-to-children/
OnGuardOnline.gov (FCC Partner)	http://www.onguardonline.gov/
Books	
Ronald Deibert, John Palfrey, Rafal Rohozinski, Jonathan Zittrain. eds., <i>Access Denied: The Practice and Policy of Global Internet Filtering</i> , (Cambridge: MIT Press) 2008.	
Katz, Jon. <i>Virtuous Reality</i>	
Carlson, Matt. <i>Childproof Internet</i>	
Lazarus, Wendy and Lipper, Laurie. <i>The Parents' Guide to the Information Superhighway</i>	
Tapscott, Don. <i>Growing Up Digital</i>	