

## Schools and Libraries (E-Rate)

### BEFORE YOU'RE DONE

#### Transfer of Equipment

Updated May 2018

Recipients of support are expected to use all equipment purchased with Schools and Libraries (E-rate) Program discounts at the particular location, for the specified purpose, and for a reasonable period of time. If equipment is not serving the entities specified in the FCC Form 471 Funding Request Number (FRN) approved by USAC, applicants need to ensure that they have not transferred the equipment in a manner inconsistent with FCC rules.

Eligible products and services purchased with E-rate Program discounts cannot be sold, resold, or transferred for money or any other thing of value, with the following exceptions:

Beginning January 3, 2011, applicants can dispose of, donate, or trade "obsolete" equipment for payment or other consideration. Obsolete equipment is defined as equipment that has been installed for five years or more. (See [Disposal or Trade-In of Equipment](#) for further information.)

Applicants can transfer equipment in the following two situations. However, in both situations the equipment cannot be sold or transferred for money or anything of value:

Equipment can be transferred to other eligible entities three years after the purchase date.

Equipment can be transferred from a location that is temporarily or permanently closed to other eligible entities within three years of the date of purchase. USAC must be notified of these transfers and both the transferor and recipient must maintain detailed records documenting the transfer and the reason for the transfer for a period of five years. (See below for further information.)

#### How to Determine if a Transfer of Equipment Occurred

When eligible equipment is moved or relocated, it is not automatically considered a transfer of equipment. A transfer of equipment has occurred if the equipment provides service to entities that were not included in the original approved FRN.

##### Examples

In the following examples, assume that School A, School B, and School C in the same school district, are sharing a router installed at School A one year ago and were included as the recipients of service for this FRN.

**Example 1:** The same three schools share the router, but the router has been moved from School A to School B. No transfer has occurred because the entities sharing the service have not changed from the original approved FRN.

**Example 2:** School A moves the router to the District Office (Non-Instructional Facility Z). The router continues to serve Schools A, B, and C. No transfer has occurred because the same entities on the original approved FRN continue to receive service.

**Example 3:** School D in the same school district wants to share the router with the other three schools. Here a transfer has occurred because service is now being provided to an entity that was not included in the original approved FRN as a recipient of service.

**Example 4:** School B is no longer sharing the router because it has closed. No transfer has occurred, because Schools A and C were included on the original approved FRN and are continuing to receive service.

#### Maintaining Equipment Records

##### Transfers That Occur Five Years or More after Installation

Equipment that has been installed for five or more years is considered to be obsolete equipment and may be resold or transferred in consideration of money or anything of value, disposed of, donated, or traded. Entities must maintain records documenting the transfer and the reason for the transfer. See [Disposal or Trade-in of Equipment](#) for additional information.

##### Transfers That Occur Three Years or More after Purchase

Equipment can be transferred to another eligible entity, regardless of discount level, three years or more after the date of purchase. Transfers that occur less than five years after installation cannot be sold or transferred for money or anything else of value. Entities must maintain records documenting the transfer and the reason for the transfer. Entities are not required to notify USAC of the transfer that occurs three or more years after date of purchase.

##### Transfers from a Closed Location That Occur Less than Three Years after Purchase

Equipment can be transferred to other eligible entities within three years of the date of purchase, even if those entities are at a lower discount level, if the particular location where the service was originally received is temporarily or permanently closed. This includes equipment serving part of a facility, such as equipment serving individual classrooms, if that portion of the facility is temporarily or permanently closed. The transferring entity must notify USAC of the transfer, and both the transferring and receiving entities must maintain detailed records of the transfer and the reason for the transfer for five years from the date of the transfer. These records must be sufficient to verify the actual location of the transferred equipment.

To notify USAC about a transfer of equipment that occurs less than three years after purchase, file an [FCC Form 500](#) as soon as possible after the transfer has occurred.