

Audit Committee

Briefing Book

Monday, October 26, 2026

2:00 - 3:40 p.m. Eastern Time

Available for Public Use

Universal Service Administrative Company

700 12th Street, NW, Suite 900

Washington, DC 20005

Universal Service Administrative Company
Audit Committee
Quarterly Meeting
Agenda

Monday, October 26, 2026
2:00 p.m. – 3:40 p.m. Eastern Time
USAC Offices and Webex Webinar
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

	OPEN SESSION	*Estimated Duration in Minutes*
Chair	**a1.** Consent Items (each item is available for discussion upon request): **A.** Approval of Audit Committee Meeting Minutes of July 27, 2026, and September 30, 2026 **B.** Approval of moving all ***Executive Session*** items into ***Executive Session*** **C.** Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members	5
Teleshia	**i1.** Audit and Assurance Division Business Update • Q3 2026 Accomplishments and Q4 2026 Plans • Appendices: A: BCAP Audits in Process B: BCAP Audits Aging Report C: SCAP Audit Reports in Process D: PQA Assessments in Process E: Roadmap F: Glossary of Terms	20

	EXECUTIVE SESSION ***Executive Session Recommended*** Confidential-Not for Public Disclosure	*Estimated Duration in Minutes*
Teleshia	**i2.** Audit and Assurance Division Business Update (*Continued)* • Improper Payment Results • Internal Quality Assessment Results	25
Teleshia	**a2.** Action on One USAC Audit and Assurance Division Internal Audit Report	10
Teleshia	**a3.** Review of the Audit and Assurance Division Charter	5
Teleshia	**i3.** Audit Committee Discussion for Internal Audits in 2027	10
Chair	**i4.** Audit Committee ***Executive Session*** with USAC's Vice President of Audit and Assurance	20

Next Scheduled USAC Audit Committee Meeting

Monday, January 25, 2027
USAC Offices, Washington, D.C

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Universal Service Administrative Company
Audit Committee Meeting

ACTION ITEM

Consent Items

Action Requested

The Audit Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Committee is requested to approve the following items using the consent resolution below:

A. Committee meeting minutes of July 27, 2025 and September 30, 2026 (s*ee* **Attachment A-1** and **A-2).**

B. Approval of moving all ***Executive Session*** items into ***Executive Session***:

(1) **i2.** Audit and Assurance Division Business Update *(Continued).* USAC management recommends that this item be discussed in ***Executive Session*** because it may involve discussion of ***specific internal controls or confidential company data*** or ***internal rules and procedures*** concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in ***disclosure of confidential techniques and procedures*** that would compromise program integrity and ***relates to pre-decisional matters pending before the FCC.***

(2) **a2.** Action on One USAC Audit and Assurance Division Internal Audit Report. USAC management recommends that this matter be discussed in ***Executive Session*** because these reports relate to ***specific internal controls or confidential company data*** that would constitute a discussion of internal rules and procedures.

(3) **a3.** Review of the Audit and Assurance Division Charter. USAC management recommends that this matter be discussed in ***Executive Session*** because discussion of the charter would relate ***to specific internal controls and/or confidential company data*** that could constitute a discussion of internal rules and procedures.

(4) **i3.** Audit Committee Discussion for Internal Audits in 2027. USAC management recommends that this matter be discussed in ***Executive***

Session pursuant to the guidelines in the approved Audit Committee Charter.

(5) **i4.** Audit Committee ***Executive Session*** with USAC's Vice President of Audit and Assurance. USAC management recommends that this matter be discussed in ***Executive Session*** pursuant to the guidelines in the approved Audit Committee Charter.

C. Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members. In accordance with Section II.A.1 of the Committee's Charter, the Committee members are required to meet established independence requirements (S*ee* **Attachment C**).

Upon request of a Committee member, the above items are available for discussion by the Committee.

Recommended USAC Audit Committee Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 27, 2026 and September 30, 2026; (2) discussion in ***Executive Session*** of the items noted above; and (3) the annual assessment and agrees that the Audit Committee consists of independent members and that there is a sufficient level of financial expertise.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, July 27, 2026

(DRAFT) MINUTES[1]

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C and virtually on a Webex webinar platform on Monday, July 27, 2026. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 2:01 p.m. Eastern Time, with a quorum of all five of the Committee members present.

Gregory, Amber
Kettwich, Dan – *by Webex*
Mason, Ken – Vice Chair
Schell, Julie Tritt – Chair
Wade, Dr., Joan

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by Webex*
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Francisco, Dale – Chief Financial Officer (Interim)
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Chief Executive Officer (Interim), and Assistant Treasurer
O'Brien, Tim – Vice President of Lifeline
Semmler, Kara – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care
Thompson, Mona – Member of the Board – *by Webex*
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

[1] Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

NAME	COMPANY
Boakye-Gyan, Carol	USAC
Braxton-Johnson, Kianna	USAC
Campos, Rosy	Federal Funding Advisors, LLC
Ferguson, Cameron – *by Webex*	PricewaterhouseCoopers
Goode, Vernell	USAC
Kriete, Debra	South Dakota DOE and State E-Rate Coordinators Alliance
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Sadirkhanova, Sabina – *by Webex*	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – *by Webex*	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Thomas, Taylor – *by Webex*	PricewaterhouseCoopers
Tiwari, Tanya – *by Webex*	FCC
Truong, Linh	USAC

OPEN SESSION

All materials from ***Open Session*** can be found on the USAC website.

a1. Consent Items. Ms. Schell presented this item to the Committee.

A. Approval of the Audit Committee meeting minutes of April 27, 2026.

B. Approval of moving all ***Executive Session*** items into ***Executive Session***:

(1) **i2.** Audit and Assurance Division Business Update (Continued). USAC management recommends that this item be discussed in ***Executive Session*** because the report relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(2) **a2.** Action on One USAC Audit and Assurance Division Internal Audit Report. USAC management recommends that this matter be discussed in ***Executive Session*** because the report relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

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(3) **a3.** Annual Review of USAC's System of Internal Controls. USAC management recommends that this matter be discussed in ***Executive Session*** because this matter relates to ***specific internal controls or confidential company data*** that would result in ***disclosure of confidential techniques and procedures*** that would compromise program integrity.

(4) **a4.** Annual Review of USAC's Financial Reporting Process. USAC management recommends that this matter be conducted in ***Executive Session*** because this matter relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(5) **a5.** Acceptance of USAC's 2025 Annual Financial Statement Audit and Agreed-Upon Procedures Review *(same as iBOD04cf)*. USAC management recommends that this matter be discussed in ***Executive Session*** because it relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(6) **i3.** Audit Committee ***Executive Session*** with USAC's Independent Audit Firm. USAC management recommends that this matter be discussed in ***Executive Session*** pursuant to the guidelines in the approved Audit Committee Charter.

(7) **i4.** Audit Committee ***Executive Session*** with USAC's Vice President of Audit and Assurance. USAC management recommends that this matter be discussed in ***Executive Session*** pursuant to the guidelines in the approved Audit Committee Charter.

C. Annual Review of USAC's Systems of Internal Controls. In accordance with Section III.F of the Committee's Charter, the Committee is required to review the adequacy of USAC's system of internal controls (*See* **aAC03cf**; if discussion is needed, it will be conducted in ***Executive Session***).

D. Annual Review of USAC's Financial Reporting Process. In accordance with Section III.C of the Committee's Charter, the Committee is required to review the integrity of USAC's financial reporting process (*See* **aAC04cf**; if discussion is needed, it will be conducted in ***Executive Session***).

On a motion duly made and seconded and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 27, 2026; (2) discussion in ***Executive Session*** of the items noted above; (3) the

annual review of USAC's system of internal controls; and (4) the annual review of USAC's financial reporting process.

i1. Audit and Assurance Division Business Update. Ms. Delmar presented a PowerPoint presentation including the following topics:

- Q2 2026 Accomplishments and Q3 2026 Plans
- Roadmap
- Appendices:
  A: BCAP Audits in Process
  B: BCAP Audits Aging Report
  C: SCAP Audit Reports in Progress
  D: PQA Assessments in Process
  E: Glossary of Terms

At 2:30 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board, FCC, and USAC staff were present.

EXECUTIVE SESSION

i2. Audit and Assurance Division Business Update (Continued). Ms. Delmar presented a PowerPoint presentation reviewing the following:

- Fiscal Year 2025 Common BCAP and PQA Assessment Findings
- Fiscal Year 2025 BCAP and PQA Corrective Action Plans

a2. Action on One USAC Audit and Assurance Division Internal Audit Report. Ms. Delmar presented a USAC Audit and Assurance Division (AAD) Internal Audit Report on the USAC Corrective Action Plan (CAP) Management Audit.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution.

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's Corrective Action Plan Management audit report, accepts the recommendation of USAC management and hereby deems the report final.

a3. Annual Review of USAC's System of Internal Controls. No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Audit Committee accepts the review of USAC's system of internal controls.

a4. Annual Review of USAC's Financial Reporting Process. No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Audit Committee accepts the review of USAC's system of internal controls.

a5. Acceptance of USAC's 2025 Financial Statement Audit and Agreed-Upon Procedures Review (Same as iBOD04cf). Mr. Francisco provided an update on this item.

On a motion duly made and seconded, and after discussion, the Committee adopted the resolution proposed by Ms. Tritt Schell to move to postpone items **aAC05cf** and **iAC03cf** indefinitely, until such time that the materials are available for the Audit Committees consideration.

At 3:12 p.m. Eastern Time, the Committee continued in Executive Session with only non-staff members of the Board and Ms. Delmar present.

i4. Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of the Audit Committee and Board of Directors in a confidential ***Executive Session***.

OPEN SESSION

At 3:53 p.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Ms. Tritt Schell reported that, in ***Executive Session***, the Committee acted on item a2 and discussed item i2 and i4, and after discussion moved to postpone items aAC05cf and iAC03cf.

On a motion duly made and seconded, the Committee adjourned at 3:54 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Wednesday, September 30, 2026

(DRAFT) MINUTES[1]

The non-quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held virtually on a Webex platform on Wednesday, September 30, 2026. At the request of Ms. Julie Tritt Schell, Committee Chair, Mr. Ken Mason, Board Chair, called the meeting to order at 12:03 p.m. Eastern Time, with a quorum of four of the five Committee members present.

Kettwich, Dan
Mason, Ken – Vice Chair
Schell, Julie Tritt – Chair
Wade, Dr., Joan

Ms. Amber Gregory joined the meeting at 12:06 p.m. Eastern Time. She did not vote on item a1.

Other Board members and officers of the corporation present:

Chacko, Sheba – Member of the Board
Dalhover, Brian – Member of the Board
Delmar, Teleshia – Vice President of Audit and Assurance
Forbes, Ian – Member of the Board
Francisco, Dale – Chief Financial Officer (Interim)
Garber, Michelle – Chief Executive Officer (Interim), and Assistant Treasurer
Minard, Alexander – Member of the Board
Sanborn, Heather – Member of the Board
Schuler, David – Member of the Board
Semmler, Kara – Member of the Board
Siefer, Angela, – Member of the Board
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

[1] Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

NAME	COMPANY
Feruson, Cameron	PricewaterhouseCoopers
Gin, Gina	PricewaterhouseCoopers
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC

OPEN SESSION

All materials from ***Open Session*** can be found on the USAC website.

a1. Consent Items. Mr. Mason presented this item to the Committee.

A. Approval of moving all ***Executive Session*** items into ***Executive Session***:

(1) **a2.** Acceptance of USAC's 2025 Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in ***Executive Session*** because the report relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(2) **i1.** Audit Committee ***Executive Session*** with USAC's Independent Audit Firm. USAC management recommends that this matter be discussed in ***Executive Session*** pursuant to the guidelines in the approved Audit Committee Charter.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution.

RESOLVED, that the USAC Audit Committee hereby approves discussion in ***Executive Session*** of the items noted above.

At 12:05 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing the confidential items above with members of the Board, USAC staff, and PwC staff were present. The Audit Committee continued in ***Executive Sesson*** at 12:31 p.m. with members of the Board, USAC staff, and PricewaterhouseCoopers present.

EXECUTIVE SESSION

a2. Acceptance of USAC's 2025 Agreed-Upon Procedures Review *(same as iBOD01cf)* . Ms. Delmar introduced Ms. Gin to review the Report to the Audit Committee on the 2025 Agreed-Upon Procedures Review, as submitted by PricewaterhouseCoopers LLP. Ms. Gin and Mr. Ferguson presented this item to the Committee.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

> **RESOLVED,** that the USAC Audit Committee, having reviewed the Report to the Audit Committee, as submitted by PricewaterhouseCoopers LLP, hereby accepts the Report to the Audit Committee, including the results of the 2025 Agreed-Upon Procedures Review and hereby directs PricewaterhouseCoopers LLP to issue the final signed report to USAC.

At 12:45 p.m. Eastern Time, the meeting continued in Executive Session with only non-staff members of the Board and PricewaterhouseCoopers present.

i1. Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. Per the guidelines in the approved Audit Committee Charter, Ms. Gin met with members of the Audit Committee and Board of Directors in a confidential ***Executive Session***.

At 12:47 p.m. Eastern Time the Committee continued in ***Executive Session*** with only members of the Audit Committee and the Board of Directors.

OPEN SESSION

At 12:59 p.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Mason reported that, in ***Executive Session***, the Committee acted on item a2 and discussed item i1.

On a motion duly made and seconded, the Committee adjourned at 12:59 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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Attachment C
Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members

Action Requested

In accordance with the Audit Committee Charter (Charter), the Audit Committee (Committee) of the USAC Board of Directors is required to assess the independence and financial literacy of its members to ensure that the Committee can fulfill its roles and responsibilities. This issue paper documents the assessment of the Committee made by the USAC Audit and Assurance Division (AAD).

Discussion

The Charter requires that the Committee assess the independence and financial literacy of its members at least annually to verify that the Committee is independent and has a sufficient level of financial expertise to perform its duties.

The following is a summary of the Charter's independence and financial literacy requirements and an assessment of each Committee member's compliance with specific sections:

Audit Committee Charter (*Section II, A1c, 2a-c*)	**Julie Tritt Schell**	**Kenneth Mason**	**Joan Wade**	**Amber Gregory**	**Daniel Kettwich**
[The member] is not and has not been employed in an executive capacity by the Company for at least five years prior to appointment to the Audit Committee.	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
[The member] is not an advisor or consultant to the Company and does not have a personal services contract or other business relationship with the Company.*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*

Audit Committee Charter (*Section II, A1c, 2a-c*)	**Julie Tritt Schell**	**Kenneth Mason**	**Joan Wade**	**Amber Gregory**	**Daniel Kettwich**
[The member] is not a spouse, parent, sibling, child, or in-law of any person described in the preceding two clauses of this paragraph or of any member of the management of the Company.	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
At least one member shall have a background in financial reporting, accounting, or auditing, or other financial expertise.	*No*	*Yes*	*No*	*No*	*Yes*
**NOTE: None of the members of the Audit Committee has a consulting arrangement or contractual business relationship with USAC. Members may be employees of entities that contribute to and/or receive funds from the Universal Service Fund (USF).*					

The professional backgrounds noted above provide the Committee with adequate financial, telecommunications, and regulatory experience to sufficiently fulfill Committee roles and responsibilities. AAD has concluded that the collective membership of the Committee fulfills the requirements for independence and financial literacy required by the Charter and recommends that the Committee accept this assessment.

Recommended USAC Audit Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Audit Committee accepts the annual assessment of the independence and financial literacy of the USAC Audit Committee members and agrees that the Audit Committee consists of independent members and that there is a sufficient level of financial expertise.



Audit Committee

Audit and Assurance Business Update

Open Session

October 26, 2026

Universal Service Administrative Co.

Agenda

- Q3 2026 Accomplishments and Q4 2026 Plans
- Appendices
  - A: BCAP/SCAP Audits in Process
  - B: BCAP/SCAP Audits Aging Report
  - C: PQA Assessments in Process
  - D: Roadmap
  - E: Glossary of Terms

Q3 2026 Accomplishments and Q4 2026 Plans

Function	Q3 2026 Accomplishments	Q4 2026 Plans
Beneficiary and Contributor Audit Program (BCAP)	• Completed 30 audits (5 CR, 7 HC, 5 LI, 1 RHC, and 12 E-Rate). • Finalized and submitted the 2027 BCAP Plan to FCC. • Conducted HC audit training. • Participated in the E-Rate Fall training.	• Announce 20 audits. • Complete 25 audits. • Commence 2027 BCAP Plan audits. • Conduct audit training for changes to the audit procedures, including Cybersecurity Pilot.
Payment Quality Assurance (PQA)	• Completed 148 High Cost and 240 Lifeline assessments.	• Announce Batch 1 of the FY27 High Cost and Lifeline assessments.
Supply Chain Audit Program (SCAP)	• Completed 1 audit. • Finalized and submitted the 2027 SCAP Plan to FCC.	• Complete 8 audits.
Internal Audit (IA)	• Completed one audit. • Commenced one audit. • Commenced the 2026 AUP procedure update process.	• Complete one IA audit. • Onboard new audit firm and begin AUP coordination activities.
Project Management Office (PMO)	• Conducted bidder's conference to kick off outsourced audits for the new fiscal year.	• Continue working to enhance the CAMP system.

Appendix A: BCAP/SCAP Audits in Process

The status of BCAP audits in process as of October 1, 2026

Area	Announced	Fieldwork	Reporting	**Total**
Contributor Revenue	0	8	10	**18**
High Cost	0	48	23	**71**
Lifeline	0	21	31	**52**
E-Rate	0	21	39	**60**
Rural Health Care	0	7	30	**37**
Supply Chain	0	16	3	**19**
Total	**0**	**121**	**136**	**257**

Appendix B: BCAP/SCAP Audits Aging Report

The aging report of BCAP audits in process as of October 1, 2026

Program	< 6 months	> 6 months	> 12 months	> 18 months	**Total**	**Change from 7/27/2026**
Contributor Revenue	0	8	0	10	**18**	(5)
High Cost	6	24	8	33	**71**	(8)
Lifeline	6	10	4	32	**52**	(5)
E-Rate	16	16	1	27	**60**	(13)
Rural Health Care	1	9	4	23	**37**	0
Supply Chain	10	1	0	8	**19**	(3)
Total #	**39**	**68**	**17**	**133**	**257**	(34)
Total %	**15.0%**	**26.0%**	**7.0%**	**52.0%**	**100.0%**	**N/A**
Reporting Phase	3	23	8	102	**136**	13

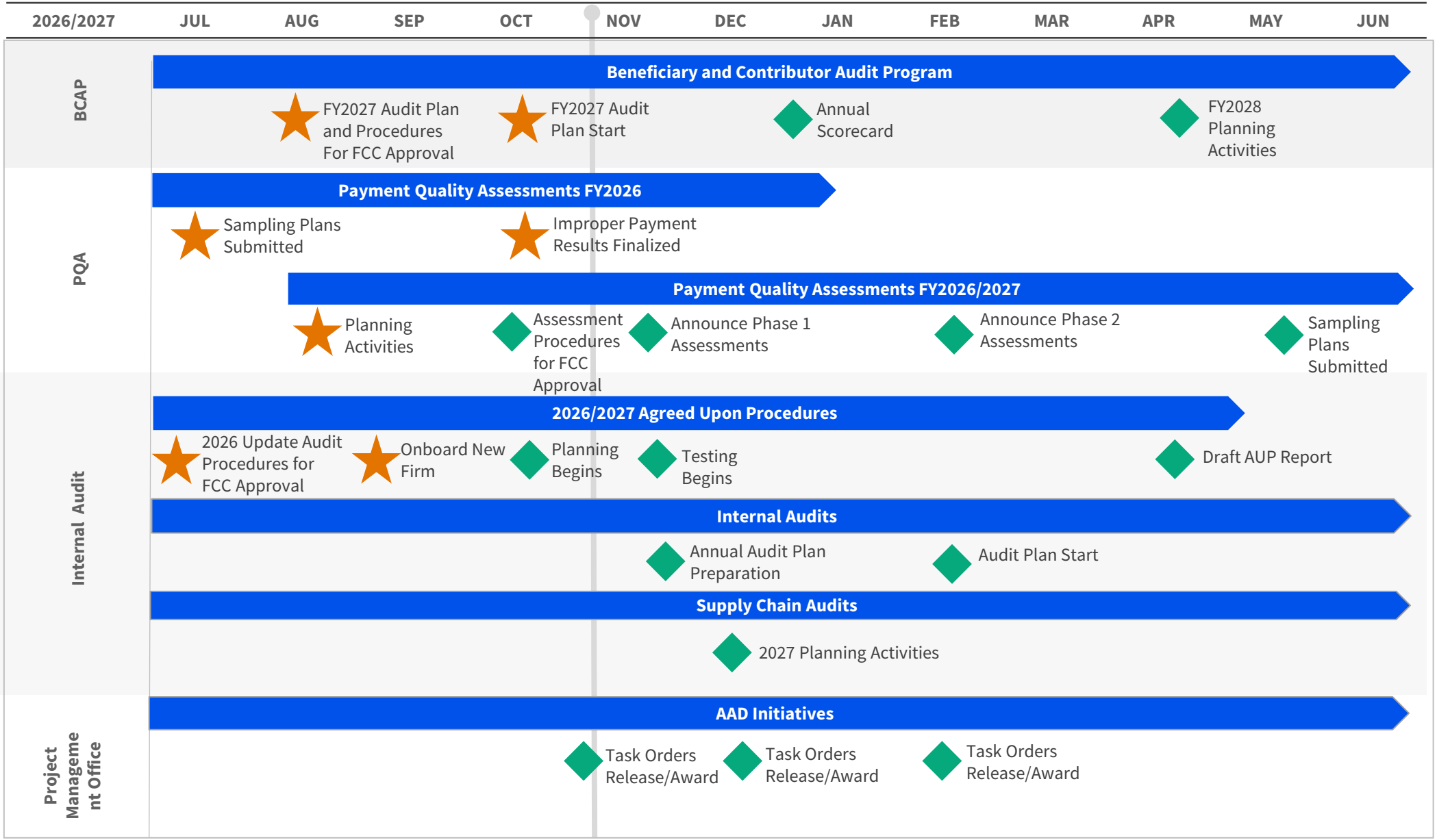
Note: For the 133 audits > 18 months, 4 are with the audited entity, 83 are with USAC, and 46 are with the FCC.

Appendix C: PQA Assessments in Process

The status of PQA assessments in process as of October 1, 2026

Program	Announced	Fieldwork	Completed	**Total**
High Cost	0	0	148	**148**
Lifeline	0	0	240	**240**
Total	**0**	**0**	**388**	**388**

Appendix D: Roadmap



Appendix E: Glossary of Terms

Term	Definition
AAD	Audit and Assurance Division: An organization within USAC dedicated to preserving the integrity of universal service funds and USAC's corporate resources by conducting objective audits, performing payment quality assessments, and evaluating the efficiency and effectiveness of USAC's operations.
ACP	Affordable Connectivity Program: A $14 billion federal program created through the Infrastructure Investment and Jobs Act to help low-income households pay for internet service and connected internet devices.
AUP	Agreed Upon Procedures: Annual review of USAC's operations conducted by an external audit firm.
BCAP	Beneficiary and Contributor Audit Program: BCAP assesses beneficiary and contributor compliance with Federal Communications Commission (FCC) rules, orders, and program requirements (collectively, FCC Rules).
BCAPx or SCAPx	Beneficiary and Contributor Audit Program External Audits or Supply Chain Audit Program External Audits: BCAP or SCAP audits performed by outsourced (outside) audit firms.
CR	Contributor Revenue: Audits of Contributor Revenue filers.
E-Rate	Audits of E-Rate program participants.
HC	High Cost: Audits of High Cost program participants.
IP	Improper Payment. A payment that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.

Appendix E: Glossary of Terms (Continued)

Term	Definition
LI	Lifeline: Audits of Lifeline program participants.
PQA	Payment Quality Assurance: PQA assesses the accuracy of Universal Service Fund disbursements and determines whether improper payments exist and assists the FCC in meeting its reporting obligations subject to the Payment Integrity Information Act.
NECA	National Exchange Carrier Association. Created by the FCC to administer the FCC's access charge plan, which helps ensure telephone service remains available and affordable in all parts of the country.
RHC	Rural Health Care: Audits of Rural Health Care program participants.
IA	Internal Audits: Internal Audits assess USAC's compliance with FCC Rules, policies and procedures, and the effectiveness and efficiency of internal operations.
SC or SCAP	Supply Chain or Supply Chain Audit Program: SCAP assesses program participant compliance with FCC rules, orders, and program requirements (FCC Rules) related to protecting the communications supply chain.
SECA	State E-Rate Coordinators' Alliance. Organization that provides training to schools and libraries.
USF	Universal Service Fund: The four universal service programs.



Universal Service
Administrative Co.