



Contributor Office Hours

Annual True-Up and Credit Balance Refunds

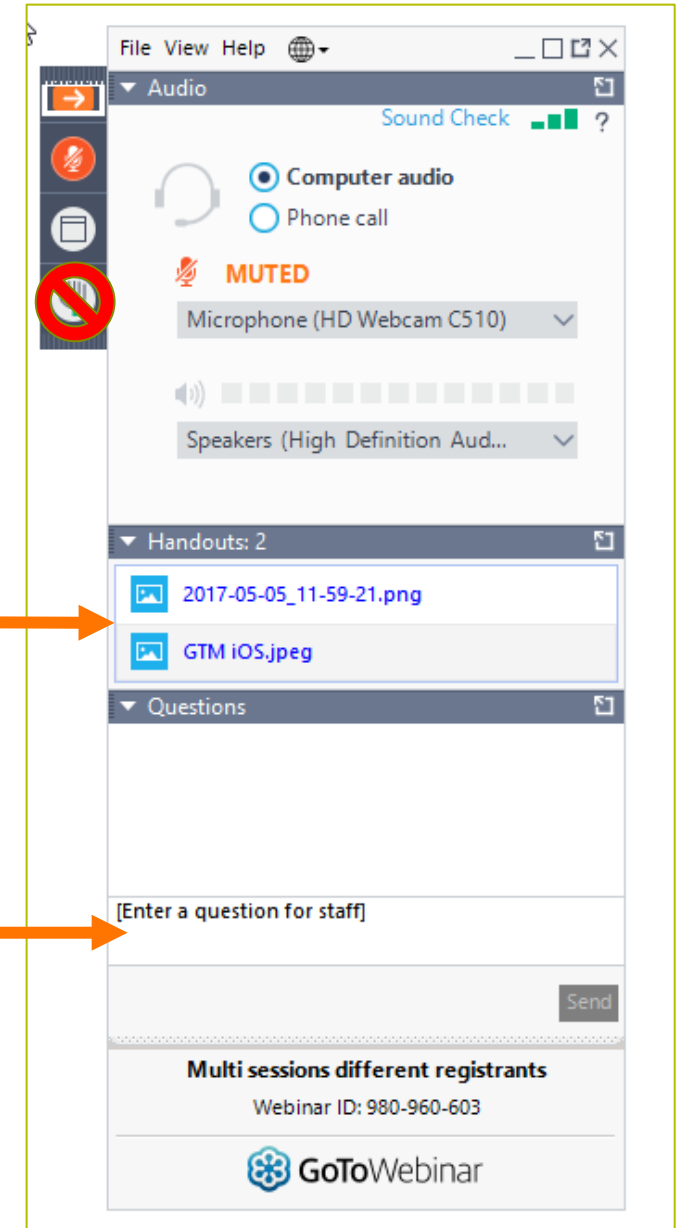
July 9, 2025

DISCLAIMER

To accommodate all attendees, real-time closed captions will be present during this presentation. We apologize in advance for any transcription errors or distractions. Thank you for your support.

Housekeeping

- The audience will remain on mute.
- If your audio or slides freeze, restart the webinar.
- A copy of the presentation is in the '**Handouts**' section of webinar panel.
- Enter questions at any time using the '**Questions**' panel.



Webinar Recordings

Please be aware that this webinar is being recorded.

A copy of the recorded webinar, along with a copy of the presentation will be available on the Service Provider's '**Webinars**' [webpage](#) within two days.

Future webinars are also posted on the webpage as well as their registration link. At the beginning of each quarter, all webinars scheduled for that quarter will be posted.

Meet Our Presenter

Amy Kavelman

Senior Telecom Industry Analyst | Contributor Operations

Ms Kavelman is a member of the 499 team that analyzes revenue reported on the FCC Form 499-A. She has worked at USAC for 14 years.

“Office Hours” Webinar Format

- Office Hours are held monthly.
- Brief presentation of a common topic at the beginning.
- Open the floor to questions from attendees:
 - Attendees type their question in the ‘Questions’ box in the GoToWebinar panel.
 - USAC staff will repeat the question so everyone can hear.
 - USAC staff will answer the question, keeping identify of the asker private.
 - If question contains specific company information, USAC staff will follow-up with an email, keeping the question private.

Agenda

- Introduction
- Annual True-Up Process
- Credit Balance Refunds
- Questions
- Assistance Resources

Annual True-Up Process

Reconciling the 499-A form to the 499-Q forms

FCC Form 499-A Purpose

What is it?

A company reports their actual historical revenues on the FCC Form 499-A.

The 2025 FCC Form 499-A reports actual revenues from calendar year 2024.

USAC takes the revenue on the 2025 FCC Form 499-A and compares to the projected revenue from the quarterly FCC Forms 499-Q that were filed in 2024.

Estimated Revenues – Total for Year

499-Q November 2023 Filing (1Q 2024)
499-Q February 2024 Filing (2Q 2024)
499-Q May 2024 Filing (3Q 2024)
499-Q August 2024 Filing (4Q 2024)

Compare to

Actual Revenues

- 2025 FCC Form 499-A
January – December 2024

What is a True-Up?

A True-Up is the process of reconciling the revenue reported on a 499-A form to the projected revenue on the respective 499-Q forms.

- Revenue on lines 423d and 423e on the 2025 FCC Form 499-A is captured.

423	Net universal service contribution base revenues [Line 420 minus line 422]	\$7,472,113.00			\$2,040,510.00	\$0.00
-----	---	----------------	--	--	----------------	--------

- Revenue on lines 120b and 120c on the each of the FCC Forms 499-Q is captured.

120	Projected collected end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues	\$486,000.00	\$0.00
-----	---	--------------	--------

De Minimis Test

The FCC has stated that service providers who contribute less than \$10,000.00/year are excluded from contributing to the universal service fund.

The *de minimis* (DM) test is a formula that determines if the service provider is over or under this \$10,000 threshold.

The DM test formula for the 499-A true-up is the following:

$$(499\text{-A net contribution base} * \text{FCC Estimated Annual Factor})$$

The 2025 Form 499-A de minimis estimation factor is found in Table A, page 53 of the 2024 FCC Form 499-A Instructions

If the results of the DM test < \$10,000, the service provider is considered De Minimis.

The support mechanism charges for the reconciled year are credited to their USF account.

If over \$10,000, the true-up calculation proceeds forward.

True-Up Calculation

If the 499-A is considered non-de minimis, the true-up continues.

The calculation is simply $499\text{-A Base} - 499\text{-Q Base} = \text{True-Up Base}$.

- If the True-Up Base is greater than zero, then the filer will be billed debits/adjustments.
 - Example: $\$150,000 - \$60,000 = \$90,000$
- If the True-Up Base is less than zero, USAC will apply credits.
 - Example: $\$200,000 - \$500,000 = (\$300,000)$
- A [worksheet](#) specific to the 2025 FCC Form 499-A and calculations used for the true-up can be found in the GoToWebinar panel in the handouts section.

Where to find the True-Up Statement?

Service Providers are now able to see the past two years of true-up statements in E-File.

While logged into E-File,

select '**Payments**',

find the option '**Select Payment View**'

and then

select '**True-Up Statements**' in the drop-down list.

The screenshot shows the E-File interface with three tabs: '499 Forms', 'Payments', and 'Issue Emails'. The 'Payments' tab is selected. Below the tabs is a 'Summary' section with a large '\$0.00' and 'Total Payment Due' with a help icon. A blue button 'Make a Payment' is below this. To the right, under 'Details', are 'Total Current Charges' and 'Total Past Due', both showing '\$0.00' with help icons. Below the summary is a 'Select Payment View' section with a description: 'See the payment history, invoices, balance details, or true-up statements for this account.' A dropdown menu is open, showing 'True-Up Statements' with a downward arrow. Below the dropdown is the text 'True-Up Statements'.

499 Forms Payments Issue Emails

Summary

\$0.00
Total Payment Due ⓘ

Make a Payment

Details

\$0.00
Total Current Charges

\$0.00
Total Past Due ⓘ

Select Payment View

See the payment history, invoices, balance details, or true-up statements for this account.

True-Up Statements ▼

True-Up Statements



True-Up statements for the 2025 FCC Form 499-A will be available beginning July 18, 2025.

True-Up Statement Selection

Selecting the PDF provides the calculations for the selected Filer ID. Only the 2 most recent years are available. If you are expecting a statement and you do not see it, please send a message through E-File’s Message Portal.

True-Up Statements

Displaying 2 of 2 records

499-A Filing	True-Up Calculation	View
2024 499-A	\$44,791.84	
2023 499-A	\$21,500.96	

The next slide is an example of a true-up statement.

True-Up Statement Example

499-A: Lines 423D and E

499-Q: Lines 120 B and C

499-A minus 499-Q

Actual true-up calculation

Calculation

1. Total 499-A Base	\$653,557.36 Interstate	+	\$0.00 International	=	\$653,557.36 Total 2024 499-A Base
2. Total 499-Q Base	\$117,331.00 Interstate	+	\$0.00 International	=	\$117,331.00 Total Q1 Nov 2022 Base
	\$118,023.00 Interstate	+	\$0.00 International	=	\$118,023.00 Total Q2 Feb 2023 Base
	\$121,181.00 Interstate	+	\$0.00 International	=	\$121,181.00 Total Q3 May 2023 Base
	\$118,899.00 Interstate	+	\$0.00 International	=	\$118,899.00 Total Q4 Aug 2023 Base
					<hr/> \$475,434.00 Total 499-Q Base
3. True-Up Base	\$653,557.36 Total 2024 499-A Base	–	\$475,434.00 Total 499-Q Base	=	\$178,123.36 True-Up Base
4. Total True-Up Adjustment	$\left(\begin{array}{c} \$178,123.36 \\ \text{True-Up Base} \end{array} \times \begin{array}{c} 0.3355 \\ \text{Contribution} \\ \text{Factor} \end{array} \right) - \left(\begin{array}{c} \$178,123.36 \\ \text{True-Up Base} \end{array} \times \begin{array}{c} 0.3355 \\ \text{Contribution} \\ \text{Factor} \end{array} \times \begin{array}{c} 0.250476 \\ \text{Circularity} \\ \text{Factor} \end{array} \right) =$				\$44,791.84 True-Up Adjustment

True-Up Facts

- The true-up contribution and circularity factors are averages of the 499-Q contribution and circularity factors from the reconciled year.
- During the initial True-up period, non *de minimis* credits or debits are spread over three months' invoices: July, August, and September.
- True-up debits are billed over the 3 months of the quarter unless the service provider is inactive, then the true-up calculation is billed in one month.
- After the initial True-up period, when a new true-up is processed, true-up credits are applied in full on the next available invoice.
- If a 499-A revision is submitted mid-quarter and results in additional true-up debits, the debits are applied at the start of the next quarter and spread over three months.
 - For example: If the 499-A revision is received in November and results in a debit, the debits are applied to the January, February and March invoices.

Credit Balance Refunds

What is a Credit Balance Refund?

- A Credit Balance Refund (CBR) is the return of monies to a service provider when there is a credit balance on their USF account.
- Credit balances can be created by true-up credits, over payments, or inactive reconciliation credits.
- Initiate a request for a Credit Balance Refund through the E-File Message Portal.
- You must have a credit balance on the account prior to requesting the refund.
- For more information about CBRs, visit our [webpage](#).

Questions?

Contacting USAC

E-File Message Portal

499 Forms Payments **Messages (0)**

Inbox
Archive

Displaying 0 of 0 records

+ Compose

No new messages.

Show 10 records

Send a message to the Service Provider team directly through the Message Portal in E-File.

New Message ✕

Company
USAC Test Amy

Email

example@company.com

☐ Notify all contacts

Category
--Select A Category--
499-A
499-Q
Billing
Credit Balance Refunds
Deactivation
Payments
Red Light
True-Up
Other

Cancel Send

Contributors/Service Providers Customer Service Center (CSC)



Call us at (888) 641-8722

Monday – Friday 9 a.m. to 5 p.m. ET



Email: CustomerSupport@usac.org

- Include in your email
 - 498 ID/Service Provider ID Number (SPIN)
 - 499 Filer ID

Contact the CSC for issues relating to login, error messages, and other technical problems.

Thank You!



Universal Service
Administrative Co.