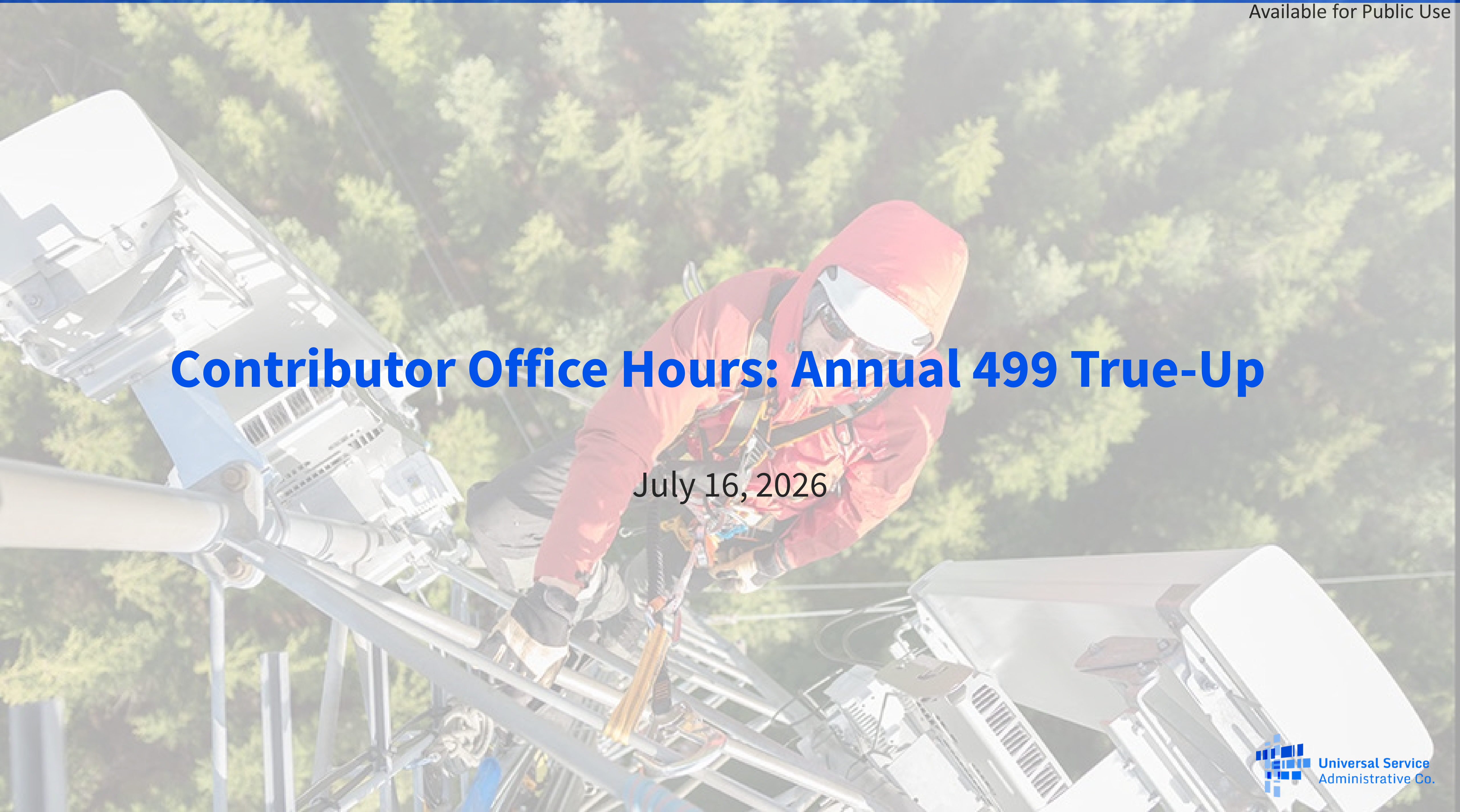


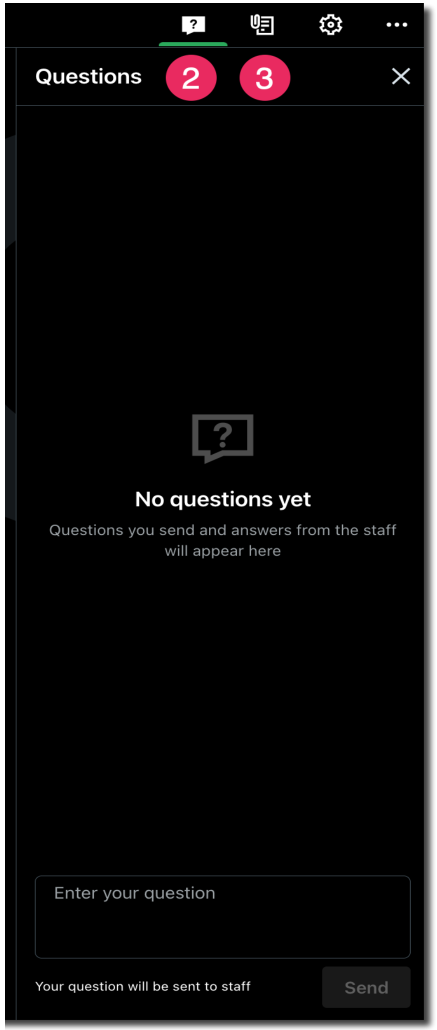
# Contributor Office Hours: Annual 499 True-Up

July 16, 2026

Universal Service Administrative Co.

# Housekeeping

- The audience will remain on mute.
- If your audio or slides freeze, restart the webinar.
- A copy of today's presentation is available in the materials section of the GoToWebinar control panel.
- **Enter questions at any time using the "Questions" box.**
- Audio is available through your computer's speakers.
- Toggle Closed Captioning on or off using the GoToWebinar control 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.

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

# Meet Our Presenter


## Al Cipparone

Senior Telecom Industry Analyst | Contributor Operations


Mr. Cipparone is a member of the 499 team that analyzes revenue reported on the FCC Form 499-A. He has worked at USAC since 2022.

**Email: Form499@usac.org**

# Agenda

- Webinar Format
- True-Up Process
- SAM.gov UEI Requirement
- Questions
- Assistance Resources

# "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 you, keeping the question private.

# 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 2026 FCC Form 499-A reports actual revenues from calendar year 2025.*

USAC takes the revenue on the 2026 FCC Form 499-A and compares it to the projected revenue from the quarterly FCC Forms 499-Q that were filed for 2025.

**Estimated Revenues – Total for Year**

499-Q November 2024 Filing (1Q 2025)
499-Q February 2025 Filing (2Q 2025)
499-Q May 2025 Filing (3Q 2025)
499-Q August 2025 Filing (4Q 2025)

Compare to

**Actual Revenues**

- 2026 FCC Form 499-A
  January – December 2025

# 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 (Interstate) and 423e (International) on the 2026 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 (Interstate) and 120c (International) on the each of the FCC Forms 499-Qs 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/year are excluded from contributing to the federal Universal Service Fund (USF). 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-A net contribution base * annual FCC estimation factor)

The *2026 Form 499-A de minimis estimation factor is found in Appendix A, page 52 of the 2026 FCC Form 499-A Instructions.*

If the results of the DM test are less than $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.**

# 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,

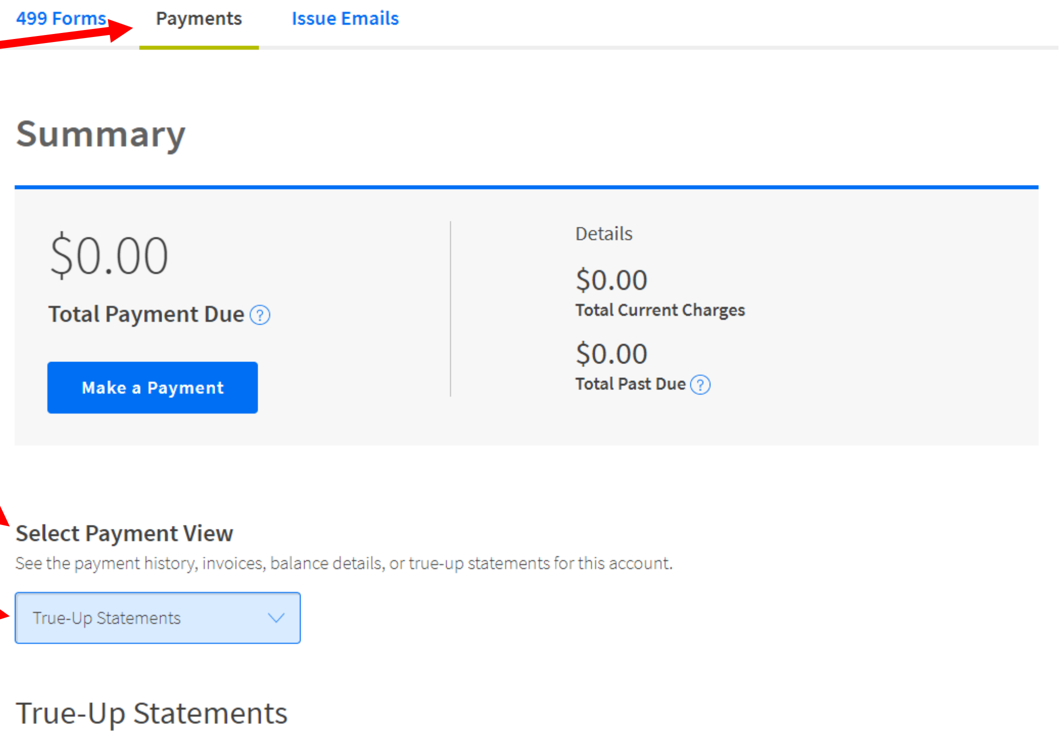
select ‘**Payments**’,

find the option ‘**Select Payment View**’

and then

select ‘**True-Up Statements**’ in the

drop-down list.




**True-Up Statements for the 2026 FCC Form 499-A will be available in E-File beginning July 20, 2026.**

# True-Up Statement Selection

Selecting the PDF file provides the calculations for the selected 499 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 |
|---|---|---|
| 2025 499-A | ($11,792,425.48) | PDF |
| 2024 499-A | $17,448,164.66 | PDF |

1 of 1 page

The next slide is an example of a True-Up Statement.

# True-Up Statement Example

| | | | | | | |
|---|---|---|---|---|---|---|
| 499-A: Lines 423D and E | **1. Total 499-A Base** | $6,145,009.31 Interstate | + | $33,011,638.66 International | = | $39,156,647.97 Total 2024 499-A Base |
| 499-Q: Lines 120 B and C | **2. Total 499-Q Base** | $1,612,093.86 Interstate | + | $6,806,967.80 International | = | $8,419,061.66 Total Q1 Nov 2022 Base |
| | | $2,975,459.63 Interstate | + | $9,621,509.87 International | = | $12,596,969.50 Total Q2 Feb 2023 Base |
| | | $1,628,402.98 Interstate | + | $10,241,848.56 International | = | $11,870,251.54 Total Q3 May 2023 Base |
| | | $1,478,055.15 Interstate | + | $7,827,471.11 International | = | $9,305,526.26 Total Q4 Aug 2023 Base |
| | | | | | | $42,191,808.96 **Total 499-Q Base** |
| 499-A minus 499-Q | **3. True-Up Base** | $39,156,647.97 Total 2024 499-A Base | – | $42,191,808.96 Total 499-Q Base | = | ($3,035,160.99) **True-Up Base** |

Actual true-up calculation

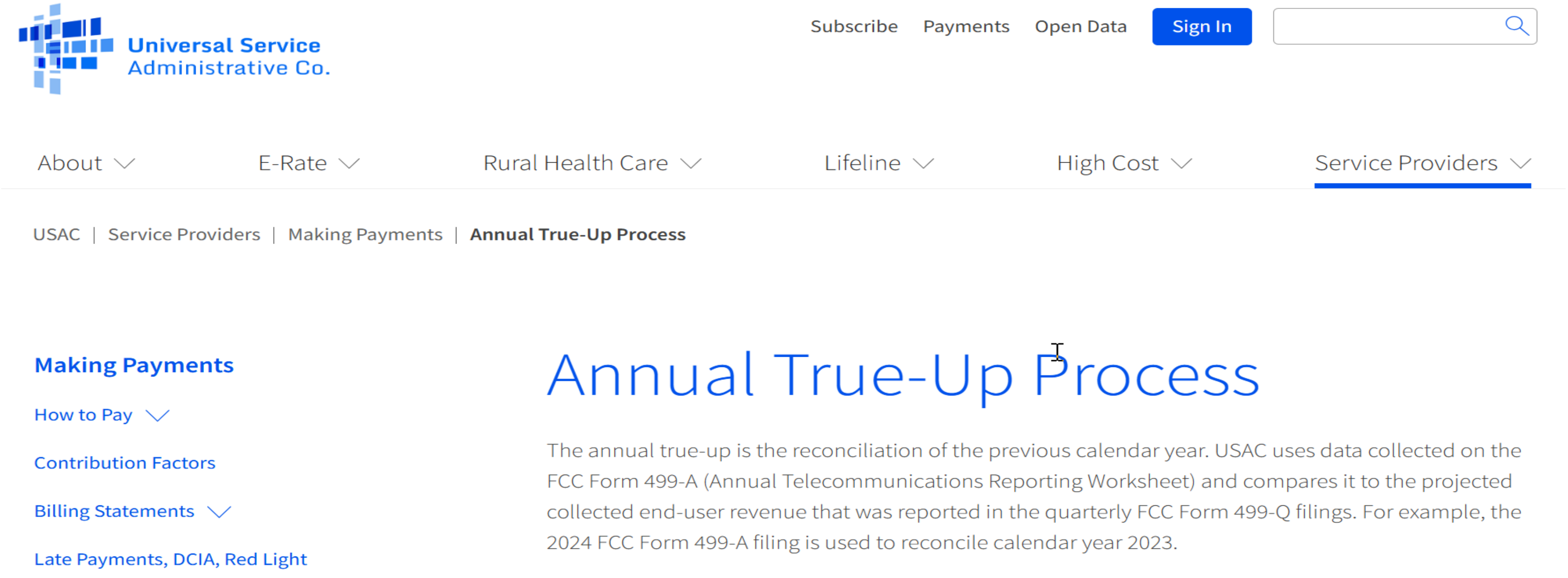
**4. Total True-Up Adjustment** ( ($3,035,160.99) True-Up Base x 0.291 Contribution Factor ) – ( ($3,035,160.99) True-Up Base x 0.291 Contribution Factor x 0.224432 Circularity Factor ) = **($685,006.36) True-Up Adjustment**

# True-Up Facts

- The true-up contribution and circularity factors are the 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' billing statements: 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 <u>credits</u> are applied in full on the next available billing statement.
- If a 499-A revision is submitted mid-quarter and results in additional true-up <u>debits</u>, 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 billing statements.

# True-Up Webpage

More information on the True-Up Process can be found on our dedicated webpage (https://www.usac.org/service-providers/making-payments/annual-true-up-process/).




There you will find current and historical true-up information including calculation examples.

# Questions?

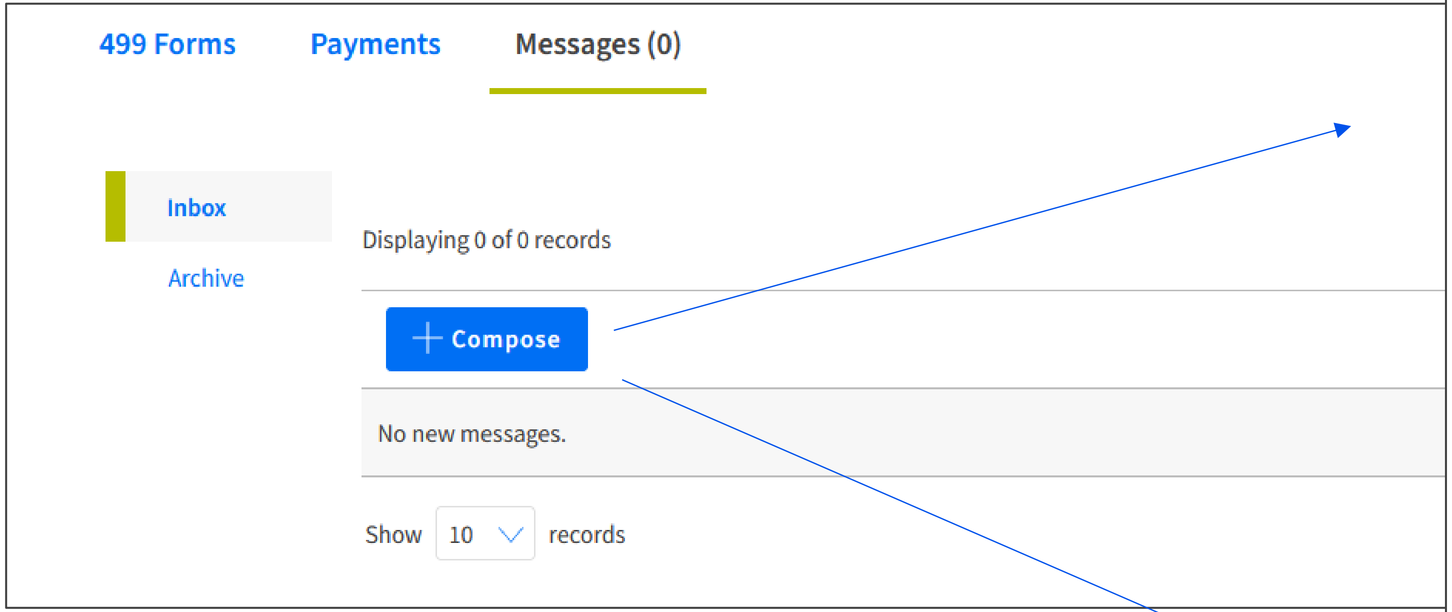
# SAM.gov UEI Requirement

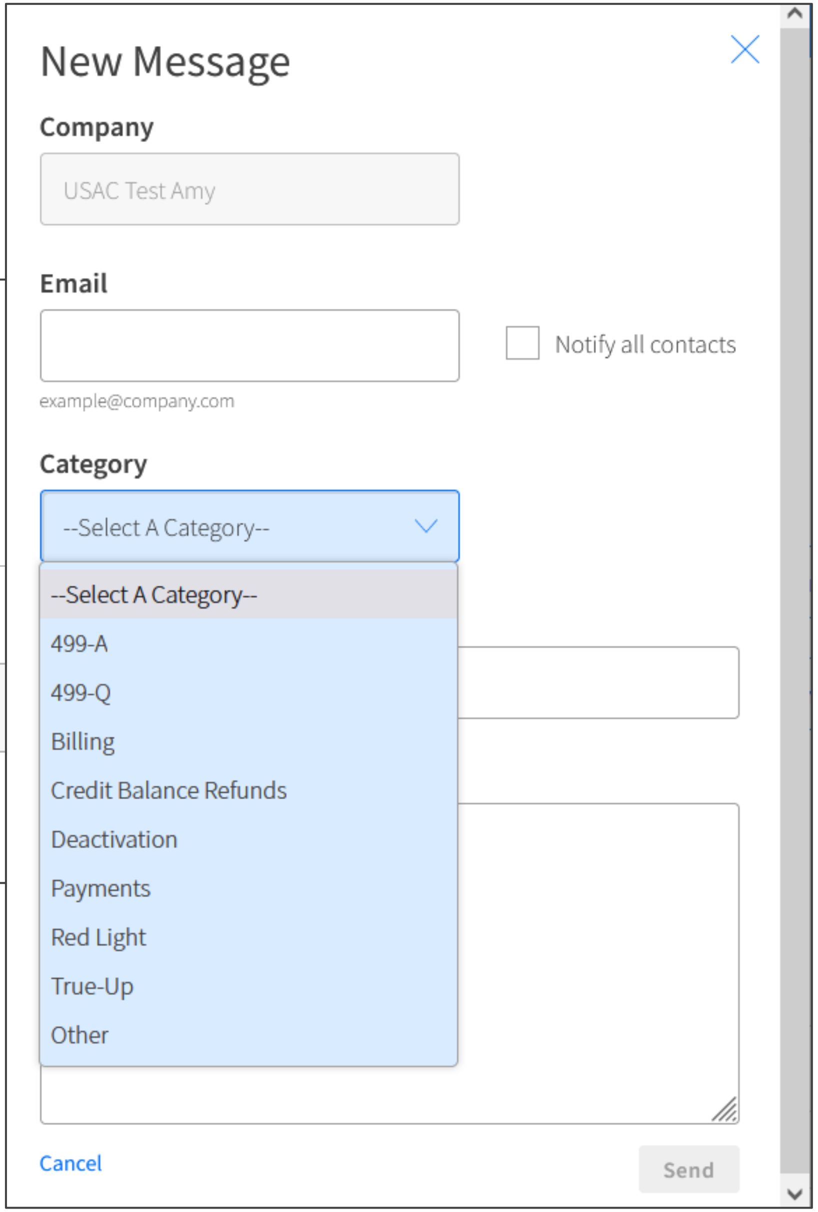
# SAM.gov UEI Requirement

- Beginning August 2026, USAC will use the System for Award Management (SAM.gov) banking information to remit payment for all Universal Service Fund (USF) invoices.
- All service providers and E-Rate participants who use the Billed Entity Applicant Reimbursement (BEAR) invoicing method to receive USF disbursements must have an active SAM.gov Unique Entity Identifier (UEI) on their FCC Form 498 and must have a valid bank account associated with their UEI. Note: Until August 2026, all payments will continue business as usual.
- USAC can answer questions about locating and adding a UEI to your FCC Form 498 and more information is available on our website (https://www.usac.org/about/sam-gov-uei-requirement/).
- USAC cannot help with the SAM.gov registration process itself, confirm where you are in the SAM.gov registration process, when you will need to renew your UEI (an annual requirement), or whether your bank account is linked or what bank account is linked. You will need to check SAM.gov for these items. For direct assistance on updating your FCC Form 498 or USF-held payments, contact USAC's Customer Service Center, Contributors/Service Providers option at (888) 641-8722.
- Visit SAM.gov for additional information on how to obtain a UEI or register your entity.

# Contacting USAC

# E-File Message Portal




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

# Questions?

# 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 E-File login and other general questions.

# Thank You!

Universal Service
Administrative Co.