

[Back](#)

May 29, 2015

TIP OF THE WEEK: Program Integrity Assurance (PIA) continues to review and process applications. If you receive questions from PIA, please respond promptly and completely to facilitate our review and assist us in reaching a decision more quickly.

Commitments for Funding Year 2015

Funding Year 2015. USAC will release Funding Year (FY) 2015 Wave 3 Funding Commitment Decision Letters (FCDLs) on June 5. This wave includes commitments for approved requests for all service types and at all discount levels. As of May 29, FY2015 commitments total over \$238 million.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

FY2015 FCC Form 486 Notification Letters

Next Wednesday, June 3, USAC will issue the first FCC Form 486 Notification Letters for FY2015. Over 350 applicants and 170 service providers will be notified of the successful processing of an FCC Form 486.

Going forward, these letters will be issued each Wednesday for all FCC Forms 486 successfully processed since the preceding Wednesday.

For more information on filing the FCC Form 486, please refer to the [May 15 SL News Brief](#).

Invoicing for FY2014 Recurring Services

June 30, 2015 is the last day to receive recurring services for FY2014. Recurring services are those that are delivered on a regular basis, e.g., monthly telephone services or monthly Internet access. (See also the special note on Basic Maintenance below.) For those applicants and service providers that have not already started the invoicing process for FY2014, now would be a good time to plan for how and when you will be invoicing USAC.

Before USAC can process an invoice for a Funding Request Number (FRN):

- the applicant must have successfully certified an [FCC Form 486](#), Receipt of Service Confirmation and Children's Internet Protection Act and Technology Plan Certification Form that features that FRN and
- the service provider must have successfully certified an [FCC Form 473](#), Service Provider Annual Certification (SPAC) Form for the funding year associated with that FRN.

Invoices for recurring services

There are two methods that can be used to invoice USAC:

- [FCC Form 472](#), Billed Entity Applicant Reimbursement (BEAR) Form, is filed by the applicant and approved by the service provider AFTER the applicant has paid for the eligible services in full. BEAR Forms can be filed [online](#) or on paper.
- [FCC Form 474](#), Service Provider Invoice (SPI) Form, is filed by the service provider AFTER billing the applicant for the non-discount portion of the eligible services. SPI Forms can be filed [online](#), [electronically](#), or on paper.

Once a BEAR Form or SPI Form has been successfully processed for an FRN – even if that successful processing does not result in a payment – you must continue to use that method for that FRN. In other words, you cannot use a mixture of SPI and BEAR Forms for a single FRN.

Invoices must be based on eligible costs and supported by customer bills for those costs. Although recurring services are often billed to a customer on a monthly basis, applicants and service providers are not required to submit monthly invoices to USAC but can combine one or more months of service on a single invoice.

For an FRN that covers 12 months of monthly service, USAC will look for 12 months of service in that funding year whether the bills are calculated in advance or in arrears. It is not necessary to prorate the costs for monthly service on (1) the first bill of the year for a month that included July 1 or (2) the last bill of the year for a month that included June 30. However, USAC will check to be sure that there is no overlap in payments – that is, that we did not already pay the discount in the previous funding year for the same month of service.

Treating Basic Maintenance of Internal Connections as a recurring service

Services in the Basic Maintenance of Internal Connections (Basic Maintenance) service type are considered recurring services. As such, they cannot be delivered after June 30 of a funding year.

Requesting invoice deadline extensions

The invoice deadline for recurring services is generally October 28 following the close of the funding year. If you believe that you will need more time to invoice USAC, note that:

- **USAC can grant only one invoice deadline extension.**
- **An invoice deadline will only be extended for 120 days.**
- **This extension must be requested on or before the invoice deadline, which for recurring services is generally October 28 following the funding year.** USAC cannot process invoice deadline extension requests received or postmarked after that date.

Requesting service delivery deadline extensions

The deadline for delivery and installation of services can be extended **for non-recurring services only**. USAC cannot consider requests for extensions for the receipt of recurring services.

- **Extension requests:** [Service delivery deadline extension requests](#) for non-recurring services must be submitted on or before the last day to receive those services, which is generally the September 30 following the close of the funding year. USAC cannot process requests submitted after that deadline.
 - If the contract does not already cover the additional time needed to complete delivery and installation, the contract must first be extended.
 - Applicants can then request that the contract expiration date be updated in USAC's records by filing an [FCC Form 500](#), Funding Commitment Adjustment Request Form.

Because this form is an applicant form, service providers cannot make this request on their own but must work with the affected applicant(s) to make sure this form is filed on or before the deadline.

- **Automatic extensions:** If USAC issues certain decisions (e.g., an FCDL, an [operational SPIN change](#) approval, or a [service substitution](#) approval) on or after March 1 of a funding year, the service delivery deadline for that non-recurring services FRN is automatically extended.

Requesting corrective SPIN changes

Service Provider Identification Number (SPIN) changes may be necessary before USAC can pay invoices. Below are some examples of [corrective SPIN changes](#) that can and should be made before invoices are submitted:

- An applicant cited an incorrect SPIN – either because of a typographical error or because the service provider has more than one SPIN – and the error was not caught before USAC issued a commitment.
- The SPIN has been affected by a merger or acquisition.
- The applicant filed an FRN using the [state replacement contract](#) SPIN and the replacement contract went into effect before or during the funding year.

NOTE: If you want to request a change from one service provider to another, refer to the [operational SPIN change](#) document on the USAC website to verify that this change is allowable under program rules.

Returning unused funds with an FCC Form 500

After the final invoice for an FRN has been paid by USAC, the applicant should check to see if any funds remain on the FRN. If so, the applicant should reduce the commitment amount on the FRN to the amount actually paid so that the unneeded funds become available for new commitments for other applicants.

To reduce a commitment amount, the applicant files an [FCC Form 500](#). After USAC processes the form, the committed amount is reduced to the amount actually disbursed (the commitment amount after reduction) and the unused funds become available for new funding commitments.

However, do not reduce a funding commitment until you are absolutely certain that all funds have been correctly disbursed. Reductions and cancellations submitted on an FCC Form 500 cannot be reversed after they are processed. If the service provider is filing SPI Forms for an FRN, the applicant should verify with the service provider that all invoices to USAC have been submitted and paid before filing an FCC Form 500 to reduce the committed amount.

Returning funds disbursed in error

During the preparation of BEAR Forms or SPI Forms, the applicant and/or service provider may notice that funds have been disbursed in error. Here are some examples of how this could occur:

- The applicant or the service provider made a typographical error on a previous invoice.
- A piece of equipment was returned by the applicant for a refund after USAC paid an invoice for the equipment.
- USAC was invoiced in full but a rebate or discount was provided to the applicant and USAC did not receive its proportional share of the rebate or discount.

Funds disbursed in error must be [returned to USAC](#). If you can correct the original error (for example, if your invoice to USAC for the first month was too high but you still have other eligible charges to invoice on that FRN), you can submit an accurate invoice to USAC after the funds have been returned.

To subscribe, click here: [Subscribe](#).

©1997-2015, Universal Service Administrative Company, All Rights Reserved.
USAC | 2000 L Street NW | Suite 200 | Washington, DC 20036

[Back](#)