

## **AGREEMENT**

This Agreement is made this            day of            , 2016 by and between the IUPAT Finishing Trades institute (hereinafter “FTI”) and the International Union of Painters and Allied Trades, AFL-CIO-CLE (hereinafter “IUPAT”).

### **ARTICLE I**

#### **PURPOSE**

The parties to this Agreement are a jointly administered trust fund and an international labor organization that are related and operate from time to time in the same physical facility. Each entity or organization maintains a staff of employees who frequently interacts with the other and, from time to time, work cooperatively on projects or initiatives. The parties have each determined that: 1) it is in its best interest, where feasible, to share administrative services and resources; 2) that utilization of common services familiar not only with the needs and operation of each entity, but with the periodic interaction operationally between their organizations or entities, benefits both of the parties; and 3) that certain efficiencies and cost savings can be achieved by the sharing of administrative services and resources.

The parties have, accordingly, approved this Agreement in which they will share the costs of accounting, Human Resources and personnel administration services performed by the offices of the IUPAT General Secretary Treasurer which will perform accounting, bookkeeping, other financial related functions as needed, personnel related record keeping, payroll, health insurance and benefit administrative services including administrative services related to the 401k Plan established by the FTI and related functions as needed and requested, and information systems services as needed and requested.

It is not the intent of this Agreement, in any manner, to create or suggest a structure or arrangement that will interfere with the autonomy and independence of the separate and distinct legal entities party hereto. Each party through its Board of Trustees and/or Executive Board and officers reserves the right to oversee and manage its financial affairs as it deems necessary and appropriate, including the retention of and reliance on outside auditors, financial and investment advisors and legal counsel for the management of their financial affairs.

### **ARTICLE II**

#### **DUTIES AND RESPONSIBILITIES OF THE IUPAT GENERAL SECRETARY TREASURER’S OFFICE**

The IUPAT personnel, in the office of and under the direction of the IUPAT General Secretary Treasurer, shall be direct employees of the IUPAT and nothing in this Agreement shall be construed as suggesting that any party hereto, other than the IUPAT, is an “Employer” or “Joint Employer” of the IUPAT General Secretary Treasurer’s office personnel. Although employed by the IUPAT, the IUPAT personnel in the General Secretary’s office shall provide

the following services on behalf of the FTI:

I. ACCOUNTING AND FINANCIAL SERVICES

- a) Budget preparation and support;
- b) Preparation of Monthly Reports (Budget vs. Actual, Cash Balances, and Contributions);
- c) Reconciliation of all FTI bank accounts (and Investment accounts when opened);
- d) Preparation of Audit and 990 work papers;
- e) Preparation of Quarterly Functional Allocation and Reports;
- f) Accounts payable;
- g) Accounts receivable (but excluding services provided by the IUPAT Pension Fund under a separate services agreement covering combined funds and general collections);
- h) Payroll.

II. HUMAN RESOURCES AND PERSONNEL ADMINISTRATION

- a) Review and oversee the personnel related policies of the FTI and offer recommendations that will provide consistency, fairness and efficiency in relation to the structure and administration of such policies, including, without limitation, equal employment opportunity rules, policies relation to the hiring and firing of employees, discipline, discrimination, absenteeism and tardiness, work hours, breaks, paid or unpaid leaves of absences, layoffs, worker compensation, grievance procedures, benefits, and compensation.
- b) Handle personnel related record keeping including payroll.
- c) Provide services in relation to benefits, processing and review of benefit claims and other personnel or employment related matter.
- d) Provide services in relation to grievance matters or proceedings.
- e) Provide services in relation to collective bargaining matters.
- f) Provide recommendations for policies or modification of policies in relation to human resources/personnel matters.

### III. INFORMATION SYSTEMS SERVICES

The Information Systems services include, but are not limited to the support and maintenance of campus IT infrastructure. This includes evaluating new technology, server and PC hardware and software, networking, custom applications, digital and wireless telephones, document management, perimeter and digital security and audio and video needs.

### IV. 401K ADMINISTRATION

a. The IUPAT General Secretary Treasurer's Office will provide collection, bookkeeping and recordkeeping services for the benefit of the FTI that are related to the 401k Plan established by the FTI for certain of its employees, including but not limited to:

1. Contributions processing
2. Benefit payment processing
3. Quarterly administrative fee calculation
4. Participant record keeping
5. Assist participants with questions
6. Yearend compliance – census and salary reconciliation
7. Fund record keeping and financial statements
8. Assist with preparation of Form 5500 and review
9. Annual mailings – Safe Harbor notice and SAR
10. Forfeiture allocation
11. General administrative duties

b. The Board of Trustees of the FTI is the “Administrator” of that Fund as that term is defined in Section 3(16) A of ERISA. The FTI agrees and understands that the GST's office as part of the IUPAT, is an independent legal entity, separate and distinct from the FTI. The FTI further agrees that the GST's office of the IUPAT is engaged under this Agreement as an independent contractor to perform the specific duties and responsibilities as described herein. It is also agreed that the services to be performed by the GST's office as described herein are ministerial in nature and the IUPAT, its officers and employees and specifically the General Secretary Treasurer, and the IUPAT employees subject to his direction will not exercise any discretionary authority or control with respect to the management or administration of the FTI or its 401k Plan, or exercise discretionary authority or control with respect to the management or disposition of the assets of the FTI or the FTI 401k, or render investment advice for a fee or receive compensation, either directly or indirectly, with respect to and assets of the FTI or the FTI 401k. It is specifically agreed that the IUPAT and the General Secretary Treasurer are not and shall not be construed as a “fiduciary” as that term is defined in ERISA, any federal, state or other law, or any government regulation, with respect to the IUPAT and the General Secretary Treasurer's obligations and/or responsibilities under this Agreement.

## **ARTICLE III**

### **COST SHARING AGREEMENT**

This Agreement, as more fully described in Article I, is designed to establish a structure in which the parties may share the services of the IUPAT office of the General Secretary Treasurer and establish a reasonable mechanism for compensating the IUPAT for such services. The parties have agreed that:

1. Based upon an annual review and certification by the independent auditor for each trust or organization sharing these services, the monthly allocable portion of IUPAT personnel and administrative services costs attributable to the FTI based upon the activity expended on behalf of the FTI shall be determined. The FTI agrees to pay this amount on a monthly basis for the services rendered in accord with Article II above. The IUPAT will provide a monthly bill for such services.

2. Each year, an auditor chosen by the parties shall review the personnel and administrative services costs attributable to the work performed by IUPAT personnel and the time documentation maintained by the General Secretary Treasurer's office which tracks the time they spend on each entity to determine whether the monthly cost sharing charges set forth above are accurate, fair and reasonable and in accord with the applicable Department of Labor regulations, so that said charges may continue, or whether modification to the monthly costs is recommended by the auditor, this Agreement shall continue during the successive year or years. If the auditor recommends modification of said monthly costs, the parties may approve same by providing written notice to the IUPAT and the auditor, without the necessity of formally amending this Agreement.

## **ARTICLE IV**

### **DURATION**

1. This Agreement shall become effective as of January 1, 2016 (the "effective date") and continue thereafter until December 31, 2016.

2. This Agreement shall be automatically renewed for successive one year periods until either party gives the other party sixty (60) days written notice of cancellation prior to any renewal date. Termination of this Agreement may also be effected by any party by providing the other party with ninety (90) days prior written notice of termination at any time, for any reason.

## **ARTICLE V**

### **MISCELLANEOUS**

1. Assignment and Successorship. This Agreement may not be assigned without the advance written approval of each party hereto. This Agreement shall be for the

benefit of, and shall be binding upon the FTI and the IUPAT, and the successors of each party.

2. Illegality. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated.

3. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties. The terms of this Agreement may be modified only by a writing signed by all parties.

4. Applicable Law. This Agreement shall be governed by ERISA where applicable and to the extent not preempted, the law of the District of Columbia.

5. Notices. All notices shall be in writing and mailed by certified mail, return receipt requested. Notices to the FTI shall be directed to Anton Ruesing, Director, Finishing Trades Institute, 7230 Parkway Drive, Hanover, MD 21076. Notices to the IUPAT shall be directed to Kenneth E. Rigmaiden, General President, International Union of Painters and Allied Trades, 7234 Parkway Dr., Hanover, MD 21076.

**IN WITNESS WHEREOF**, the parties have executed this Agreement by their duly authorized representatives on the date(s) set forth below.

**IUPAT Finishing Trades  
Institute**

**By:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**International Union of Painters and  
Allied Trades, AFL-CIO, CLC**

**By:** \_\_\_\_\_  
**Kenneth E. Rigmaiden**  
**General President**

**Date:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**George Galis**  
**General Secretary/Treasurer**

**Date:** \_\_\_\_\_