

The Reciprocal Agreement/ obtaining a branch checking account



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Although it has been around for 12 years, not every branch representative knows about or understands the Reciprocal Agreement. Each branch president and secretary should ensure that their local union representatives responsible for signing up new members are aware of the Reciprocal Agreement and how it works.

The Reciprocal Agreement applies to all members of the NALC, the National Rural Letter Carriers' Association (NRLCA), the American Postal Workers Union (APWU) and the National Postal Mail Handlers Union (NPMHU). Each union's procedures are slightly different, so representatives should refer to the Reciprocal Agreement handbook.

The Reciprocal Agreement is important, as it provides a process that, if acted on immediately, reduces the number of simultaneous payments to two unions. For example, if a clerk who belongs to the

transfers crafts but does not join another union, he or she must wait until the window period of his or her anniversary date to cancel NALC membership. City carrier assistants also may cancel within 10 days after starting another term of non-career employment.

One other important point: Not every letter carrier moving into another postal craft should terminate his or her NALC membership. If NALC members change crafts but still wish to retain enrollment in the NALC Health Benefit Plan, they must continue membership in the NALC.

For more information, please see the Reciprocal Agreement handbook that was mailed to every branch. The handbook may also be found on the NALC website from the Secretary-Treasurer's page.

Since the passage of the PATRIOT Act in 2001, opening a checking account can be a trying experience for NALC branches. Many branch officers have arrived at the bank only to find they have not taken along the necessary documentation that banks are required to obtain from customers. The bank is required to identify an entity (non-individuals) and verify the entity's existence. Unfortunately, to verify the branch's existence, the bank may require multiple documents, resulting in redundancy of information.

The following is a list of items NALC branch officers should have with them when opening an account with a bank:

- The name and address of the branch and the branch's Internal Revenue Service (IRS) identification number (Employer Identification Number). If you have a Form 990 or 990-EZ, take it with you as well as an invoice billed to the branch's address.
- NALC and its branches are tax-exempt 501(c)5 organizations, not 501(c)3, as many people incorrectly assume. You should print out the IRS Determination Letter available on the website at nalc.org. (Click on the link on the Secretary-Treasurer's page titled "What to do if your branch lost its tax-exempt status.") Although not all banks ask for the same documentation, you should have the letter available and be aware that NALC's Group Exemption Number is 0685.
- If the branch has bylaws, take a copy along, as well as a copy of the *NALC Constitution*. Also take the branch charter if it is available, or a photocopy.
- A resolution must be submitted to the bank to identify the individuals who are authorized to use the branch's bank account. The resolution should include the name, address and position of each person authorized to use the account. (A resolution is separate from the actual signature card that the bank should provide. Many banks will have a resolution ready which, if the officers are not all present at the bank, you may take with you to have signed and then return to the bank.)

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APWU transfers to the letter carrier craft and wishes to join the NALC, the branch representative should send to the Membership Department a completed Form 1187 *either* marked with a notation saying “Transferred from the APWU” *or* accompanied by a cover letter advising the NALC that the new member is transferring from the APWU.

Upon receipt of the notation on the Form 1187 (newer 1187s actually have the union transfer information printed on them and the union officer need only circle which union's dues should be canceled) and/or the letter, the NALC Membership Department will notify the APWU that the member belongs to NALC and wishes to cancel dues withholding for APWU. In some cases, this can take two or more pay periods. The member may then make copies of paycheck stubs to send to the Membership Department for review and possible reimbursement of the APWU dues.

Keep in mind that the reciprocal agreement applies *only when the member is joining another union*. If a member