

The Reciprocal Agreement/ obtaining a branch checking account



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All branch officers need to be aware of the Reciprocal Agreement and how it works.

The Reciprocal Agreement applies to all members of 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 because it provides a process that, if acted upon immediately, reduces the number of unintended dues withholding when transferring unions. For example, if

a clerk who belongs to APWU transfers to the letter carrier craft and wishes to join NALC and cancel dues withholding to APWU, the member simply completes Form 1187, with the "Union Transfer" section filled out by circling which union's dues he or she is requesting be canceled.

Upon receipt of the notice on Form 1187, the NALC Membership Department will notify APWU that the member belongs to NALC now and wishes to cancel dues withholding to APWU. In some cases, this can take two or more pay periods. The member may then make copies of paycheck stubs showing dues to both NALC and APWU to send to Membership for review and possible reimbursement of the APWU double dues.

Keep in mind that the Reciprocal Agreement applies only when the member transfers crafts and is joining another union. If a member transfers crafts but does not join another union, he or she must wait until the window period of his or her anniversary date per Section 925 of the *Employee and Labor Relations Manual (ELM)* to cancel his or her NALC membership. City carrier assistants also may cancel within 10 days after starting another term of non-career employment.

An important point: A change in crafts does not automatically cancel dues withholding to another union, nor is membership automatically transferred from one union to another.

One other important point: Not every letter carrier moving into another postal craft should terminate his or her NALC membership; if an NALC member changes crafts but still wishes to retain enrollment in the NALC Health Benefit Plan, he or she must continue membership in NALC.

For more information, please see the Reciprocal Agreement handbook that was mailed to every branch. The hand-

book also may be found on the NALC website. From the Secretary-Treasurer's page, click on the link to "NALC membership and dues."

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 brought 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 another 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, bring it with you as well as an invoice billed to the branch's address.
- NALC and its branches are tax-exempt 501(c)5 labor organizations, not a 501(c)3 as many people incorrectly assume. You should print out the IRS Determination Letter available on the website at nalc.org (click 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 (GEN) 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, which 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.

Branch Officers Training—we are in the process of planning two more trainings this year. Once the details have been finalized, information and registration forms will be included in the *NALC Bulletin*.