

COMPTROLLER/ DIRECTOR OF PERSONNEL

JOINT REGULATION NO. 1

REGULATIONS RELATING TO PAYROLL DEDUCTION

Organizations other than the City of St. Louis shall be granted biweekly payroll deduction privileges by the City of St. Louis provided they are members of the following categories and meet the requirements of their respective categories as specified below:

- I. Union or employee association
- II. Charitable organization
- III. Employee benefit plan
- IV. Credit unions

I. Union or Employee Organization

A union or employee organization shall be entitled to biweekly payroll deduction provided it meets the following criteria:

- 1. It is designated exclusive bargaining agent for a group of City employees by the State Board of Mediation.
- 2. Payroll deduction is authorized only for those employees within the bargaining group for which the union or employee organization is designated exclusive agent by the State Board of Mediation.
- 3. The union or employee organization has executed a memorandum of understanding with the City which includes the provision of dues checkoff. Such agreement must be approved by both the relevant appointing authorities and the Director of Personnel.
- 4. The union agrees to pay a startup fee of \$3,000.00 prior to start of payroll deduction.
- 5. A 3% charge on dues will be made by the City to unions or employee organizations with dues checkoff privileges.

Those unions and employee organizations presently provided dues checkoff privileges shall continue to enjoy them, the previous provisions notwithstanding. This exemption does not apply to employees whose class has been assigned to a management pay grade as designated by the suffix "M" in the grade code, grades 74F and above, supervisory, confidential or excepted employees. Employees in these categories cannot have dues deductions.

II. Charities

A charitable organization or campaign may be offered biweekly payroll deduction privileges provided it meets the following criteria:

1. It is a non-profit, tax-exempt charitable organization supported by direct contributions by the general public, and an IRS tax-exempt letter is filed with the Comptroller.
2. The organization is providing a bona fide program of health or welfare services in the St. Louis area.
3. It operates without discrimination, religious, racial or otherwise, both in employment and the delivery of services or the distribution of funds.
4. The agency's financial records are audited annually by an independent public accountant whose examination is performed in accordance with generally accepted auditing standards and whose report of examination includes an opinion as to whether the statements conform to generally accepted accounting principles. The agency's latest audited report is filed with the Comptroller and the Director of Personnel and accepted by them as meeting minimum financial standards to qualify for payroll deduction. Unaudited financial statements, financial reviews, financial analyses or similar documents are not acceptable.
5. Possession of a valid permit issued by the City of St. Louis Charity Solicitation Commission.
6. The organization's operations and impact are of such general interest and benefit to the citizens of St. Louis so as to justify payroll deduction, as determined by the Comptroller and the Director of Personnel.
7. The organization's administrative and fund-raising expenses do not exceed 25% of gross contributions as determined by an independent public accountant and set forth in an audit report as described in (4) above.
8. The charity agrees to pay a startup fee of \$3,000.00 prior to start of each payroll deduction.

III. Employee Benefit and Welfare Plans

Employee benefit and welfare plans, including insurance plans, shall be granted biweekly payroll deduction privileges on the following basis:

1. The plan or program agrees to pay a non-refundable fee of \$1,000.00 to the Department of Personnel for conducting a survey to determine that the plan or program is of sufficient general interest and constitutes a significant addition to the City's overall employee benefit program. In no case should a plan be allowed payroll deduction unless at least 10% of the eligible employees are enrolled.
2. The plan or program has been selected among competing plans or programs after competitive bids or proposals have been submitted a reasonable time after suitable

advertising by the City that such bids or proposals shall be entertained. The only exception will be when the Director of Personnel, together with the City's insurance consultant, certifies that sole source or direct solicitation is the only practical way to provide the benefit in question.

3. The plan or program meets all applicable legal and regulatory requirements by Federal and State authorities.
4. The plan or program's financial records are audited annually by an independent public accountant whose examination is performed in accordance with generally accepted auditing standards and whose report of examination includes an opinion as to whether the statements conform to generally accepted accounting principles. The plan or program's latest audited report is filed with the Comptroller and the Director of Personnel and accepted by them as meeting minimum financial standards to qualify for payroll deduction. Unaudited financial statements, financial reviews, financial analyses or similar documents are not acceptable.
5. The plan or program agrees to pay a fee of \$3,000.00 prior to start of payroll deduction and an agreed upon percentage of gross deduction thereafter.

IV. Credit Unions

Credit unions shall be granted biweekly payroll deduction subject to the following criteria:

1. The credit union has a Federal or State charter and is in good standing with regulatory authorities.
2. Audited financial statements are filed with the Comptroller and accepted by him as meeting minimum standards of financial soundness.
3. At least 500 employees have direct and routing access to the offices of the credit union.
4. Lending policies of the credit union are nondiscriminatory in terms of race, religion, sex, or national origin.
5. The credit union provides for employee membership on its Board of Directors.
6. The credit union agrees to pay a startup fee of \$3,000.00 prior to start of payroll deduction and an agreed upon percentage of gross deduction thereafter.

Credit unions will file audited financial statements annually with the Comptroller. Employee benefit and welfare plans and charitable organizations shall file audited financial statements annually with the Comptroller and the Director of Personnel. All biweekly payroll deductions shall be provided to an organization only after a properly executed contract or agreement has been signed by a duly authorized officer of the organization and by the Director of Personnel, City Counselor, Comptroller, and Register for the City. Every contract or agreement must

clearly specify the name and title of the City official and responsible for the administration and coordination of such biweekly payroll deduction plan.

Biweekly payroll deductions for all organizations shall be effective with the fiscal year, provided the proper contract or agreement is fully executed at least 30 days prior.

The City of St. Louis, through the Comptroller, shall determine the method of payroll deductions which shall be in equal biweekly increments.

All organizations currently accorded biweekly payroll deduction shall continue to enjoy such privileges, subject to the payment of applicable fees and the annual submission of acceptable financial statements and a satisfactory record of service to City employees.

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