

CITY OF MABLETON, GEORGIA

Riverside EpiCenter
135 Riverside Pkwy, Austell, GA 30168
February 14, 2024 @ 5:15PM

The Honorable Michael Owens, Mayor
The Honorable Ron Davis, District 1 Councilmember
The Honorable Dami Oladapo, District 2 Councilmember
The Honorable Keisha Jeffcoat, District 3 Councilmember
The Honorable Patricia Auch, District 4 Councilmember
The Honorable TJ Ferguson, District 5 Councilmember
The Honorable Debora Herndon, District 6 Councilmember

CITY COUNCIL WORKSHOP AGENDA

1. **CALL TO ORDER** Mayor Michael Owens
2. **ROLL CALL**
3. **NEW BUSINESS:**
 - a. *FIRST READ: Ordinance Creating Article 5, Finance, of Chapter 2, Administration, of the City Code of Ordinances (Frank Milazi)*
4. **DISCUSSION:**
 - a. *Georgia Interlocal Risk Management Agency Membership (Susan Hiott)*
 - b. *City Employment Screening Services (Susan Hiott)*
5. **EXECUTIVE SESSION (IF NEEDED) FOR:**
 - Litigation O.C.G.A. 50-14-3 (b)(1)(A)*
 - Real Estate O.C.G.A. 50-14-3 (b)(1)*
 - Personnel O.C.G.A. 50-14-3 (b)(2)*
 - Exemptions O.C.G.A. 50-14-3 (b)(4)&(5)*
6. **ADJOURNMENT**

Public comments are limited to 2 minutes per speaker. Anyone wishing to make a public comment should complete and submit the public comment card to the City Clerk prior to the start of the meeting.

**STATE OF GEORGIA
COBB COUNTY
CITY OF MABLETON**

ORD

**AN ORDINANCE CREATING ARTICLE 5, FINANCE, OF CHAPTER 2,
ADMINISTRATION, OF THE CITY CODE OF ORDINANCES AND FOR OTHER
LAWFUL PURPOSES**

WHEREAS, the City of Mableton (“City”) is a municipal corporation duly organized and existing under the laws of the State of Georgia;

WHEREAS, the duly elected governing authority of the City is the Mayor and Council (“City Council”) thereof;

WHEREAS, the City Council is authorized by the City Charter Sec. 1.13 and O.C.G.A. § 36-35-3 to adopt ordinances relating to its operations, affairs and local government;

WHEREAS, the City Council desires through this Ordinance to codify law relating to its operations, affairs and local government; and

WHEREAS, the City Council finds this Ordinance to be in the bests interest of the health, safety and welfare of the City.

IT IS HEREBY ORDAINED by the governing authority of the City of Mableton as follows:

Section 1. Chapter 2, Administration, Article 5, Finance, of the City of Mableton Code of Ordinances is hereby created to read as follows:

CHAPTER 2 - ADMINISTRATION

ARTICLE 1 – FINANCE

Sec. 2.5.1 Purpose.

The purpose of this statement of financial policy of the City to serve as a foundation for long- and short-term range planning, facilitate decision making, and provide direction to the City Council and operational staff for handling the city’s day-to-day financial business. Because of the diverse nature of the city’s departments and committees, having written defined financial policies minimizes the risk of developing conflicting or inconsistent goals and objectives which could have a negative impact on the overall financial condition of the City.

Sec. 2.5.2 Fiscal year and budget calendar.

The fiscal year for the City shall commence on July 1 and end on June 30 of each following year. The City Manager shall submit to the Council at least two months prior to the start of the municipal fiscal year a budget message and a budget report, accompanied by a draft of the

recommended appropriations ordinance, in a form and manner as may be prescribed by ordinance, which shall provide for the appropriation of the funds necessary to operate all the various departments, and to meet the current expenses of the City for the next fiscal year.

Sec. 2.5.3 Municipal budget policy.

The City Council shall annually appropriate the funds necessary to operate all the various departments, and to meet the current expenses of the City for the next fiscal year. The City Council shall comply with all state laws applicable to budget hearings, public notices, public inspection of budget documents, and budget adoption.

The City Council shall not appropriate funds for any given fiscal year, which, in aggregate, exceed a sum equal to the amount of unappropriated surplus funds expected to have accrued in the City's finance at the beginning of the fiscal year, together with an amount not greater than the total municipal receipts from existing revenue sources anticipated to be collected in the fiscal year, less refunds as estimated in the budget report and amendments thereto.

All appropriated funds, except for the mandatory appropriations required by law and those required to meet contractual obligations or the continued appropriation and authorization of state or federal grants, remaining unexpended and not contractually obligated at the expiration of the agency appropriations policy, shall lapse, and return to the general fund.

All state or federal funds received by the agency are hereby continually appropriated in the exact amounts and for the purposes authorized and directed by the state or federal government making the grant.

(a) The adoption of an annual budget for the next fiscal year shall not in itself constitute specific approval for the expenditures identified therein, and shall be approved in accordance with the City Charter and applicable law.

(b) The appropriation for each department, office, bureau, board, commission, function, or line item for which appropriation is made shall be for a specific amount of money and, except where required by state law or expressly by order, no appropriation shall allocate to any object the proceeds of any revenue or a part or percentage thereof.

(c) When possible, the City will finance all current expenditures with current revenues and will avoid budgetary procedures that balance current expenditures through the obligation of future resources. The City will avoid using short term financing to meet operating budget requirements.

(d) All budgets for governmental funds (general, special revenue and capital projects) must be balanced. Budgets for proprietary funds will be prepared to establish fees and charges and to maintain managerial control.

(e) Department appropriations. In addition to the provisions set forth in this Chapter:

(1) The City budget shall be adopted at the legal level of control, which is the fund/department level, and no department may exceed its appropriated funds.

(2) Transfers of appropriations within a department shall require the approval of the Finance Director. Transfers of appropriations between departments for funds, an increase in personal services appropriation(s), or an increase in the level of authorized positions shall require approval of the City Council.

(3) Department directors and elected officials are directed to operate within budget limitations to prevent emergency situations.

(f) The City will maintain a budgetary accounting control system to ensure adherence to the adopted annual budget and will prepare timely financial reports comparing actual revenues and expenditures with budgeted amounts.

(g) All budgets will be adopted on a basis of accounting consistent with generally accepted accounting principles (GAAP) as applicable to governments, including all relevant Government Accounting Standards Board (GASB).

Sec. 2.5.4 Budget Ordinances

(a) Each municipal appropriations ordinance, now in force or hereafter adopted with all amendments as are adopted from time to time, shall continue in force and effect for the next fiscal year after adoption and it shall then expire except for any mandatory appropriations required to meet contractual obligations or the continued appropriation and authorization of state or federal grants.

(b) The budget ordinance shall make appropriations in such sums as the City Council may deem sufficient, whether those sums are the same as those presented in the City Manager's proposed budget. The budget ordinance or resolution shall be adopted at a public meeting which shall be advertised in accordance with the procedures set forth in Chapter 81 of Title 36 of the Official Code of Georgia Annotated.

(c) The City Council may adopt supplementary appropriations as set forth in this ordinance.

(1) In addition to the appropriations made by the municipal appropriations ordinance and amendments thereto, the City Council may make additional appropriations by an affirmative vote in favor of an ordinance making such a change. Such ordinance shall be known as supplementary appropriations ordinances, provided no supplementary appropriation shall be made unless there is an unappropriated surplus in the City treasury or the revenue necessary to pay the appropriation has been collected into the general fund of the City treasury as provided by law.

(2) In no event shall a supplementary appropriations ordinance continue in force and effect beyond the expiration of the municipal appropriations ordinance in effect when the supplementary appropriations ordinance was adopted and approved.

Sec. 2.5.5 Municipal fund balance.

(a) The city shall maintain a prudent level of financial resources to protect against financial disruptions of City and to provide services in the case of temporary revenue shortfalls, unpredicted one-time expenditures, natural disasters, or emergencies and to maintain sufficient working capital and cash flow to always meet current financial needs.

(b) The city's definition of fund balance for its governmental fund types will conform to generally accepted accounting principles (GAAP) as applicable to governments, including all relevant Government Accounting Standards Board (GASE). For the purposes of this Ordinance, and in accordance with GASE 54, the following terms shall be defined as follows:

(1) *Assigned* - financial resources whose use is restricted by management based on the intended use of those resources per the City Council of the City.

(2) *Committed* - financial resources whose use is restricted by action of the City Council which will remain binding unless removed in the same matter creating the restriction.

(3) *No spendable* - financial resources that will never convert to cash, that will not convert to cash soon enough to affect the current period, or that must be maintained intact pursuant to legal or contractual requirements.

(4) *Restricted* - financial resources that are subject to externally enforceable legal restrictions such as debt covenants, federal or state grant requirements, private donors/contributors, or other governmental entities.

(5) *Unassigned* - any residual net resources available after consideration of designation of no spendable, restricted, committed or assigned fund balance.

(c) The City's general fund may maintain all components of fund balance.

(d) The lowest level of fund balance classification for the City's special revenue funds will be committed fund balance. The committed fund balance will be used first when paying expenses, unless the expense is for purchases which were listed as being used from restricted fund balance classification.

(e) The lowest level of fund balance classification for the City's capital project funds will be assigned fund balance for the funding of specific projects. An assigned fund balance will be spent first unless the expenditure(s) is tied to a restricted fund balance amount. Once a project is completed, any fund balance

remaining will be transferred back to the fund(s) which was the original funding source.

(f) Debt service funds will only classify fund balances as not spendable or restricted. When debt expenses are paid, the City will use restricted fund balance first. All debt services funds will maintain a fund balance at a level to retire the debt. Once all debt is retired, or the fund balance is sufficient to retire all remaining debt, any remaining fund balance will be transferred to other City funds or projects as directed by the Governing Body.

(g) During the transition period, the City will maintain a balanced budget, and thereafter, it shall maintain as an ending unassigned fund balance for its general fund of at least two and one-half (2½) months of its prior fiscal year's actual amounts budgetary basis operating expenditures of its general fund as reflected in the City's most recent annual audit report's statement of "Budgetary Comparison Schedule - General Fund." If governmental accounting standards change, which eliminates the inclusion of the "Budgetary Comparison Schedule - General Fund", a statement of similar nature should be used in its place.

(1) If the general fund's unassigned fund balance falls below the minimum targeted level as defined in this policy, the City Council shall approve and adopt a plan to restore the general fund's unassigned fund balance to its target level within a twenty-four (24) month period. If due to severe financial hardship of the City, the general fund's unassigned fund balance cannot be restored within this period, the City Council shall establish a different period.

(2) Any general fund's unassigned fund balances which exceed the minimum level established by this policy may be appropriated by the City Council for non-recurring capital projects, equipment, or other operating uses.

(3) The City Council shall avoid the appropriation of general fund's unassigned fund balance for recurring operating or capital expenditures unless there is some extraordinary, non-recurring event which would require the appropriation to meet the needs of the citizenry or an emergency.

(h) The City shall classify its enterprise funds' net assets as Restricted, Unrestricted or Invested in Capital Assets. The City's Unrestricted Net Assets of all its enterprise funds should be sufficient to cover operating expenses and infrastructure replacements. Unrestricted Net Assets will be spent first unless the expense was for a restricted asset.

Sec. 2.5.6 Accounting and auditing policy.

(a) All funds of the City will be audited in compliance with O.C.G.A. §§ 36-81-7, and 36-81-20, and Generally Accepted Audit Standards as issued by Auditing Standards Board of the American Institute of Certified Public Accountants and Government Auditing Standards as issued by the Comptroller General of the United States of

America.

(b) The City's annual financial report will be prepared in accordance with generally accepted accounting principles (GAAP) as issued by the Financial Accounting Standards Board of the America Institute of Certified Public Accountants and with generally accepted governmental accounting principles as issued by the Governmental Accounting Standards Board.

(c) The City will maintain accurate records of all its assets to insure a high degree of stewardship for public property.

(d) The City shall maintain an ongoing system of financial reporting to meet the needs of the mayor and council, department directors, and the public. The reporting system will provide for budgetary control, for monitoring of the cost of providing services, and for comparative analysis.

Sec. 2.5.7 Debt policy.

(a) As mandated by Article 9, Sections, Paragraph 1 of the Constitution of the State of Georgia, the City's direct general obligation indebtedness does not exceed ten percent (10%) of assessed value of all taxable property within the City's limits.

(b) The City shall confine long-term indebtedness to capital improvements projects.

(c) The City will strive to not use short term debt for funding current operations.

(d) The City will use approved general obligation debt to fund general purpose public improvements which cannot be financed from current revenues, available general fund balances, or other current sources of capital financing.

(e) Long term financing of the city's enterprise funds will be used only when revenues of the debt issuing fund are sufficient to satisfy operating expenses and debt service requirements.

Sec. 2.5.8 Investment policy and cash management.

(a) The City will maintain a conservative program of investing all funds under the direction of the City Council and the Finance Director.

(b) The City investment program shall comply with all state and federal laws, rules, and regulations for investing public funds and with safekeeping/security requirements.

(c) The City's investment program shall be operating based on these principles; provided, however, this section shall create no cause of action in any person:

(1) Safety- Principal is protected from loss with secure investment practices and collateralization.

(2) Liquidity - Investments are readily convertible to cash when needed without incurring principal losses.

(3) Return of investment - Earning yields are maximized without diminishing the above principal.

(d) The City shall ensure that all public funds are collateralized in accordance with state and federal law, thereby guaranteeing the safety of public deposits. The City will establish administrative procedures to maintain such pledged collateral and will utilize pooled collateral systems provided by the state and local depositories when possible.

(e) The City will periodically reevaluate its banking services and will initiate competitive negotiation and bidding processes, if deemed necessary. The process may include the development of an RFP requesting quotations for banking services, services fees and earning rates available. Selection of a bank for banking services will be based on receiving the most efficient and cost-effective proposals.

Sec. 2.5.9 Monetary receipt policy.

(a) The policy of the City is that all liquid monetary assets are properly, completely, and timely accounted for daily. It is the duty of the City's elected officials, management, and employee to the citizens of the City to ensure that all monetary assets received by the City are recorded for occurrence and completeness, physically secured, and controlled, deposited timely, and allocated to City's general ledger accounts in a timely and efficient manner. Liquid monetary assets are defined as cash, checks, credit cards payment, electronic payments, ACH (Automated Clearinghouse) or wires payments.

(b) The purpose of this policy is:

(1) To maximize the revenue accruing to the City through the investment of city funds and any trust funds to the extent allowed by law, ordinance, and contract.

(2) To minimize the clerical efforts required to handle, process, and account for all monies received.

(3) To maximize the accountability of monies received by the city.

(c) All monetary assets received by the offices of the City, or any of its related entities, shall be deposited timely, meaning within two (2) working days, into the City's banking system(s).

(d) Department directors/supervisors are responsible for the safekeeping of monetary assets received by their departments and the prompt receipting into the

City's cash management program, or the prompt transfer to the City Finance's office for receipting into the cash management program.

(e) All monetary assets received in a day will be deposited in the form in which they are received.

(f) Cash received shall not be used to pay any City bills, cash personal checks, or be used for any other type of transaction.

Sec. 2.5.10 Contracting procedures.

(a) Other than contracts for employment, no contract with the City shall be binding on the City unless:

(1) It is in writing.

(2) It is drawn or submitted to and reviewed by the city attorney, and as a matter of course, is signed by the city attorney and mayor to indicate such drafting or review; and

(3) It is made or authorized by the mayor and council pursuant to lawfully enacted ordinances.

(b) The original of all contracts shall be maintained on file in the office of the city clerk.

Sec. 2.5.11 Purchasing procedures.

The City Council shall prescribe by ordinance the procedures for all purchases of real and personal property by the City. Prior to the making of purchases and contracts, the availability of adequate funds shall be certified as provided by ordinance.

Sec. 2.5.12 Sale and disposition of property.

The City Council shall prescribe by ordinance the procedures for all sales and other disposition of real and personal property by the City.

Sec. 2.5.13 Fund Balance Policy

A. Purpose. This policy is created in consideration of unanticipated events that could adversely affect the financial condition of the City and jeopardize the continuation of necessary public services in order to address the implications of the Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. This policy will ensure that the city maintains adequate fund balances and reserves in order to:

(1) Provide sufficient cash flow for daily financial needs.

(2) Secure and maintain investment grade bond ratings.

(3) Offset significant economic downturns or revenue shortfalls; and

(4) Provide funds for unforeseen expenditures related to emergencies.

This policy and the procedures promulgated under it supersede all previous regulations regarding the City's fund balance and reserve policies.

B. Fund type definitions. The following definitions will be used in reporting activity in governmental funds across the city. The City may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

- (1) The *general fund* is used to account for all financial resources accounted for and reported in another fund.
- (2) *Special revenue funds* are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt services or capital projects.
- (3) *Debt service funds* are used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.
- (4) *Capital project funds* are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.
- (5) *Permanent funds* are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the city's purposes.

C. Fund balance reporting in governmental funds. Fund balance will be reported in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

- 1) no spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. No spendable amounts will be determined before all other classifications and consists of the following items as applicable in any given fiscal year:
 - a) The City will maintain a fund balance equal to the balance of any long-term outstanding balances due from others (including other funds of the city)
 - b) The City will maintain a fund balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset with liabilities and actually result in fund balance)
 - c) The City will maintain a fund balance equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact.
 - d) The City will maintain a fund balance equal to the balance of any land or other non-financial assets held for sale.
- 2) *Restricted fund balance* -Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- 3) *Committed fund balance* -Includes amounts that can be used only for the specific

purposes determined by a formal action of the city council. Commitments will only be used for specific purposes pursuant to a formal action of the City Council. A majority vote is required to approve or remove a commitment.

- 4) *Assigned fund balance* - Includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council delegates the City Financial Officer the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
- 5) *Unassigned fund balance* -Includes the residual classification for the city's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Sec. 2.5.14 Operational Guidelines.

The following guidelines address the classification and use of fund balance in governmental funds:

- 1) *Classifying fund balance amounts.* Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include no spendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.
- 2) *Encumbrance reporting.* Encumbering amounts for specific purposes for which resources have already been restricted, committed, or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54.
- 3) *Prioritization of fund balance use.* When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the city that the committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.
- 4) *Minimum unassigned. Fund balance.* Except during the transition period, the city will maintain a minimum unassigned fund balance in its general fund of 12 percent of the subsequent year's budgeted expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts

and to maintain a budget stabilization commitment.

5) *Replenishing deficiencies.* When fund balance falls below the minimum of 12 percent, the city will replenish shortages/deficiencies using the budget strategies and timeframes described below.

- The city will reduce recurring expenditures to eliminate any structural deficit; or
- The city will increase revenues or pursue other fund sources; or
- A combination of the two options above.

Minimum fund balance deficiencies shall be replenished within the following time periods:

- A deficiency resulting in a minimum fund balance between 12 percent and 10 percent of the subsequent year's budgeted expenditures shall be replenished over a period not to exceed one year.
 - A deficiency resulting in a minimum fund balance between 10 percent and six percent of the subsequent year's budgeted expenditures shall be replenished over a period not to exceed three years.
- (s) *Surplus fund balance.* Fund balance will be considered a surplus if over 12 percent of the subsequent year's budgeted expenditures. Should unassigned fund balance of the general fund ever exceed 11 percent, the city will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature.

Sec. 2.5.15 Implementation and review.

Upon adoption of this ordinance the City Council authorizes the finance department to establish any standards and procedures which may be necessary for its implementation. When the need arises, the finance department shall make any necessary recommendation to the city council for changes to this policy.

Sec. 2.5.16 Revenue administration policy.

- (1) The City will strive to maintain a diversified and stable revenue stream to protect against short-term fluctuations in any single revenue source.
- (2) The City will estimate its revenues by an objective analytical process in a prudent manner.
- (3) The City will follow a policy of paying for services with user charges where practical to reduce the reliance on taxes and other general revenue sources.
- (4) The City will seek public and private grants, contracts and other outside sources of revenue for funding projects where appropriate.
- (5) The City will establish the levels of all user charges based on an analysis of the cost of providing the service(s). User charges will be evaluated periodically.

(6) The City shall set fees for each enterprise and internal service fund at a level that fully supports the total direct and indirect cost of the fund. The City shall not set user fees for its enterprise funds which results in extra income to be used to subsidize the services of any governmental fund.

Section 2. It is hereby declared to be the intention of the City Council that:

- (a) All sections, paragraphs, sentences and phrases of this Ordinance are or were, upon their enactment, believed by the City Council to be fully valid, enforceable and constitutional.
- (b) To the greatest extent allowed by law, each and every section, paragraph, sentence, clause or phrase of this Ordinance is severable from every other section, paragraph, sentence, clause or phrase of this Ordinance. No section, paragraph, sentence, clause or phrase of this Ordinance is mutually dependent upon any other section, paragraph, sentence, clause or phrase of this Ordinance.
- (c) In the event that any phrase, clause, sentence, paragraph or section of this Ordinance shall, for any reason whatsoever, be declared invalid, unconstitutional or otherwise unenforceable by the valid judgment or decree of any court of competent jurisdiction, it is the express intent of the City Council that such invalidity, unconstitutionality or unenforceability shall, to the greatest extent allowed by law, not render invalid, unconstitutional or otherwise unenforceable any of the remaining phrases, clauses, sentences, paragraphs or sections of the Ordinance.

Section 3. The City Attorney and City Clerk are authorized to make non-substantive editing and renumbering revisions to this Ordinance for proofing and renumbering purposes.

Section 4. The effective date of this Ordinance shall be the date of adoption, unless provided otherwise by the City Charter, state and/or federal law.

SO ORDAINED this _____ day of 2024.

ATTEST:

CITY OF MABLETON, GEORGIA:

Susan D. Hiott, Interim City Clerk

Michael Owens, Mayor

APPROVAL AS TO FORM:

Emilia Walker-Ashby, Interim City Attorney



AGENDA ITEM MEMORANDUM

MEETING OF: February 14, 2024

DEPARTMENT: Administrative - City Clerk

ISSUE/AGENDA ITEM TITLE: Consideration and Approval of RES 2024-02-01, A Resolution Authorizing Membership in the Georgia Interlocal Risk Management Agency and the mayor to sign and execute all related documents.

BACKGROUND/SUMMARY: The City of Mableton needs property and casualty and liability insurance. Although the City does not have properties, GIRMA will cover at this time, and as the city grows, the City will notify GIRMA of major changes (i.e. departments, new assets and major changes to staff).

GIRMA's claims coverage is superior to most of its competitors. Here are a few examples:

- **No aggregate limit** on GL and Law All Occurrence based coverage
 - Anytime you move from a claims-made form to an occurrence based form we recommend the consideration of Extended Reporting Period coverage.
- **No coinsurance** clause on property coverage which means you are not penalized if your properties are not insured to 100% of their replacement cost
- **\$10M Flood limit** with no flood zone exclusions
- **\$10M Earthquake limit**
- **Cyber Liability** – Include \$250,000 Combined Single Limit of Cyber Coverage
- **Crisis Management Coverage** – Includes \$50,000 annually for expenses incurred to engage a crisis management firm in the event of a Crisis Event
- **LGRMS** – Loss control group owned by GMA/ACCG to provide loss control services to your city including a driver simulator
- Dividends in the form of **renewal credits**
- **Drone Liability** includes \$50,000 for drone liability coverage

HELP Line

City has access to a law firm specializing in Employment Practice claims. It is a free service members can use for assistance with potential employment and personnel related issues.

Property Appraisals are conducted every three (3) years at no cost.

Safety Grant

City will be eligible for safety grant monies per year to purchase items to make the city a safer place, up to \$10,000.



AGENDA ITEM MEMORANDUM

Additional Information

Rental properties under the city are covered under general liability where all non-specified properties or services of the city are covered. Updates or additions of new rentals, additions or acquisition of new cars, or equipment and others are periodically submitted to GIRMA for update normally on a quarterly basis. For example, if the city buys 7 police vehicles and gets involved in accidents, all of them beyond repair, but details have not been submitted to GIRMA yet to add those vehicles to the list, they will be covered under general liability as long as there is proof that those vehicles belonged to the city.

The payment is on a quarterly basis, but you get a 2% discount if you pay up front. The City must consider if we have money to pay upfront and not only that, is it worthy to take advantage of the 2% or use the money for other things and pay quarterly with no penalty for doing so.

BUDGETED/FINANCIAL IMPACT – FUND: Yes

RECOMMENDATION: Approval of RES 2024-02-01, A Resolution Authorizing Membership in the Georgia Interlocal Risk Management Agency and authorize the mayor to sign and execute all related documents.

Motion: Move to approve RES 2024-02-01, A Resolution Authorizing Membership in the Georgia Interlocal Risk Management Agency and authorizing the mayor to sign and execute all related documents.

ATTACHMENTS : Quote Proposal and Georgia Interlocal Risk Management Agency Amended and Restated Intergovernmental Contract; Bylaws of the Board of Trustees of the Georgia Interlocal Risk Management Agency; Statement of Issues,

Georgia Interlocal Risk Management Agency

GMA Property & Liability Self-Insurance Program

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

MA

1400 Veterans Memorial Highway SE, Suite 134-200
Mableton, GA 30126

Coverage Period:

May-01-2023 to May-01-2024

Presented by:



201 Pryor Street
Atlanta, GA 30303

Quote Date:

2/2/2024

Administered by:

Lockton Companies

3280 Peachtree Road NE #250
Atlanta, GA 30305

Georgia Interlocal Risk Management Agency

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

| General Liability and Law Enforcement Liability | Limit of Liability |
|--|---------------------------|
| Each Occurrence | \$1,000,000 |
| Personal & Advertising Injury | \$1,000,000 |
| Products / Completed Operations | \$1,000,000 |
| Failure to Supply Utilities | \$1,000,000 |
| Fire Legal Liability | \$1,000,000 |
| Law Enforcement Liability | \$1,000,000 |
| General Aggregate | Unlimited |
| Products / Completed Ops Aggregate | \$5,000,000 |
| Failure to Supply Utilities Aggregate | \$5,000,000 |
| Medical Payments | Excluded |
| Form | Occurrence |
| General Liability Deductible | \$5,000 |
| Law Enforcement Liability Deductible | \$5,000 |
| Employee Benefits Liability | \$1,000,000 |
| Employee Benefits Aggregate | \$5,000,000 |
| Form | Occurrence |
| Deductible | \$5,000 |

Coverage Features:

- No Premium Audits
- Defense Costs Outside the Limit
- Special Events Liability
- Athletic Participants Liability
- Fireworks Display Liability
- Cemetery Professional Liability
- Limited Pollution Liability
- Non-Owned Aircraft & Watercraft
- Liquor Liability
- Limited Drone Coverage (\$50,000)
- Garage Liability
- Personal Injury Liability
- Authorized Moonlighting by Police Officers
- Jail Cell Operations
- Police Animal Liability
- Assault and Battery
- Inmate Medical Coverage
- Sexual Abuse Coverage
- Worldwide Territory

Disclaimer:

These terms are not to be construed as an exact or complete analysis of the coverage agreement, nor as a legal evidence of coverage. The provisions of the actual coverage document will prevail.

Georgia Interlocal Risk Management Agency

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

| Public Officials / Errors & Omissions Liability | Limit of Liability |
|--|---------------------------|
| Each Wrongful Act or Occurrence | \$1,000,000 |
| Aggregate Limit | \$5,000,000 |
| Form | Occurrence |
| Deductible | \$5,000 |

Coverage Features:

- No Premium Audits
- Defense Costs Outside the Limits
- Pay on Behalf Basis
- Personal Injury – to include:
 - Mental Anguish
 - Shock
 - Humiliation
- Employment Practices Liability – including coverage for:
 - Libel
 - Slander
 - Defamation
 - Sexual Harassment
 - Sexual Abuse
- Americans with Disabilities Act (ADA)
- Zoning Claims Seeking Monetary Demands
- Civil Rights Violations
- Services Performed Under a Mutual Aid Agreement

Disclaimer:

These terms are not to be construed as an exact or complete analysis of the coverage agreement, nor as a legal evidence of coverage. The provisions of the actual coverage document will prevail.

Disclaimer:

Georgia Interlocal Risk Management Agency

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

| Automobile Liability | Limit of Liability |
|----------------------------------|---------------------------|
| Combined Single Occurrence Limit | \$1,000,000 |
| Uninsured Motorists Liability | \$0 |
| Hired & Non-Owned Liability | \$1,000,000 |
| Medical Payments | Excluded |
| Deductible | \$5,000 |
| Uninsured Motorist Deductible | \$0 |

| Automobile Physical Damage | Limit of Liability |
|-----------------------------------|---------------------------|
| Limit | Actual Cash Value |
| Hired Physical Damage | Included |
| Vehicles Covered | Per Schedule |
| Comprehensive Deductible | \$5,000 |
| Collision Deductible | \$5,000 |
| Hired Physical Damage Deductible | \$5,000 |

Coverage Features:

- Automatic Coverage for Vehicles up to \$100,000 in value
- Automatic Liability Coverage for new vehicles
- Deductible Per Occurrence

| Crime / Fidelity | Limit of Liability |
|------------------------------------|---------------------------|
| Blanket Employee Dishonesty | \$500,000 |
| Forgery or Alteration | \$500,000 |
| Computer Crime | \$500,000 |
| Money and Securities | \$500,000 |
| Social Engineering Fraud | \$25,000 |
| Deductible | \$5,000 |
| Social Engineering Deductible Only | \$2,500 |

Coverage Features:

- Faithful Performance Included
- Includes all local and state required bonds

Disclaimer:

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Georgia Interlocal Risk Management Agency

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

| Property | Limit of Liability |
|---|---------------------------|
| Total Insured Values | \$ |
| Blanket Building & Contents | \$0 |
| Mobile Equipment | \$0 |
| Computers ("EDP") | Included |
| Flood Limit – Including Zones A and V | \$ |
| Earthquake Limit | \$ |
| Coinsurance Provision | None |
| Locations Covered | Per Schedule |
| Valuation – Building & Contents | Replacement Cost |
| Valuation – Mobile Equipment | Actual Cash Value |
| Deductible – Buildings & Contents All Perils <i>(Tier 1 Only-All Perils except Named Windstorm)</i> | \$5,000 |
| Deductible – Mobile Equipment All Perils <i>(Tier 1 Only-All Perils except Named Windstorm)</i> | \$5,000 |
| Deductible – Named Windstorm for Tier 1 Only* <i>* Applies separately to (1) Each separate building. (2) The value of personal property located in each separate building. (3) Each item of Mobile Equipment. (4) Actual value of Business Interruption and Extra Expense loss for the 12 months immediately following the date of the direct physical loss.</i> | 1% per unit |
| Automatic Coverage Extensions: | |
| Business Interruption | \$500,000 |
| Extra Expense | \$500,000 |
| Computers ("EDP") | \$500,000 |
| Builders Risk | \$500,000 |
| Property in Transit | \$500,000 |
| Valuable Papers | \$500,000 |
| Equipment Breakdown | Limit of Liability |
| Limit Per Occurrence | \$ |
| Ordinance or Law Limit | \$ |
| Hazardous Substance | \$250,000 |
| Deductible | \$5,000 |
| Automatic Coverage Extensions | |
| Ammonia Contamination | \$1,000,000 |
| Expediting Expenses | \$10,000,000 |
| Service Interruption | \$ |
| Spoilage / Consequential Damage | \$10,000,000 |
| Water Damage | \$1,000,000 |

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Georgia Interlocal Risk Management Agency

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

| Cyber | Limit of Liability |
|---|---------------------------|
| Security & Privacy Liability | \$250,000 |
| Regulatory Action Sublimit of Liability | \$250,000 |
| Event Management | \$250,000 |
| Cyber Extortion | \$250,000 |
| Deductible | \$10,000 |

| Police Animal Mortality Coverage | Limit of Liability |
|---|---------------------------|
| Scheduled Limit | \$0 |
| Deductible | Nil |

Risk Management Services

| <u>Type of Service</u> | <u>Annual Contribution</u> |
|--|-----------------------------------|
| Loss Control & Safety Training | |
| On Site Visitation | Included |
| Awareness Training | Included |
| Awareness Through Safety Bulletins | Included |
| Automobile Drivers Training | Included |
| Access to Safety Videos | Included |
| Safety Grant | |
| Based on a Contribution Volume and up to \$10,000 | Included |
| *Subject to Approval & Requirements | |
| Employment Practices Help Line | |
| Legal Advice | Included |
| Property Appraisals | |
| Building Valuations | Included |
| Contents and Historical Valuations | Included |
| Crisis Management | |
| Provides \$50,000 for expenses incurred in response to a Crisis Event including Workplace Violence | Included |

Disclaimer:

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Georgia Interlocal Risk Management Agency

RENEWAL TERMS FOR 2023-2024

CITY OF MABLETON

Contribution Summary

| <u>Line of Coverage</u> | <u>Annual Contribution</u> |
|---|----------------------------|
| General Liability | \$5,585 |
| Law Enforcement Liability – Before Credit | \$0 |
| <i>Law Enforcement Initiative Credit Amount</i> | <i>\$0</i> |
| Law Enforcement Liability – After Credit | \$0 |
| Public Officials Liability | \$10,100 |
| Automobile Liability | \$0 |
| Automobile Physical Damage | \$0 |
| Property – Buildings & Contents | \$0 |
| Mobile Equipment | \$0 |
| Police Animal Mortality | \$0 |
| Crime / Fidelity | \$388 |
| Boiler & Machinery | \$0 |
| Uninsured Motorist | \$0 |
| Sub Total | \$16,073 |
| Less Renewal Credit | |
| Total | \$16,073 |

Disclaimer:

These terms are not to be construed as an exact or complete analysis of the coverage agreement, nor as a legal evidence of coverage. The provisions of the actual coverage document will prevail.

Georgia Interlocal Risk Management Agency Amended and Restated Intergovernmental Contract

WHEREAS, an intergovernmental contract originally was approved for use on June 10, 1987 by certain municipalities acting through a Board of Trustees of their own selection, and, in accordance with the Official Code of Georgia Annotated ("O.C.G.A.") Section 36-85-2, these municipalities formed and became members of the Georgia Interlocal Risk Management Agency ("GIRMA") by executing the intergovernmental contract, and

WHEREAS, GIRMA is an unincorporated nonprofit instrumentality wholly owned by its members, all of which are public entities, and after approval by GIRMA's Administrator, all additional members of GIRMA became members by executing the intergovernmental contract and adopting a resolution or ordinance;

WHEREAS, the form of this Amended and Restated Intergovernmental Contract has been approved in accordance with the bylaws, and all Members not expressing intent to withdraw within 30 days after the date of notice of the approval are parties to this Amended and Restated Intergovernmental Contract, and the intergovernmental contract previously executed by the Member is superseded by this Amended and Restated Intergovernmental Contract;

WHEREAS, this Amended and Restated Intergovernmental Contract is made and entered into this _____ day of _____, 20____, by and among the public entities who are now Members of the Georgia Interlocal Risk Management Agency ("GIRMA") and the _____ [Name of Prospective Member Entity] ("New Member") for the purpose of permitting New Member to participate in one or more group self-insurance funds for the management of liability and property damage risks of the Member public entities.

WHEREAS, New Member desires to become a Member of GIRMA in accordance with the Statute and the rules and regulations of the Insurance Commissioner of the State of Georgia:

NOW, THEREFORE IN CONSIDERATION OF the mutual covenants, promises and obligations contained herein, which were given to and accepted by each public entity becoming a party to this agreement the parties agree as follows:

PARAGRAPH 1

PURPOSE AND OPERATIONS OF THE GEORGIA INTERLOCAL RISK MANAGEMENT AGENCY

Section 1.1. Purpose of Georgia Interlocal Risk Management Agency and Intergovernmental Contract. The purpose of GIRMA and of this agreement is to jointly exercise powers common to each participating public entity; to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of a Member of GIRMA; and to defend and protect, in accordance with this contract and related coverage descriptions, any Member of GIRMA against liability or loss as stated in such documents. The activities of GIRMA shall not constitute conduct of an insurance business.

Section 1.2. Operations and Eligibility for Membership. The Board of Trustees described in Paragraph 3 of this agreement shall direct the affairs of GIRMA. The Georgia Municipal Association shall be appointed as Administrator. The Administrator may recommend to the Board of Trustees the appointment of necessary Service Companies, attorneys and agents for operation of GIRMA. In order to become a member of GIRMA, an entity must be a "municipality", as defined in Chapter 85 of Title 36 of the Official Code of Georgia Annotated, as amended from time to time, and must be a political subdivision of a state or an entity the income of which is excluded from gross income under the Internal Revenue Code. Any entity that meets these criteria may become a member once it has taken all actions required by applicable law to join GIRMA and has been approved by GIRMA through its Administrator.

**PARAGRAPH 2
DEFINITIONS**

Section 2.1. Definitions. In the interpretation of this agreement the following definitions shall apply unless the context requires otherwise:

- (1) "Administrator" shall mean the person or agency designated to supervise the administration of GIRMA and to perform such duties and exercise such powers as shall be specifically designated by the Board.
- (2) "GIRMA" shall mean the Georgia Interlocal Risk Management Agency.
- (3) "Board" shall mean the Board of Trustees of GIRMA.
- (4) "Coverage Description or Description" shall mean the written explication of General Liability, Motor Vehicle Liability, Property Damage and other claims for which Members are jointly self-insured through a Fund or Funds.
- (5) "Group Self-Insurance Fund," "Fund" or "Funds" shall have the meaning as defined in Chapter 85 of Title 36 of the Official Code of Georgia Annotated, as amended.
- (6) "Member" shall mean an entity that meets the eligibility requirements set forth in Section 1.2, has been approved by GIRMA through its Administrator, and is participating in GIRMA in conformity with this contract.
- (7) "Service Company" shall mean persons or agencies designated by the Board or Administrator to perform claim settlement services, make a determination of risk factors of Members and applicants for membership, institute loss prevention programs and accounting systems, acquire necessary excess insurance and reinsurance proposals, or perform other functions in the day-to-day operation of GIRMA as directed by the Board or Administrator.

**PARAGRAPH 3
BOARD OF TRUSTEES**

Section 3.1. Trustee Qualifications. The qualifications to serve as a Trustee and the terms of office for Trustees shall be specified in the bylaws of GIRMA.

Section 3.2. Selection of Board Members. The Board of GIRMA shall be those persons selected in accordance with the bylaws of GIRMA.

Section 3.3. Meetings. All meetings of the Board shall be held and conducted in accordance with the bylaws adopted by the Board.

Section 3.4. Liability of Trustees and Officers. Trustees and officers of GIRMA shall use ordinary care and reasonable diligence in the exercise of their powers and the performance of their duties. They shall not be liable for mistakes of judgement or actions or failures to act when such mistakes, actions or failures are made in good faith and within the scope of their authority for GIRMA. Nor shall they be liable for any action or failure to act of any agent, employee or independent contractor of GIRMA, nor for loss incurred through investment of funds or failure to invest. No trustee or officer shall be liable for any action or failure to act of any other trustee or officer. No trustee or officer shall be required to give a bond or other security to guarantee the faithful performance of the duties hereunder except as may be required by the rules and regulations of the Insurance Commissioner. GIRMA shall defend and hold harmless any trustee or officer, and the Board of Trustees, against any and all loss, cost, damage or exposure arising from their actions or failures to act when such actions or failures are made in good faith and within the scope of their authority for GIRMA. GIRMA may purchase insurance providing such coverage for trustees and officers.

**PARAGRAPH 4
BOARD POWERS AND DUTIES**

Section 4.1. Board Powers and Duties. The Board, in addition to other powers and duties conferred or imposed by law, is authorized in the name of GIRMA to exercise the powers enumerated in Article III, Section I and in Article IV, Section 2 of the bylaws and to do all the acts necessary or incidental in performing and accomplishing the purposes set forth in this agreement and in the bylaws of GIRMA.

**PARAGRAPH 5
MEMBERSHIP**

Section 5.1. Membership. The membership of GIRMA consists of those eligible public entities who have executed this agreement, or its counterpart, by the duly constituted chief executive or administrative officers acting upon the resolution of the governing authority of the public entity and which have paid the prescribed contributions pursuant to the provisions of this agreement. Such entities may be admitted as Members upon approval of the Administrator in accordance with policies established by the Board, upon their execution of this agreement, or its counterpart, and by payment of prescribed contributions. Every Member agrees to the admission of additional Members in accordance with the provisions of this paragraph.

Section 5.2. Member Representatives. The chief executive or administrative officer of each Member shall designate in writing a representative to GIRMA and notify the Administrator of such designation. The representative shall be responsible to the Member for receiving all communications related to GIRMA, implementing loss control measures and executing the duties imposed on the Members by this agreement and the bylaws of GIRMA. All communications from the Administrator or any Service Company to the Member shall be addressed to the individual listed in the Administrator's records as the Member's designated representative. Each Member shall notify the Administrator immediately if a replacement representative is named.

Section 5.3. Withdrawal.

- (1) Each Member shall continue its membership until the completion of the second full fiscal year of GIRMA following its admission to GIRMA. Effective upon the conclusion of such period, a Member may withdraw on ninety (90) days advance written notice to GIRMA. A Member withdrawing shall have no right to the reserves on any claims maintained by GIRMA in the operation of a Group Self-Insurance Fund. GIRMA shall continue servicing of any covered claim of the Member after the withdrawal of the Member.
- (2) At the conclusion of a Member's second full fiscal year of membership, all membership shall be on a coverage year-to-coverage year basis. Effective at the end of any coverage year, GIRMA may, on ninety (90) days advance written notice to a Member, determine not to renew a Member's membership in GIRMA or the Member's participation in the Fund.
- (3) Any Member, failing to make payments required by Paragraph 6 of this agreement when due, shall upon proper notice be immediately suspended from membership and the Member's coverage under any Fund and benefits hereunder shall immediately cease. If the Member shall subsequently submit the delinquent payment along with such penalties or interest that may be established by the board, the Administrator may reinstitute such membership in accordance with Board policy.
- (4) Terminated Members shall remain liable for assessments for any fiscal year in which they were Members. Terminated Members shall have no rights to surplus or dividends, but the Board may return all or a portion of any terminated Member's capital contribution.

Section 5.4. Membership Review and Termination. A Member may be involuntarily terminated for causes other than non-payment of contributions as provided in the bylaws.

**PARAGRAPH 6
OBLIGATIONS OF MEMBERS**

Section 6.1. Member Obligations. Members of GIRMA agree to be obligated as follows:

- (1) To participate at all times in at least one Fund established by the Board.
- (2) To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by the Board or the Administrator.
- (3) To select a person to serve as a Member representative.
- (4) To allow the Board and its agents reasonable access to all facilities of the Member and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- (5) To allow attorneys appointed by GIRMA to represent the Member and its employees or officers in investigation, settlement discussions and all levels of litigation arising out of any claim made against a Member within the scope of loss protection furnished by the Fund or Funds established by GIRMA, and, with approval of the Administrator or in accordance with policies established by the Administrator, to enter into settlements of such litigation without the consent of the Member or its employees or officers.
- (6) To assist and cooperate in the defense and settlement of claims against the Member and its employees or officers.
- (7) To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company and any agent employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.
- (8) To follow all loss reduction and prevention procedures established by GIRMA.
- (9) To furnish to the Administrator such budget operating and underwriting information as may be requested by the Administrator.
- (10) To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to the Member's property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the Member participates.

Section 6.2. Optional Defense of Fund Member. A Member may hire co-defense counsel, at the Member's expense, to assist in the defense of claims; provided, however, the attorney selected by GIRMA to defend the claim shall be lead counsel in all matters.

Section 6.3. Contractual Obligation. This agreement shall constitute a contract among the Members of GIRMA. The obligations and responsibilities of the Members set forth herein include the obligation to take no action inconsistent with this agreement as originally written or validly amended, which shall remain a continuing obligation and responsibility of the Member. This agreement may be executed in duplicate originals and the agreement of a public entity thereto shall be evidenced by a signed copy of a resolution adopted by its legislative body authorizing an appropriate official of the public entity to execute the agreement on behalf of the public entity. The contracting parties have created a risk management agency for group self-insurance purposes only within the scope of this agreement, GIRMA's bylaws and related Coverage Descriptions. Nothing contained herein shall be deemed to create any relationship of surety, indemnification or responsibility between an individual Member for the debts or claims against any other individual Member. In accordance with Sections 36-85-9 and 36-85-15 of the Official Code of Georgia Annotated, each Member shall be jointly and severally liable for all legal obligations of a Fund and assessments may be required to meet any financial obligation of GIRMA or of any Fund.

**PARAGRAPH 7
AMENDMENTS TO CONTRACT**

Section 7.1. Amendments. This agreement may be amended by consent of the Members. A change or modification to this agreement may be agreed to by a vote of Members under such rules and procedures as the Board shall prescribe. Such vote may be conducted at a meeting of Members or may be conducted by mail. Any change or modification agreed to by a majority of the voting Members shall become effective immediately or at such future time as the amendment shall provide. Any Member not exercising its right of withdrawal within thirty (30) days after notice of the change or amendment shall be deemed to have consented to such a change or amendment. Any Member not consenting to such change or amendment may, at its option, withdraw with 90 days written notice and shall be entitled to a refund of any non-earned premiums.

**PARAGRAPH 8
AUDITS AND FINANCIAL REPORTS**

Section 8.1. Annual Report. The Board shall provide to the Members an annual report of the financial affairs of GIRMA and of each Fund maintained by GIRMA.

**PARAGRAPH 9
OPERATION OF GROUP SELF-INSURANCE FUNDS**

Section 9.1. Loss Protection. GIRMA will provide loss protection to each Member participating in a Fund as provided in the Coverage Description for the Fund.

Section 9.2. Coverage Descriptions. The Board or its designee may develop and issue such self-insurance Coverage Descriptions for Funds as it deems necessary or advisable. The limits of loss protection, scope of loss protection, amount of loss retention and Member contributions into a Fund shall be determined by the Coverage Description for the Fund. The Board may amend the Coverage Description or Descriptions from time to time as deems advisable. Such amended Coverage Descriptions shall be effective for GIRMA's subsequent coverage years.

[To be completed by "New Members" joining after September 1, 2016]

This foregoing Intergovernmental Contract is entered into on behalf of _____ (Name of New Member), this day of _____, 20__, by the duly authorized officer whose signature appears below.

(Name of New Member)

(Authorized Signature/title)

Witness/title

(Entity Seal - Printed)

**BYLAWS OF THE
BOARD OF TRUSTEES OF THE
GEORGIA INTERLOCAL RISK MANAGEMENT AGENCY**

Revised and Adopted June 23, 2023

TABLE OF CONTENTS

| <u>Article</u> | | <u>Page</u> |
|----------------|---|-------------|
| I | Name and Location | 1 |
| II | Eligibility for and Renewal of Membership | 1 |
| III | Board of Trustees..... | 2 |
| | Section 1. General Powers | 2 |
| | Section 2. Number and Qualifications..... | 2 |
| | Section 3. Nomination, Election and Appointment of Trustees | 2 |
| | Section 4. Compensation | 3 |
| IV | Powers and Duties | 3 |
| | Section 1. Administrator | 3 |
| | Section 2. Board of Trustees..... | 4 |
| | Section 3. Fraud Investigation and Reporting | 6 |
| V | Meetings of the Board of Trustees | 7 |
| | Section 1. Regular Meetings | 7 |
| | Section 2. Special Meetings | 7 |
| | Section 3. Place of Meetings..... | 7 |
| | Section 4. Notices | 7 |
| | Section 5. Quorum | 8 |
| | Section 6. Manner of Acting | 8 |
| | Section 7. Proxies | 8 |
| VI | Officers..... | 8 |
| | Section 1. Officers..... | 8 |
| | Section 2. Election and Term of Office..... | 8 |
| | Section 3. Chairperson..... | 9 |
| | Section 4. Vice Chairperson..... | 9 |
| | Section 5. Secretary-Treasurer | 9 |

| <u>Article</u> | <u>Page</u> |
|----------------|---|
| VII | Board Committees 10 |
| | Section 1. Executive Committee 10 |
| | Section 2. Special Committee 10 |
| | Section 3. Audit Committee..... 10 |
| | Section 4. Governance..... 11 |
| VIII | Fiscal Year 11 |
| IX | Meetings of the Membership..... 11 |
| | Section 1. Annual Meetings; Joint Annual Meeting..... 11 |
| | Section 2. Special Meetings of the Members..... 12 |
| | Section 3. Place of Meeting of the Members 12 |
| | Section 4. Notice 12 |
| | Section 5. Nomination of Trustees..... 13 |
| | Section 6. Voting on Matters Relating to GIRMA..... 12 |
| | Section 7. Quorum..... 13 |
| | Section 8. Proxies 13 |
| X | Involuntary Termination of a Membership..... 14 |
| | Section 1. Reasons..... 14 |
| | Section 2. Method 14 |
| | Section 3. Data..... 15 |
| | Section 4. Reinstatement..... 15 |
| XI | Termination of GIRMA or GIRMA Funds 15 |
| XII | Waiver of Notice..... 15 |
| XIII | Amendments 16 |
| | Section 1. Bylaws Amendments..... 16 |
| | Section 2. Amendments to Intergovernmental Contract..... 16 |
| XIV | Parliamentary Authority..... 16 |

**BYLAWS OF THE
BOARD OF TRUSTEES OF THE
GEORGIA INTERLOCAL RISK MANAGEMENT AGENCY**

ARTICLE I

NAME AND LOCATION

- Section 1. The name of this organization shall be the Georgia Interlocal Risk Management Agency, (“GIRMA”). In October 1988, GIRMA was established by an intergovernmental contract among founding municipal corporations of Georgia for the management of liability and property damage risks, in accordance with Title 36, Chapter 85 of the Official Code of Georgia Annotated (the “Statute”).
- Section 2. The principal office of GIRMA is located at 201 Pryor Street, SW, Atlanta, Georgia 30303.
- Section 3. Other offices for the transaction of business may be established as the GIRMA Board of Trustees (hereinafter referred to as the “Board”) may determine.
- Section 4. These Bylaws are adopted pursuant to the Statute, the applicable rules and regulations of the Insurance Commissioner of the State of Georgia (the “Commissioner”) and the intergovernmental contract creating GIRMA (the “Intergovernmental Contract”).

ARTICLE II

ELIGIBILITY FOR AND RENEWAL OF MEMBERSHIP

- Section 1. Eligibility. To become a member of GIRMA, an entity must be a municipality as defined in Section 36-85-1 of the Official Code of Georgia Annotated, as amended from time to time, and must be a political subdivision of a state or an entity the income of which is excluded from gross income under the Internal Revenue Code. An entity that meets these criteria may become a member once it has taken all actions required by applicable law to join GIRMA and has been approved by GIRMA through its Administrator. Approved entities are called “Members” in these Bylaws. All Members agree to the terms of the Intergovernmental Contract.
- Section 2. Members may voluntarily withdraw after completion of two full fiscal

years of Membership by providing ninety (90) days advance written notice to the Administrator.

Section 3. After the first two full fiscal years of Membership, Membership will continue unless either the Administrator or the Member provides the other with ninety (90) days advance written notice of its decision to withdraw or not to renew the contract.

Section 4. See Article X for Involuntary Termination of a Membership mid-year.

ARTICLE III

BOARD OF TRUSTEES

Section 1. General Powers. The affairs of GIRMA shall be governed by the Board of Trustees ("Board"), which shall have such general powers as are conferred by Chapter 85 of Title 36 of the Official Code of Georgia Annotated. The Board shall have discretionary authority to adopt rules and regulations and to establish policies and procedures for the operation of GIRMA and to make and enter into contracts for such services as it deems necessary or expedient, to include contracts with the Georgia Municipal Association, Inc. ("GMA") providing for payment of reasonable institutional value fees.

Section 2. Number and Qualifications. The business and property of GIRMA shall be supervised by the Board, which shall consist of all of those individuals serving on the Board of Trustees of the Georgia Municipal Employees Benefit System ("GMEBS") established pursuant to Chapter 5 of Title 47 of the Official Code of Georgia Annotated, provided that all such individuals shall be employees of or elected or appointed officers of a municipal corporation that is a Member of GIRMA. In addition to the foregoing qualifications, all Trustees initially elected or appointed on or after January 1, 2021, shall be employees of or elected or appointed officers of a municipal corporation that participates in the GIRMA Property and Liability Insurance Fund. Every new Trustee must submit a completed application to the Commissioner to serve as Trustee of this Board. If the Commissioner objects to the election or appointment, the election or appointment to the Board will be invalidated on a prospective basis.

Section 3. Nomination, Election and Appointment of Trustees. Trustees shall be nominated, elected, and appointed in accordance with the GMEBS Bylaws.

Section 4. Compensation. Trustees shall not receive any salaries for their services, but the Board may adopt a travel policy setting forth a per diem allowance or the actual expenses of attendance, if any, for attendance at regular or special meetings of the Board and attendance at Board training and educational events, including, but not limited to, those involving investment managers or other service providers.

ARTICLE IV

POWERS AND DUTIES

Section 1. Administrator. Pursuant to a contract with the Board, GMA shall serve as Administrator and provide the services necessary to safeguard the assets of GIRMA and administer GIRMA. Such services shall include serving as attorney-in-fact and performing directly or contracting with outside entities to perform other types of administration for GIRMA, including claims administration, safety engineering and general administration. The Administrator's services shall include, but are not limited to:

- (a) Negotiating and managing contracts with outside agencies and consultants providing services directly to GIRMA;
- (b) Establishing and maintaining administrative and financial procedures for internal and external use consistent with the policies of the Board of Trustees;
- (c) In conjunction with the actuary appointed by the Board, establishing contribution rate methodologies for System Funds;
- (d) Billing for contributions and assessments in accordance with the terms of the Intergovernmental Contract, and in accordance with applicable law and the Board's funding policy;
- (e) Receiving, depositing, disbursing and accounting for all assets received and expended on behalf of GIRMA, and ensuring that all premiums or contributions received are timely remitted to the depository bank or banks;
- (f) Establishing the method for rating the risks of individual Members;
- (g) Providing risk management services including defense and settlement of claims;
- (h) Receiving applications for membership from prospective new members to GIRMA and approving or denying such applications for membership in accordance with such rules or policies as are promulgated by the Board;
- (i) Keeping a register of the post office address, electronic mail address and/or facsimile number of the designated contact for each Member;

- (j) Fulfilling any obligations set forth in contractual documents with the Members as obligations of the Administrator;
- (k) In conjunction with the investment manager and the custodian appointed by the Board, assuring that provisions are made for the valuation of assets;
- (l) In conjunction with the investment consultant appointed by the Board and the custodian appointed by the Board, assuring that funds are invested and reinvested in accordance with Board policy and direction;
- (m) Preparing or causing to be prepared annual fiscal reports regarding the operation of GIRMA and all other reports as directed in writing or through official action by the Board;
- (n) Determining and prorating income from GMEBS investments to the appropriate GIRMA Fund;
- (o) Arranging for the payment of claims due under GIRMA;
- (p) Providing information about GIRMA and offering technical support to the designated contact of the Member as appropriate;
- (q) Providing the Commissioner a copy of the contract with the Administrator and any amendments to the contract to the extent required by law;
- (r) Maintaining a fidelity bond and errors and omissions coverage or other appropriate liability insurance as required by applicable law and Commissioner regulations, and filing evidence of such coverage with the Commissioner to the extent required by law;
- (s) Receiving, reviewing and processing all correspondence submitted to GIRMA;
- (t) Assuring that all GIRMA files and records are maintained and available at all times to the Board;
- (u) Preparing and submitting all documents required to be filed with the Commissioner in accordance with applicable regulations;
- (v) Supporting legal compliance of GIRMA, and where appropriate, notifying the Board of actions taken or recommended in order to maintain compliance;
- (w) Recommending policies to the Board;
- (x) Preparing and submitting to the Board, prior to the beginning of each fiscal year, a proposed budget for GIRMA for that fiscal year for review, revision and approval by the Board; and
- (y) Providing such other administrative assistance as may be requested in writing or through official action of the Board and approved by the Administrator.

Section 2.

Board of Trustees. In addition to its general powers set forth in Article III, the Board has the following specific powers and duties:

- (a) To provide general oversight of the operation of GIRMA and its business activities in accordance with these Bylaws, applicable

- federal and state statutes, and applicable governmental regulations;
- (b) To incur debts, liabilities and obligations;
 - (c) To acquire, hold, encumber or dispose of real and personal property;
 - (d) To sue or be sued in the name of the GIRMA, and take all measures necessary or desirable in the prosecution or defense of claims;
 - (e) To establish and arrange for the administration of such group self-insurance funds as the Board deems advisable;
 - (f) To pay authorized losses on behalf of GIRMA Members participating in a fund or funds;
 - (g) To employ legal counsel, accountants and such other professional services as it from time to time shall deem necessary;
 - (h) To appoint an investment consultant, actuary, custodian and auditor for GIRMA on an annual basis, and to appoint investment managers as needed;
 - (i) To establish an excess loss funding program as the Board deems necessary to protect the interest of the Members and GIRMA;
 - (j) To contract for reinsurance with the advice of the Administrator;
 - (k) To adopt rules and general policies necessary or appropriate for the efficient operation of GIRMA, which shall be followed by all committees, officers, agents and independent contractors providing services for GIRMA;
 - (l) To enter into contracts for services provided directly to GIRMA by entities other than the Administrator;
 - (m) To enter into contracts with GMA to serve as Administrator, and for licensing and other services, which may include providing for payment of reasonable institutional value fees;
 - (n) To adopt underwriting guidelines that describe the requirements for admission and continued participation of Members;
 - (o) To approve proper accounting and reporting procedures so that the Members shall be apprised of the nature of the claims arising within their jurisdiction, the manner in which these claims are being processed, and the impact of the claims upon GIRMA;
 - (p) To take all necessary precautions to safeguard the assets of GIRMA, including but not limited to the following:
 - (1) Adopting an annual budget for each fiscal year of GIRMA;
 - (2) Retaining control of all monies collected or disbursed for GIRMA; all funds of any type shall remain in the custody of the Trustees or the custodian appointed by the Board;
 - (3) Having the accounts and records of the GIRMA audited annually or at any time which may be required for any

governmental agency to implement any uniform accounting system, and making copies of each year's audits available during that year to each Member, and, to the extent required by law, to the Commissioner; and

- (4) Abiding by all applicable federal and state statutes and administrative regulations;
- (q) To expend GIRMA assets for the purpose of purchasing fiduciary liability and general insurance deemed appropriate by the Trustees;
- (r) To approve dividends. That portion of premium contributions not needed for payment of claims, administrative expenses and/or appropriate reserves may be returned to the Members of GIRMA from time to time, in such amounts and proportions as the Board, in its discretion, may determine is proper, in accordance with applicable law and Commissioner regulations. No surplus accumulations may be returned if such payment will impair the capital stability and/or security of GIRMA. Any participant who withdraws and/or is not in good standing at the time of such distribution may be barred from receiving any portion of the distribution or may be subject to such restrictions as the Board, in its discretion, may impose;
- (s) To establish the method for collection of any assessments of Members, which become necessary to meet any financial deficiency of GIRMA or of any fund;
- (t) To approve revisions to the Intergovernmental Agreement when appropriate or necessary and submit the revisions to the Membership for approval at a regular or special meeting of the Membership;
- (u) To establish a group self-insurance fund or funds comprised of public monies from contributions of Members in order to pool and jointly self-insure the risks of general liability, motor vehicle liability, property damage, or any combination of such risks;
- (v) To establish a schedule of Member contributions which shall annually produce a sum of money necessary to pay the administrative expenses of GIRMA, to create adequate loss reserves for each fund and to meet any capital or surplus requirements. Each Member's contribution shall be determined in accordance with the method established by the Board; and
- (w) To perform any other function incident to their office and in keeping with applicable Georgia laws and the regulations of the Commissioner.

Section 3.

Fraud Investigation and Reporting. Allegations of fraud relating to the Fund shall be reported to the Chair, Vice Chair, Secretary-Treasurer or the Administrator's Deputy Executive Director of RMEBS, who shall be charged with immediately notifying the

Secretary-Treasurer and the Deputy Executive Director of RMEBS, if they were not previously notified, and the Administrator of such allegation. The Administrator shall promptly report suspected fraud to the Office of the Commissioner of Insurance and Safety Fire Criminal Investigations Division in accordance with its stated procedures, and to the Board.

ARTICLE V

MEETINGS OF THE BOARD OF TRUSTEES

- Section 1. Regular Meetings. The Board may provide for the time and place for the holding of regular meetings of the Board and shall hold at least two (2) regular meetings of the Board per year.
- Section 2. Special Meetings. Special meetings of the Board may be called by the Chairperson and, in his or her absence, by the Vice Chairperson, or upon the request of one-third of the members of the Board. The person or persons authorized to call special meetings of the Board may choose the place and date for the holding of the special meeting called. By unanimous consent of the Trustees, special meetings of the Board may be held without notice at any time and place in compliance with these Bylaws so long as any requirements of applicable law are satisfied. All notices of special meetings of the Board shall state the purposes thereof.
- Section 3. Place of Meetings. All in-person meetings shall be held in the State of Georgia. All references in these Bylaws to the “place” of a meeting include a virtual place accessed via telecommunications or electronically, and notice of the location of such a virtual place shall include instructions for accessing the meeting.
- Section 4. Notices. Notice of any regular or special meeting of the Board shall be given at least ten (10) days prior to such meeting by written notice sent by mail, facsimile or electronic mail to each Trustee at the Trustee’s address as shown by the records of the Board. The notice shall state the time, date, and place of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope properly addressed, with postage thereon prepaid. Notice given by electronic means, either facsimile or electronic mail, shall be deemed to be delivered when sent. Any Trustee may waive notice of any meeting. The attendance of any Trustee at any meeting shall constitute a waiver of notice of such meeting, except when a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The notice of a special meeting shall state the purpose

of the meeting. Business to be transacted at a regular meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by statute or these Bylaws.

Section 5. Quorum. Eight Trustees shall constitute a quorum for the transaction of business at any meeting of the Board. In the absence of a quorum, a majority of the Board participating may adjourn the meeting from time to time without further notice. Trustees may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Trustees participating may simultaneously hear each other during the meeting.

Section 6. Manner of Acting. The act of a majority of Trustees participating in a meeting (including those participating by proxy or those participating remotely) shall be the act of the Board, unless the act of a greater number is required by statute, regulation, or the Bylaws.

Section 7. Proxies. At any meeting of the Board, a Trustee entitled to vote may vote by proxy executed in writing (which writing may be electronic) by the Trustee or by his or her duly appointed attorney in fact. Proxies shall be recorded by the Secretary-Treasurer prior to the commencement of each meeting of the Board and shall be noted in the minutes.

ARTICLE VI

OFFICERS

Section 1. Officers. The officers of the Board of Trustees shall consist of a Chairperson, Vice Chairperson and Secretary-Treasurer.

Section 2. Election and Term of Office. The Chairperson and Vice Chairperson of the Board shall be the Trustees elected by the GMEBS Trustees to serve as the Chairperson and Vice Chairperson of the Board of Trustees of GMEBS, provided that such Chairperson and Vice Chairperson are employees of or appointed or elected officials of a municipal corporation that is a GIRMA Member. Additionally, effective on or after January 1, 2021, only Trustees who are employees of or appointed or elected officials of a municipal corporation that participates in the GIRMA Property and Liability Insurance Fund may serve as Chairperson or Vice Chairperson. Every new Chairperson or Vice Chairperson must submit a completed application to the Commissioner to serve as an officer of this Board. If the Commissioner objects to his or her

election, the election will be invalidated on a prospective basis. The GMA Executive Director shall serve as the Secretary-Treasurer.

Section 3. Chairperson. The Chairperson shall be the principal executive officer of the Board and shall in general supervise and control all of the business and affairs of the Board. The Chairperson shall: preside at all meetings of the Members and the Board; call the annual meeting of the GIRMA Membership; sign contracts with GMA which the Board has authorized; call regular and special meetings of the Board; appoint an executive committee and special committees of the Board; serve as an ex-officio member of special committees; serve as chairperson of the executive committee; and perform such other duties as may be prescribed from time to time by the Board or as are consistent with the duties of the office of Chairperson.

Section 4. Vice Chairperson. The Vice Chairperson shall: assist and aid the Chairperson whenever required in carrying out the duties of the Chairperson; preside at all meetings of the Members of GIRMA and of the Board in the absence of the Chairperson; be authorized to act on behalf of the Chairperson in the event of the Chairperson's incapacity or other failure to serve; and perform such other duties as may be assigned by the Chairperson or Board from time to time.

Section 5. Secretary-Treasurer. The offices of Secretary and Treasurer shall be combined. The Secretary-Treasurer is a non-voting member of the Board. The Secretary-Treasurer is delegated the authority to perform, and is responsible to the Board for performing, the following duties either directly or through his or her designee:

- (a) Notifying Members of the time, date and place of annual Member meetings and soliciting and recording proxies for those unable to attend such meetings, and seeing that all other meeting notices required by these Bylaws or applicable law are duly provided;
- (b) Notifying Trustees of Board meetings and soliciting and recording proxies for those unable to attend meetings, and seeing that all other meeting notices required by these Bylaws or applicable law are duly provided;
- (c) Keeping a register of the post office address, electronic mail address and/or facsimile number of each member of the Board which shall be furnished to the Secretary-Treasurer by such Trustee;
- (d) Performing all the duties consistent with the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him or her by the Chairperson or the Board;

- (e) Executing contracts with service providers performing services directly to the Fund (except for contracts with GMA) after such service providers have been approved by the Board;
- (f) Serving as a permanent non-voting member of all Board committees, including but not limited to the Executive Committee; and
- (g) Signing all checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of GIRMA, except as otherwise stated by resolution of the Board.

ARTICLE VII

BOARD COMMITTEES

Section 1. Executive Committee. The Executive Committee shall be comprised of the five Trustees who serve on the GMEBS Executive Committee: the Chairperson, Vice-Chairperson, immediate past chairperson and two Trustees appointed by the Chairperson, provided that such Trustees are employees of or appointed or elected officials of municipal corporations that participate in the GIRMA Property and Liability Insurance Fund. The Executive Committee shall recommend policies, review and recommend program operating budgets, and act on behalf of the Board in the interim between Board meetings.

Section 2. Special Committee. The authority of a special committee is limited to the charge given the committee by the Chairperson when establishing such committee; however, the designation of such committee and the delegation of authority thereto shall not operate to relieve the Board, or any individual Trustee, of any responsibility imposed upon it or upon the Trustee by law. Each special committee appointed shall be deemed to have concluded its work upon reporting back to the Board.

Section 3. Audit Committee. The Audit Committee shall be comprised of the five Trustees who serve on the GIRMA Executive Committee. The Audit Committee shall meet at least once annually and is responsible for the duties set forth in Rule 120-2-60.14 of the Georgia Department of Insurance, including but not limited to annually selecting the auditor for the next fiscal year (subject to ratification by the full Board), reviewing the annual audit and following its approval of the annual audit, and reporting on and recommending the annual audit to the full Board for approval.

The Administrator shall schedule an annual meeting of the GIRMA Audit Committee to receive a report on, review, and vote to approve

or disapprove the annual audit and to select the auditor for the following year, subject to ratification by the full Board. This annual audit committee meeting may be held jointly with the annual audit committee meetings of the GMEBS and GMA WCSIF audit committees, provided that the Audit Committee receives a report specific to GIRMA and holds discussion and a vote on the GIRMA annual audit independently of any discussion or votes taken concerning the GMEBS or GMA WCSIF annual audit.

Section 4. Governance. The Notice, Quorum, Manner of Acting, and Proxies sections under Article V “Meetings of the Board of Trustees” shall apply to meetings of Board Committees, except that all references to Trustees in those sections shall be replaced with “Committee Members”, all references to the Board shall be replaced with “Board Committee”, and a majority of the Committee members shall constitute a Quorum.

ARTICLE VIII

FISCAL YEAR

Section 1. GIRMA shall operate on a fiscal year from 12:01 a.m. January 1 to 12:01 a.m. January 1 of each succeeding year. Each fiscal year shall be maintained separately for accounting purposes.

ARTICLE IX

MEETINGS OF THE MEMBERS

Section 1. Annual Meetings; Joint Annual Meeting. For the convenience of Members, when feasible, the Administrator shall schedule an annual, in-person meeting of GIRMA Members during the Administrator’s annual convention in an appropriate location. The annual, in-person meeting of the Members shall be held for the purposes of electing members to the GMEBS Board of Trustees, all of which also serve on the Board of Trustees of GIRMA and of the GMA Workers Compensation Self-Insurance Fund (“GMA WCSIF”), delivering of a statement of the general financial condition of GIRMA and transacting such other business as may come before the meeting. For the purpose of electing Trustees, the annual, in-person meeting of the Members shall be held jointly with the annual meetings of the “Members” of GMEBS (“GMEBS Members”) and the “Members” of GMA WCSIF (“GMA WCSIF Members”), as defined in their respective bylaws. For purposes of this Article, this

meeting shall be referred to as the “Joint Annual Meeting” and the GMA WCSIF Members, GIRMA Members and GMEBS Members shall be collectively referred to as the “Voting Employers”. In all manner, substance and effect, elections of Trustees to the Board shall take place simultaneously with and in the manner described in Article IX of the GMEBS bylaws. An oral report on the general financial condition of GIRMA shall be given to GIRMA Members at each annual meeting. At the same meeting, a written copy of this report shall be made available to the GIRMA Members by the Board Chairperson or his or her designee.

- Section 2. Special Meetings of the Members. If the election of Trustees is not held as designated herein at the annual, in-person meeting of the Members provided for in Section 1 above, or at any adjournment thereof, the Board shall cause the Trustee election to be held at a special meeting of the Members, jointly with the GMA WCSIF Members and the GMEBS Members, as soon thereafter as is reasonably convenient. Special meetings of the Members may be called by the chairperson of the Board or by not less than one-fourth (1/4) of the entities comprising the GIRMA Members.
- Section 3. Place of Meeting of the Members. The Board of Trustees may designate any place within the State of Georgia as the place of meeting for any special meeting of the Members.
- Section 4. Notice. Written notice stating the place, date and hour of any meeting of the Members shall be delivered by mail, electronic mail or facsimile, to each Member entitled to vote at such meeting, not less than ten (10) and no more than ninety (90) days before the date of such meeting, by or at the direction of the Chairperson, or the Secretary-Treasurer, or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Administrator, with postage thereon prepaid. If notice is given electronically, either by electronic mail or facsimile, such notice shall be deemed to be delivered when sent to the electronic address for the Member as shown by the records of the Administrator.
- Section 5. Nomination of Trustees. Nomination of Trustees shall be made in accordance with the GMEBS Bylaws.

Section 6. Voting on Matters Relating to GIRMA (Other than Trustee Elections). Each Member shall be entitled to one (1) vote on each matter that the Board submits to a vote of the Members (other than Trustee elections). The vote of each Member shall be cast by its designated representative. Unless otherwise indicated in writing by a Member's chief executive or chief administrative officer, a Trustee shall be considered the designated representative for the Member for which he or she serves as an elected or appointed officer or employee. For each other Member, the chief executive or chief administrative officer shall be its designated representative. Except in the case of matters relating to the election or term limits of Trustees, no formal action will be taken based upon any Member vote without the consent of a majority of the Board present. The Board may in its discretion conduct a Member vote by mail ballot. In such case the mail ballot shall be deemed to be delivered when it is mailed or sent via facsimile or electronic mail in the manner required for provision of meeting notices under Section 4 above. The Board shall afford a reasonable period of time for return of mail ballots by Members. A majority vote of those Members voting shall be required for action on any matter submitted to a vote by mail ballot. With respect to election of Trustees, the applicable provisions of the GMEBS Bylaws shall control.

Section 7. Quorum. There is no quorum requirement. Rather, a majority vote of those Members voting in person or by proxy at a meeting shall be required for approval of any matter submitted to the Members for a vote.

Section 8. Proxies. At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing (which writing may be electronic) by the Member or by its designated representative. Proxies must be submitted to the Administrator at least 14 days prior to the meeting, unless a shorter period is necessary due to circumstances beyond the designated representative's control. Proxies shall be recorded by the Secretary-Treasurer prior to the commencement of the Annual Meeting and shall be noted in the minutes.

ARTICLE X

INVOLUNTARY TERMINATION OF A MEMBERSHIP

Section 1. Reasons. A Member may be involuntarily terminated as a Member of GIRMA in the middle of the year, and not as a result of GIRMA's

non-renewal, for:

- (a) Failure to timely pay its contribution, assessment, or otherwise to discharge its financial obligations to GIRMA when due;
- (b) Failure to timely report to the Administrator, or its designee accidents or other incidents which might involve indemnifications from GIRMA or from a fund established by GIRMA;
- (c) Failure to comply with the loss control and written management recommendations of GIRMA or GIRMA's representatives or agents;
- (d) Failure to comply with any requirements contained within a coverage description of a fund in which the Member participates;
- (e) Excessive losses; or
- (f) Failure to comply with the law, rules and regulations of the Georgia Insurance Commissioner, or the Intergovernmental Contract establishing GIRMA or these Bylaws.

Section 2.

Method. Termination for failure to pay a contribution or assessment when due, or for failure to otherwise discharge its obligations to a fund or to GIRMA when due shall be accomplished by written notice stating the time the termination will be effective, not less than fifteen (15) days from the date of notice, to be delivered in person or by depositing such notice in the U.S. Mail by at least first class mail to the last address of record of the Member, and receiving the receipt provided by the United States Postal Service for such deposit. Such notice may or may not be accompanied by a tender of the unearned premium paid by the Member, calculated on a pro rata basis. If such tender is not made simultaneously with such notice, it shall be made within fifteen (15) days of notice of termination, unless an audit or rate investigation is required, in which case such tender shall be made as soon as practicable.

Involuntary termination for any other cause shall require forty-five (45) days advance written notice.

The Commissioner of Insurance of the State of Georgia shall be furnished a copy of any termination notice forwarded to a Member.

Section 3.

Data. GIRMA will provide any terminated Member the data reasonably necessary for transition to a replacement insurer.

Section 4.

Reinstatement. Reinstatement shall be upon such terms as the Board may impose.

ARTICLE XI

TERMINATION OF GIRMA OR GIRMA FUNDS

- Section 1. GIRMA shall cease its activities upon affirmative vote of not less than two thirds (2/3) of the Board requiring such cessation, with advance approval of the Commissioner if required by law. The Board may also terminate the existence of any fund or funds it has established by a majority vote of the Board, with advance approval of the Commissioner if required by law. To the extent of money remaining in a terminated fund, however, GIRMA shall continue to pay Members' claims and losses incurred prior to the date of a Fund's termination until the money in the terminated fund is exhausted. In the event that revenues remain in a terminated fund after payment of all claims, losses and other expenses, the Board may determine the method for calculating refunds to those Members who were Members at the time the fund ceased its activities. The Board shall determine the method that shall be used for the sale and distribution of proceeds in the event that there should be any property, real or personal, belonging to GIRMA at its termination. In the event of GIRMA's termination, the Board shall continue to meet for such period of time and with such frequency as may be necessary to wind down the affairs of GIRMA. The Board shall be authorized to sell, transfer or otherwise assign the processing and payment of claims to a third party in the event of termination of GIRMA or in the event of termination of a fund.
- Section 2. The Commissioner may terminate GIRMA or any of its Funds only in accordance with applicable law, and subject to GIRMA's rights under applicable law.

ARTICLE XII

WAIVER OF NOTICE

- Section 1. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII

AMENDMENTS

- Section 1. Bylaws Amendments.

- (a) The Board shall have power to amend or repeal the Bylaws by an affirmative two-thirds majority vote of the Board at any regular or special meeting of the Board.
- (b) Written notice of proposed amendment(s) or repeal, including the language of the proposed amendment(s) or repeal, must be mailed or electronically provided to each Member not less than thirty (30) days prior to the meeting in which they are presented to the Board for adoption. Notice of approved bylaws amendments or repeal shall be provided to the Members at the next annual or special meeting of the Members following the Board's approval of such amendment(s) or repeal.

Section 2. Amendments to Intergovernmental Contract. Any amendment to the Intergovernmental Contract must be approved by a majority of the Members voting at a meeting of the Members.

ARTICLE XIV

PARLIAMENTARY AUTHORITY

Section 1. To govern processes and relationships within the organization in cases not provided for in statute or Bylaws, the current edition of Robert's Rules of Order shall be used. However, by resolution, the Board may determine to follow instead any set of Rules of Order determined by the Administrator's General Counsel or by the Board's separate legal counsel to be appropriate.

**A RESOLUTION AUTHORIZING MEMBERSHIP IN THE
GEORGIA INTERLOCAL RISK MANAGEMENT AGENCY**

WHEREAS, Article 9, Section 3, Paragraph 1 of the Constitution of Georgia authorizes municipalities and other political subdivisions to contract with each other for activities which the contracting parties are authorized by law to undertake; and,

WHEREAS, Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes public entity to execute intergovernmental contracts to form and become members of an interlocal risk management agency for the purpose of sharing liability, motor vehicle and property damage risks in whole or in part with those of other public entities; and,

WHEREAS, municipalities within Georgia have found it increasingly difficult to obtain commercial insurance protection, and have found the costs of such protection often exceeds the ability of a public entity to pay; and,

WHEREAS, public entities in Georgia need a stable method for managing their risks to avoid the unpredictable and cyclical nature of the commercial insurance market; and,

WHEREAS, many Georgia public entities do not have sufficient resources to self-insure their risks on an individual basis; and,

WHEREAS, the Georgia Municipal Association has studied the possibility of creating an intergovernmental risk management agency so that Georgia public entities may self-insure their risks and has concluded that such an agency is economically feasible; and,

WHEREAS, the Public Entity of _____ is desirous of becoming a Member of the Georgia Interlocal Risk Management Agency (hereafter GIRMA), an interlocal risk management agency formed pursuant to Chapter 85 of Title 36 of the Official Code of Georgia Annotated; and,

WHEREAS, the governing authority of the Public Entity of _____ has reviewed the intergovernmental contract and the bylaws of GIRMA and finds that the goals of GIRMA and the obligations imposed upon this public entity are in accordance with the philosophy and public policy objectives of this community; and;

WHEREAS, the governing authority of the Public Entity of _____ finds that it is in the best interest of its citizens to become a member of GIRMA,

NOW, THEREFORE BE IT RESOLVED by the Public Officials of the Public Entity _____, Georgia:

- Section 1: That the (insert title of Chief Officer) _____ of the Public Entity _____ is authorized to execute on behalf of the Public Entity the intergovernmental contract to become a Member of GIRMA. A copy of the contract and bylaws of GIRMA are attached to and made part of this resolution as Appendix 1.
- Section 2: The powers of GIRMA, unless the contract and bylaws are amended, shall be limited to those contained in the documents attached as Appendix 1, those authorized by Chapter 85 of Title 36 of the Official Code of Georgia Annotated and the rules and regulations of the Insurance Commissioner of the State of Georgia.
- Section 3: The commencement of operations and the continuing operations of GIRMA and the obligation of this Public Entity to fully participate in such operations shall be effectuated in accordance with the contract and bylaws.
- Section 4: The (insert title of designated person) _____ is designated as the Public Entity's representative to GIRMA. The Public Entity may change its representative by informing GIRMA of the change in writing.
- Section 5: This resolution shall be effective upon its passage and approval.

Adopted this _____ day of _____ of 20_____.

(Name of Public Entity)

STATEMENT OF ISSUES

Due to recent changes in the terms of liability insurance coverage, whether your insurance company changes, you must consider the issues discussed in this document.

Please sign that you have read this document. This must be returned with your intergovernmental Contract and Resolution. These considerations will hold true whenever you change any liability coverage that was written on a claims-made basis.

If you have any questions concerning these issues, please feel free to call Lindsey Albright or Meghan Murray at Lockton Companies at 404-460-3657 and 678-361-0886, or Stan Deese at the Georgia Municipal Association at 678-686-6221.

EXTENDED REPORTING ENDORSEMENT (ERP)

A claims-made policy will generally allow an insured to purchase an ERP endorsement if the policy is cancelled or non-renewed. The endorsement allows the insured to continue reporting claims that happened during the policy but of which the insured was unaware of when the policy was cancelled or expired. The cost of this endorsement is anywhere from 25% to 200% of the expiring premium. Anytime an insured changes from one claims-made policy to another, or changes from claims-made to occurrence coverage, the insured **SHOULD** discuss the need for this coverage with the agent who provided the expiring claims-made policy. Not all insureds require this coverage, but each one should carefully consider their needs before deciding to purchase or not purchase this protection.

PRIOR ACTS COVERAGE

Prior Acts is the reverse of Extended Reporting Coverage. Some companies will write an occurrence or claims-made policy which covers claims that occur prior to the effective date of coverage and of which the insured had no knowledge. When canceling or non-renewing claims-made coverage, the former carrier must provide ERP or the subsequent carrier must provide Prior Acts coverage to ensure that a gap does not exist. Prior Acts coverage is difficult to obtain, so the general rule is to purchase ERP if you are concerned about the exposure.

Again, we want to point out the importance of discussing ERP with the agent who provided the expiring claims-made policy.

Name _____

Date _____

By _____

Title _____

**A RESOLUTION AUTHORIZING MEMBERSHIP IN THE GEORGIA INTERLOCAL
RISK MANAGEMENT AGENCY**

WHEREAS, Article 9, Section 3, Paragraph 1 of the Constitution of Georgia authorizes municipalities and other political subdivisions to contract with each other for activities which the contracting parties are authorized by law to undertake; and,

WHEREAS, Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes public entity to execute intergovernmental contracts to form and become members of an interlocal risk management agency for the purpose of sharing liability, motor vehicle and property damage risks in whole or in part with those of other public entities; and,

WHEREAS, municipalities within Georgia have found it increasingly difficult to obtain commercial insurance protection, and have found the costs of such protection often exceeds the ability of a public entity to pay; and,

WHEREAS, public entities in Georgia need a stable method for managing their risks to avoid the unpredictable and cyclical nature of the commercial insurance market; and,

WHEREAS, many Georgia public entities do not have sufficient resources to self-insure their risks on an individual basis; and,

WHEREAS, the Georgia Municipal Association has studied the possibility of creating an intergovernmental risk management agency so that Georgia public entities may self-insure their risks and has concluded that such an agency is economically feasible; and,

WHEREAS, the City of Mableton is desirous of becoming a Member of the Georgia Interlocal Risk Management Agency (hereafter GIRMA), an interlocal risk management agency formed pursuant to Chapter 85 of Title 36 of the Official Code of Georgia Annotated; and,

WHEREAS, the governing authority of the City of Mableton has reviewed the intergovernmental contract and the bylaws of GIRMA and finds that the goals of GIRMA and the obligations imposed upon this public entity are in accordance with the philosophy and public policy objectives of this community; and;

WHEREAS, the governing authority of the City of Mableton finds that it is in the best interest of its citizens to become a member of GIRMA.

NOW, THEREFORE BE IT RESOLVED by the Public Officials of the City of Mableton, Georgia:

Section 1: That the mayor of the City of Mableton is authorized to execute on behalf of the City of Mableton the intergovernmental contract to become a Member of GIRMA. A copy of the contract and bylaws of GIRMA are attached to and made part of this resolution as Appendix 1. Section 2: The powers

of GIRMA, unless the contract and bylaws are amended, shall be limited to those contained in the documents attached as Appendix 1, those authorized by Chapter 85 of Title 36 of the Official Code of Georgia Annotated and the rules and regulations of the Insurance Commissioner of the State of Georgia. Section 3: The commencement of operations and the continuing operations of GIRMA and the obligation of the City of Mableton to fully participate in such operations shall be effectuated in accordance with the contract and bylaws. Section 4: The **City Clerk, Susan Hiott** is designated as the representative to GIRMA. The City of Mableton may change its representative by informing GIRMA of the change in writing.

Section 2. It is hereby declared to be the intention of the City Council that:

- (a) All sections, paragraphs, sentences and phrases of this Resolution are or were, upon their enactment, believed by the City Council to be fully valid, enforceable and constitutional.
- (b) To the greatest extent allowed by law, each and every section, paragraph, sentence, clause or phrase of this Resolution is severable from every other section, paragraph, sentence, clause or phrase of this Resolution. No section, paragraph, sentence, clause or phrase of this Resolution is mutually dependent upon any other section, paragraph, sentence, clause or phrase of this Resolution.
- (c) In the event that any phrase, sentence, paragraph or section of this Resolution shall, for any reason whatsoever, be declared invalid, unconstitutional or otherwise unenforceable by the valid judgment or decree of any court of competent jurisdiction, it is the express intent of the City Council that such invalidity, unconstitutionality or unenforceability shall, to the greatest extent allowed by law, not render invalid, unconstitutional or otherwise unenforceable any of the remaining phrases, sentences, paragraphs or sections of this Resolution.

Section 3. The City Attorney and the City Clerk are authorized to make non-substantive editing and renumbering revisions to this Resolution for proofing and renumbering purposes.

Section 4. The effective date of this Resolution shall be the date of adoption, unless required otherwise by the City Charter, state and/or federal law.

Section 5: This resolution shall be effective upon its passage and approval.

Adopted this 14th day of February of 2024.

ATTEST: CITY OF MABLETON, GEORGIA:

Susan D. Hiott, Interim City Clerk

Michael Owens, Mayor

APPROVAL AS TO FORM:

Emilia Walker-Ashby, Interim City Attorney



AGENDA ITEM MEMORANDUM

MEETING OF: February 14, 2024

DEPARTMENT: Administrative - City Clerk

ISSUE/AGENDA ITEM TITLE: Consideration and Approval of Employment Screening Services Agreement with a drug testing company for conducting background check and drug testing for newly hired employees.

BACKGROUND/SUMMARY: The City of Mableton has started to interview, send out offer letters, and hire employees. Per best practices by other City Human Resources Departments and per the advice of Dr. Teaa Allsto-Bing, PHR, SHRM-CP of Carl Vinson Institute of Government of University of Georgia, *it's important to ensure background checks are being completed going forward once the contingent offer letter is signed (per meeting and email on February 2, 2024 to Councilmember Jeffcoat and Mayor Owens and City Clerk Susan Hiott).*

City Clerk Susan Hiott called several cities and received information about various companies that conduct the background checks and drug testing. The prices of these services were in line with the Paycom Payroll, LLC services. The City only pays per background check and drug test. The City is already using Paycom Payroll, LLC for its payroll and upcoming benefit services. As reference the City of Brookhaven uses Paycom for their payroll, benefits, and background checks, also. For continued use of the same subscription with Paycom Payroll, LLC and standardization reasons, Paycom Payroll, LLC is recommended for background checks and drug testing services. However, at the review of agreements and recommendation of the city attorney, the recommendation is authority to renegotiate with flexibility to entertain similar vendors should negotiations fail.

Quotes:

Checkr - \$54.99 per background check and \$50 per drug screen

Secure Hire - \$45 per drug 10 panel test and Georgia Run only \$25 and each state approximately \$30 more. (Quote sheet is attached.)

The City Attorney is reviewing agreements. The Paycom agreement is attached.

BUDGETED/FINANCIAL IMPACT – FUND: Yes

RECOMMENDATION: Approval of Employment Screening Services Agreement and for mayor to sign and execute agreement.

Motion: I move to authorize the Mayor, in consultation with the City Attorney, to further negotiate, finalize and execute an agreement for employment screening services.

ATTACHMENTS : Paycom Employment Screening Services Agreement and SecureHire quote sheet for comparison and Checkr information.



EMPLOYMENT SCREENING SERVICES AGREEMENT

This Employment Screening Services Agreement (“Agreement”) is made and entered into by and between Paycom Payroll, LLC, a limited liability company with offices at 7501 W. Memorial Rd, Oklahoma City, OK 73142, and the undersigned client (“Client”). This Agreement shall be effective on the date of Client’s signature below (the “Effective Date”).

RECITALS

WHEREAS, Paycom currently provides, or will provide, payroll and human capital management services to Client;

WHEREAS, Client also plans to order Consumer Reports and/or Investigative Consumer Reports as defined under the federal Fair Credit Reporting Act (“FCRA”) (collectively “Reports”) from Paycom;

WHEREAS, Paycom desires to sell Reports to Client;

WHEREAS, Paycom and Client desire to further define the terms by which Reports will be provided by Paycom to Client; and

WHEREAS, the services provided by Paycom in accordance with this Agreement, including the providing of Reports to Client, shall be known as the “Screening Services.”

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, Paycom and Client hereby agree as follows:

TERMS

1. General. This Agreement applies to the Screening Services only; as to all services provided by Paycom to Client other than the Screening Services, the parties’ existing contracts shall remain fully effective and binding on the parties and shall be unmodified by the terms of this Agreement.

2. Certification of Permissible Purpose For Receiving Reports. Client hereby certifies that all of its orders for Reports from Paycom shall be made, and the resulting reports shall be used, solely for “**employment purposes**” under the Fair Credit Reporting Act, 15 U.S.C. section 1681 *et seq.* According to guidance from the Federal Trade Commission, checks for “employment purposes” may include not only those executed on traditional employees, but also those conducted on independent contractors and volunteers. Client shall not request, obtain, or use Reports for any other purpose. Among other things, Client shall not request Reports for the purpose of selling, leasing, or renting information obtained under this Agreement to any other party, whether alone, in conjunction with Client’s own data, or otherwise in any service which is derived from the Reports provided by Paycom. PLEASE NOTE: THE FCRA PROVIDES THAT ANY PERSON WHO KNOWINGLY AND WILLFULLY OBTAINS INFORMATION ON A CONSUMER FROM A CONSUMER REPORTING AGENCY UNDER FALSE PRETENSES SHALL BE FINED UNDER TITLE 18 OF THE UNITED STATES CODE OR IMPRISONED NOT MORE THAN TWO YEARS, OR BOTH.

3. Additional Certifications For Employment-Related Reports. Client understands that various legal requirements apply when it orders Reports for employment purposes. Client shall comply with all such requirements. In particular, Client makes the following certifications as to legal compliance:

A. Disclosure. Client certifies that, in compliance with the FCRA, prior to ordering a Report, Client shall make a clear and conspicuous “disclosure” in writing to the individual about whom the Report will be run (“the Consumer”). The “disclosure” shall explain that a Consumer Report may be procured for employment purposes. The “disclosure” shall describe the nature of the Reports to be ordered and meet all other requirements specified by applicable law. Among other things, the “disclosure” shall “stand alone” and not be combined with or stapled to any employment application or other document. The “disclosure” shall also not contain any extraneous information not required by applicable law, including, but not limited to, a release of liability.

B. State Law Notifications. Client certifies that before ordering a Report from Paycom, Client shall also provide any necessary notifications under applicable state law to the Consumer. Client understands that various states, including, but not limited to, California, Minnesota, Oklahoma, New York, Massachusetts, and Washington require that specific information be communicated to the Consumer under certain circumstances. Client also understands that certain states, such as California,

Oklahoma, and Minnesota, require that applicants/employees be afforded a check box to allow them to indicate that they would like a copy of any report received by Client. Client agrees that it will work with Client's own experienced legal counsel, as appropriate, to ensure compliance with all applicable requirements.

C. Written Consent. Client certifies that, consistent with the FCRA, before ordering a Report, the Consumer shall authorize in writing the procurement of such Report.

D. EEO Law and Regulation Compliance. Client certifies that it shall not use information contained in a Report provided by Paycom in violation of applicable laws, including, without limitation, any applicable federal or state equal employment opportunity law or regulation, or other federal, state local, or international laws and regulations, including, but not limited to the FCRA, the state law equivalents, and Title VII of the Civil Rights Act of 1964 ("Applicable Laws").

E. Adverse Action Procedures. Client certifies that, if it is contemplating taking adverse action based in part or whole on a Report from Paycom, it shall follow all legally-required "adverse action" procedures specified by applicable federal, state and/or local law. For example, if the Consumer may be denied employment or incur another adverse action based in whole or part on a Report provided by Paycom, Client will provide to the Consumer: (1) a copy of the Report, (2) a description, in writing, of the rights of the consumer entitled "A Summary of Your Rights Under the Fair Credit Reporting Act," and (3) a written notice containing any and all required notifications under federal, state or local law. Client will then wait a reasonable period of time to allow the Consumer to dispute the accuracy of the report before taking any adverse action. After the appropriate waiting period and, assuming no dispute, Client will issue to the Consumer notice of any adverse action taken, including the statutorily-required notice identified in the Fair Credit Reporting Act. Among other things, such notice will include: (1) the name, address, and telephone number of the consumer reporting agency, Paycom, (2) a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the Consumer the specific reasons why the adverse action was taken, (3) a statement that the Consumer may obtain a free copy of the consumer report from the consumer reporting agency within sixty (60) days pursuant to Section 612 of the Fair Credit Reporting Act, and (4) a statement that the Consumer has the right to dispute with the consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency. If a dispute as to the accuracy of the Report is raised by the Consumer during the waiting period, Client will afford Paycom the legally-allowed time to resolve the dispute before deciding whether to take adverse action.

F. Certifications Associated With Each Order. By having Paycom prepare a Report for Client, Client is certifying that: (1) a clear and conspicuous disclosure has been made in writing to the Consumer by Client (in a document that consists solely of the disclosure) stating that a Consumer Report may be obtained for employment purposes; (2) the Consumer has authorized in writing the procurement of the Consumer Report that is being ordered; (3) information from the report to be provided by Paycom will not be used in violation of any applicable federal or state equal employment opportunity law or regulation, or any other applicable law; and (4) if applicable, Client will comply with the adverse action requirements described in Section 604(b)(3) of the Fair Credit Reporting Act, as well as any other pertinent adverse action requirements. In addition, if the Consumer lives in California or is applying to work in California or works in California, by having Paycom prepare a Report for Client, Client is certifying that: (1) Client has complied with all disclosure and authorization requirements set forth in California Civil Code 1786.16, (2) Client has provided the Consumer a means to check a box to indicate that he or she would like a copy of any Report received by Client from Paycom, (3) Client will comply with any adverse requirements set forth under California law (including those identified in Cal. Civ. Code section 1786.40) should they become applicable, and (4) Client has otherwise met all requirements for obtaining a Consumer Report or Investigative Consumer Report under California law. In all instances, for each order for a Report, Client shall comply with all Applicable Laws.

G. Other Certifications.

1. Client certifies that it validly holds all licenses required to operate Client's business in all states where Client conducts business and/or has employees.

2. Client certifies that it will provide accurate identifying information about the individuals of which Client is requesting services hereunder.

4. Additional Commitments For Reports Containing Certain Types Of Information.

A. Investigative Consumer Report Information. If Client chooses to order Investigative Consumer Reports (i.e. certain interview-based reports), it certifies that it shall comply with all legal requirements pertaining to Investigative Consumer Reports. Among other things, it shall clearly and accurately disclose to the Consumer that an Investigative Consumer Report,

including information as to his/her character, general reputation, personal characteristics, and mode of living, whichever are applicable, may be obtained. The disclosure shall be made in writing and mailed or otherwise delivered to the Consumer with a summary of the Consumer's rights provided for under 15 U.S.C. section 1681g(c). The disclosure shall also include a statement informing the Consumer of his/her right to submit a written request for additional information, pursuant to 15 U.S.C. section 1681d(b), within a reasonable period of time after the receipt by him/her of the foregoing disclosure. By having Paycom prepare an Investigative Consumer Report for Client, Client is certifying that it has complied with the above requirements in this Section and otherwise met all legal prerequisites for receiving an Investigative Consumer Report. Further, upon receipt of a request by a consumer for additional information about the Investigative Consumer Report being ordered, Client shall disclose in writing the nature and scope of the investigation, which shall be complete and accurate. The disclosure shall be mailed or otherwise delivered to the Consumer not later than five (5) days after the date on which the request for additional disclosure was received from the Consumer or the date the Client first requested the report, whichever is later.

B. Credit History Information. If Client chooses to order credit reports from Paycom, it certifies the following:

1. Client understands that at least ten (10) states and certain municipalities impose requirements and/or restrictions on employers intending to use credit reports for employment purposes. For example, Nevada and Illinois only permit employers to consider credit reports if the Consumer is working or will be working in a certain capacity. Likewise, states such as California and Colorado require that Consumers receive certain additional notifications before a credit check for employment purposes is conducted. Client certifies that it will comply with any and all legal requirements or restrictions pertaining to its use of credit reports identified by Paycom.

2. Client acknowledges that special requirements are imposed by credit bureaus before access to credit history information may be provided. Client therefore agrees to the following:

a. Client shall make no employment decisions based solely on credit bureau alerts/warnings regarding addresses and/or Social Security Numbers.

b. Client shall permit a physical site inspection of its premises. Paycom will arrange for an inspector to come to Client's location. For residential offices, the inspection will be annual.

c. Client shall ensure security programs and appropriate access requirements are in place, the purpose being to prevent unauthorized ordering, accessing, and/or unauthorized viewing of consumer information; Client shall not, and shall also inform all Client's employees that they shall not, access their personal information, information of friends and/or relatives or any other person unless it is for legitimate business purposes.

d. To the extent Client is eligible to receive credit scores ("Scores"), Client shall only do so for its own exclusive use. Client may store Scores solely for Client's own use in furtherance of Client's original purpose for obtaining the Scores. Client shall not use the Scores for model development or model calibration and shall not reverse engineer the Score. All Scores provided hereunder shall be held in strict confidence by Client and may never be sold, licensed, copied, reused, disclosed, reproduced, revealed or made accessible, in whole or in part, to any person, except (i) to those employees of Client with a need to know and in the course of their employment; (ii) to those third party processing agents and other contractors of Client who have executed an agreement that limits the use of the Scores by the third party only to the use permitted to Client and contains the prohibitions set forth herein regarding model development, model calibration, reverse engineering and confidentiality; (iii) when accompanied by the corresponding reason codes, to the consumer who is the subject of the Score; (iv) to government regulatory agencies; or (v) as required by law. Moreover, unless otherwise explicitly authorized in an agreement between Paycom and Client for Scores obtained from a credit bureau, or as explicitly otherwise authorized in advance and in writing by a credit bureau through Paycom, Client shall not disclose to consumers or any third party any or all such scores provided under this Agreement, unless required by law.

e. Client shall release and indemnify the credit bureau from all liability arising from the Client's unauthorized access, improper use, or reliance on consumer credit information provided pursuant to this agreement.

f. Client shall comply with any other requirement imposed by a credit bureau, so long as Paycom makes Client aware of such a requirement.

C. Criminal History Information. Paycom recommends that Client screen consumers at the county, state, and federal level, as well as using federal and multi-state/nationwide databases. Client understands that Paycom cannot be held responsible for any records that exist that do not fall within the scope of the search(es) ordered by Client. Client further

understands that the multi-state/nationwide database information will only be offered in conjunction with a county or state-level verification of any possible “hit” and that Client will be separately charged for the associated fees. Finally, Client is aware that multiple states and municipalities impose restrictions on the use of criminal history information and that the EEOC counsels that employers should engage in a multi-step process when evaluating applicants’/employees’ criminal history information designed to avoid any disparate impact problems under Title VII. Client agrees to monitor all applicable legal restrictions on the use of criminal history information and take all necessary steps to comply with them.

D. Motor Vehicle Record Information. Client certifies that it will only order and use motor vehicle records and/or driving records (collectively “MVRs”) in strict compliance with the Driver Privacy Protection Act (“DPPA” at 18 U.S.C. section 2721 *et seq.*), the FCRA, and any related state laws. Client further certifies that no MVRs shall be ordered without first obtaining the written consent of the Consumer to obtain MVRs. Client shall not retain or store any Paycom-provided MVR results or portions of information contained therein in any database or combine such information with data in any other database, except that Client may keep a copy of a Consumer’s MVR in the Consumer’s file. Client shall not transmit any data contained in the reported MVR via the internet or any other unsecured means. Client understands that when MVRs are sought in certain states, Client will be required to complete and store certain state-specific written consent materials in connection with any MVR check performed by Paycom. Client agrees to complete such state-specific written consent materials as required by law or requested by Paycom. Client further agrees to maintain such materials for no less than five (5) years. Client will not request the MVRs and will not distribute, sell, or share the MVRs or related information with any third party except as required by Applicable Law. Client shall not use MVRs in any way except in compliance with the certification(s) at Section 2 herein.

E. Drug Test Results. Client certifies that it understands that various states impose requirements and/or restrictions on employers intending to obtain or use drug testing results. For example, Minnesota only allows employers to conduct drug testing in certain situations and further requires that certain notices be provided. Client certifies that it will comply with any and all legal requirements or restrictions pertaining to its acquisition or use of drug test results received from Paycom.

F. The Work Number. Client acknowledges that special requirements are imposed by Talx Corporation before access to “The Work Number” may be provided by Paycom. If Client chooses to order such information from Paycom, Client agrees to comply with the terms for “Subscribers” identified on **Exhibit A** to this Agreement.

G. DOT/Non-DOT Physical Examinations. If Client orders physical examinations from Paycom, Client certifies that each physical examination ordered is relevant to the employment of the individual that will be subject to a physical examination, and that the timing and scope of the physical examination complies with all applicable federal, state, and local laws, including but not limited to the Americans with Disabilities Act. Client represents that it has consulted with its own legal counsel as appropriate to confirm that it may legally obtain physical examinations on such individuals.

5. Obligations Regarding the Security of Reports. Client understands that Reports contain sensitive, personal information. Accordingly, Client agrees to take precautionary measures to preserve the security and dissemination of the information being provided pursuant to this Agreement including, for example, restricting terminal access, utilizing passwords to restrict access to terminal devices, securing access to, dissemination and destruction of electronic and hard copy Reports, and, more specifically, the following:

A. Prevent Misuse Of Services Or Information. Client shall only request Reports for one-time use. Client agrees to take appropriate measures so as to protect against the misuse and/or unauthorized access of Reports. Client agrees that Paycom may temporarily suspend Client’s access pending an investigation of Client’s use or access. Client agrees to cooperate fully with any and all investigations. If any misuse or unauthorized access is found, Paycom may immediately terminate this Agreement.

B. Properly Maintain The Client Account. Client is responsible for the administration and control of account numbers/names and passwords, and Client agrees to maintain an administrator available to coordinate with Paycom regarding security. Client shall manage all account numbers/names and passwords and notify Paycom promptly if any account numbers/names becomes inactive or invalid. Client shall follow the policies and procedures of Paycom with respect to account maintenance as communicated to Client from time to time.

C. Limit Access Within Organization. Client shall disclose Reports internally only to Client’s designated and authorized employees having a need to know and only in accordance with the Agreement and Applicable Law. Client shall ensure that such designated and authorized employees shall not attempt to obtain any Reports on themselves, associates, or any other person except in the reasonable exercise of their official duties.

D. Limit Distribution Outside Of Organization. Client shall hold any Report obtained from Paycom in strict confidence, and not disclose it to any third-parties except as necessary to comply with adverse-action requirements under the Fair Credit Reporting Act or as otherwise required by law.

E. Properly Handle Any Potential Or Actual Security Breaches. In the event that Client learns or has reason to believe that Report data has been disclosed to or accessed by an unauthorized party, Client shall comply with any and all applicable data breach laws.

6. Account Credentialing, Access, and Maintenance. Some of the services provided under this Agreement may require additional credentialing requirements, which may include an on-site inspection. Client shall cooperate with Paycom as it performs its credentialing process. Client shall designate a point of contact who shall be Client's main contact(s) for the services provided under this Agreement. Client shall notify Paycom immediately if the main contact(s) should be changed. Client shall promptly notify Paycom in writing if Client undergoes changes to its company name, address, telephone number, and/or ownership. Client shall be responsible for accessing the internet to utilize the Screening Services and access the secure website ("Website Account") through which Client may access information and request searches electronically.

7. Paycom's Services and Obligations.

A. Compliance with Applicable Laws. Paycom agrees to comply with all laws applicable to consumer reporting agencies. Among other things, Paycom will: (a) follow reasonable procedures to assure maximum possible accuracy of the information reported, (b) disclose to Consumer, upon request and to the extent permitted by Applicable Law, the information in the Consumer's file, and (c) reinvestigate any information disputed by the Consumer at no charge to the Client and take any necessary action to rectify a Report that has been determined to have incorrect or unverifiable information.

B. Scope of Information Provided. Paycom shall seek out and deliver information consistent with the service descriptions set forth on the Website Account made available by Paycom to Client at the time of the relevant search, and Client may also obtain such service descriptions from Paycom in a separate printable form upon request. Client understands that it must review, consider, and submit the scope of a search before placing an order with Paycom. Client also understands that it will not receive information from Paycom that falls outside of a requested search, and that it will not receive information that Paycom determines—in its sole discretion—to be unreportable under Applicable Law.

C. Administrative Role As To Adverse Action Correspondence. If Client elects to have Paycom send out pre- and/or post-adverse action letters on its behalf, Client understands that it must notify Paycom each time it wishes for a letter to be sent to a Consumer. Paycom will not send out any adverse action letters unless expressly instructed to do so. Client accepts full and sole responsibility for the content and timing of any adverse action letters sent by Paycom. Client requests that Paycom use the pre- and post adverse action templates housed on Paycom's online background screening system for any communications contemplated by this Section, and Paycom agrees to honor this request. Client understands that it must notify Paycom in writing if it wishes at any time to modify the templates made available through Paycom or use different templates for its pre- or post-adverse action letters, in which case, Client shall expressly approve in writing such particular template or modification. Client recognizes that certain states and municipalities may require that employers considering or taking adverse action supply customized content related to the Consumer. Client agrees that where legally required to provide notices or information to a Consumer that go above and beyond the pre- and post-adverse action templates it has requested that Paycom send out on its behalf, Client shall separately send out such notices or information directly to the Consumer without Paycom's involvement (and at the appropriate time). Client understands and agrees that Paycom plays no role in deciding whether an individual should incur adverse action based upon a Report. Client accepts full responsibility for any and all substantive decision-making based upon the Reports it receives from Paycom. Both parties agree that Paycom's role as to the adverse action process is strictly to perform ministerial acts on behalf of Client and in accordance with Client's instructions. *Client hereby agrees to indemnify, defend and hold harmless Paycom, its affiliates, and subsidiaries and their respective officers, directors, employees, agents, and insurers from and against any and all damages, penalties, losses, liabilities, judgments, settlements, awards, costs, and expenses (including reasonable attorneys' fees and expenses) arising out of or in connection with any claims, assertions, demands, causes of action, suits, proceedings or other actions, whether at law or in equity related to Paycom's sending out of pre- and/or post-adverse action correspondence on behalf of Client or related to Client's pre- and/or post-adverse action obligations more generally.*

D. Administrative Role As To Initial Report Review. Paycom may, in its sole discretion and if made available as a service by Paycom, offer Client the option to have Paycom conduct an initial review of completed Reports on Client's behalf. If Client opts to have Paycom conduct such initial review, Client shall supply Paycom with definitive and objective instructions on how to do so. Client understands and agrees that it is solely responsible for creating and defining any such

instructions. Client also agrees that Paycom plays no role in deciding whether a Consumer should incur adverse action based upon a Report, and that Paycom's role is strictly to perform ministerial acts on behalf of Client and in accordance with Client's instructions. Client accepts full responsibility for any and all substantive decision-making based upon a Report prepared by Paycom. Client understands that Paycom will not send out any notice or communications related to the adverse action process unless expressly instructed by Client to do so and pursuant to agreed-upon terms. *Client hereby agrees to indemnify, defend and hold harmless Paycom, its affiliates, and subsidiaries and their respective officers, directors, employees, agents, and insurers from and against any and all damages, penalties, losses, liabilities, judgments, settlements, awards, costs, and expenses (including reasonable attorneys' fees and expenses) arising out of or in connection with any claims, assertions, demands, causes of action, suits, proceedings or other actions, whether at law or in equity related to Paycom's initial review of reports in accordance with Client's instructions (as discussed in this Section).*

8. No Legal Advice. Client acknowledges the importance of complying with its obligations under Applicable Law and agrees that it will consult with legal counsel as appropriate regarding the acquisition and use of Consumer Reports and Investigative Consumer Reports. Client understands and acknowledges that Paycom is not a law firm and does not provide legal advice in connection with Paycom's furnishing of Reports to Client or Client's use of such Reports. Client understands that any communications by Paycom's employees or representatives regarding searches, verifications, or the content of reports are not to be considered or construed as legal advice. Client shall consult with counsel as appropriate before deciding whether to act upon information reported by Paycom. Client understands that sample forms or documents made available by Paycom to Client, including, but not limited to, sample disclosure notices, written authorizations, and adverse action notices are offered solely as a courtesy and should not be construed as legal advice. Laws governing the content of such documents frequently change. Accordingly, Client shall consult with counsel to make sure that it is using appropriate documents that comply with any and all Applicable Laws. Use of Paycom's sample documents or processes—including any process designed to obtain the consumer's consent to the background check—is entirely optional. Therefore, if Client chooses to use Paycom's sample documents or processes in part or whole, Client agrees that such documents/processes should be considered its own (not that of Paycom), and that Client has consulted with its own legal counsel to the extent necessary regarding the use of such documents/processes. Any and all such forms, documents or processes made available by Paycom to Client are provided on an "AS-IS" BASIS and WITHOUT ANY WARRANTY OF ANY KIND, including WITHOUT ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Client hereby agrees to indemnify, defend and hold harmless Paycom, its affiliates, and subsidiaries and their respective officers, directors, employees, agents, and insurers from and against any and all damages, penalties, losses, liabilities, judgments, settlements, awards, costs, and expenses (including reasonable attorneys' fees and expenses) arising out of or in connection with any claims, assertions, demands, causes of action, suits, proceedings or other actions, whether at law or in equity related to Client's use of sample forms, sample documents, or processes made available by Paycom.

9. Responsibility for Decision-Making. Client understands and agrees that Paycom does not make the decision to deny employment or take any other adverse action based on any reported findings in the Paycom investigation process. This responsibility rests solely with Client. Client accepts full and sole responsibility for any decision or adverse action made in part or whole on a Report provided by Paycom.

10. Warranties, Remedies, and Indemnification.

A. Paycom assembles information from a variety of sources, including courthouses and government agencies. Client understands that these information sources are not maintained by Paycom. Therefore, Paycom cannot be a guarantor that the information provided from these sources is absolutely accurate. Nevertheless, Paycom has in place procedures designed to ensure the accuracy of the information reported and also procedures designed to respond promptly to claims of incorrect or inaccurate information.

B. CLIENT UNDERSTANDS THAT PAYCOM OBTAINS THE INFORMATION IN ITS REPORTS FROM VARIOUS THIRD-PARTY SOURCES ON AN "AS IS" AND "AS AVAILABLE" BASIS AND, THEREFORE, IS PROVIDING THE INFORMATION TO CLIENT ON AN "AS IS" AND "AS AVAILABLE" BASIS. TO THE FULL EXTENT PERMISSIBLE BY APPLICABLE LAW, PAYCOM MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, COURSE OF DEALING, COURSE OF PERFORMANCE, TITLE, SYSTEM INTEGRATION, AND NONINFRINGEMENT; PAYCOM EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES.

C. In addition to any indemnification obligation set forth elsewhere in this Agreement, Client shall indemnify, defend and hold harmless Paycom, its affiliates, subsidiaries, agents, vendors, contractors, suppliers, and credit bureaus, and their

respective officers, directors, employees, agents, and insurers (the "Paycom Parties"), from and against any and all damages, penalties, fines, losses, liabilities, judgments, settlements, awards, costs, and expenses (including reasonable attorneys' fees, court costs, expert witness fees, and expenses) arising out of or in connection with any claims, assertions, demands, causes of action, suits, proceedings or other actions by any third party (including, without limitation, the Consumer), whether at law or in equity related to: (i) the Reports and/or any other screening services or information provided under this Agreement; (ii) the use by Client of the Reports and/or any other screening services or information provided under this Agreement; (iii) the content, compliance or non-compliance, method of delivery, or effectiveness or validity of any notices or adverse action letters sent by Paycom on behalf of Client, (iv) any breach by Client of this Agreement or addenda to this Agreement, including, without limitation, any representation, warranty or covenant of Client herein, (v) Client's violation of Applicable Laws or ordinances, or (vi) Client's negligence, gross negligence, misconduct, recklessness, errors or omissions.

D. THE PAYCOM PARTIES SHALL NOT BE LIABLE TO CLIENT FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, OR EXEMPLARY DAMAGES (INCLUDING LOST PROFITS, SAVINGS, GOODWILL, DATA OR USE), EVEN IF THE PAYCOM PARTIES WERE ADVISED OF THE POSSIBILITY OF THE OCCURRENCE OF SUCH DAMAGES. THE FOREGOING LIMITATION SHALL APPLY REGARDLESS OF THE FORM OF ACTION AND WHETHER IN CONTRACT, BREACH OF WARRANTY, TORT, NEGLIGENCE, STATUTORY LIABILITY, STRICT LIABILITY, OR OTHERWISE. CERTAIN STATE LAWS DO NOT ALLOW LIMITATIONS ON IMPLIED WARRANTIES OR THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES. IF THESE LAWS APPLY TO CLIENT, CLIENT MIGHT HAVE ADDITIONAL RIGHTS. IN SUCH AN EVENT AND/OR FOR ANY AND ALL OTHER REASONS, TO THE EXTENT THE PAYCOM PARTIES ARE LIABLE FOR ANY MONETARY LIABILITY WHATSOEVER, THE PAYCOM PARTIES' AGGREGATE LIABILITY SHALL NOT EXCEED THE AMOUNT OF TOTAL FEES PAID BY CLIENT TO PAYCOM DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE SUCH LIABILITY FIRST AROSE. BOTH PARTIES AGREE THAT THE PRICING AFFORDED TO CLIENT IS BASED UPON AND PREMISED UPON THIS LIMITATION, EXCLUSION AND/OR CAP ON DAMAGES.

NEITHER PAYCOM NOR ANY OF THE PAYCOM PARTIES ARE INSURERS OF CLIENT. IT IS AGREED THAT PAYCOM IS NOT AN INSURER AGAINST CLIENT'S LOSSES RELATING TO CLIENT'S EMPLOYEES, CLIENT'S APPLICANTS, OR CLIENT'S EMPLOYEE OR APPLICANT BACKGROUNDS. CLIENT ASSUMES ALL RESPONSIBILITY FOR OBTAINING INSURANCE TO COVER LOSSES OF ALL TYPES THAT MAY ARISE FROM RELIANCE UPON OR THE PROVISION OF PAYCOM'S SCREENING SERVICES.

11. Fees and Invoices.

A. Client agrees to pay all costs and fees for services rendered to it (including, without limitation, any setup or implementation fees), consistent Paycom's written pricing statements, and such payments shall be nonrefundable. Client shall be responsible for all charges incurred, including but not limited to applicable court access costs and surcharges and other fees levied by federal, state, county, other governmental agencies, educational institutions, employer verification lines and licensing agencies, as well as charges resulting from Client's errors in inputting data, duplicate requests, and errors in transmission. Paycom may increase its fees for service at any time upon written notice. Any concerns regarding invoices or line items must be brought to the attention of Paycom's billing department within fifteen (15) days of the date of such invoice. Any limitations on modifying prices or fees under any other agreement between Paycom and Client shall not apply to the Screening Services under this Agreement. Paycom shall have the right to offset and/or apply any of Client's funds being held by Paycom to any outstanding obligation of Client hereunder owing to Paycom.

B. To facilitate the payment of the fees, costs, charges, or other amounts due or payable to Paycom under this Agreement, Client will provide Paycom with access to a Client bank account and will notify Paycom of the demand deposit account number and transit routing number for the account. Client irrevocably consents to Paycom's use of Paycom's Client account information and Website Account access for purposes of electronically drawing funds from Client's bank account in accordance with Client's obligations set forth in this Agreement. Client hereby authorizes Paycom to process wires, drawdown wires, and/or ACH debits or credits in connection with the monies (including Paycom's compensation and fees) applicable to this Agreement. Paycom fees for any and all services provided by Paycom may be debited and/or charged at intervals consistent with and together with Paycom's payroll processing for Client or other intervals as determined by Paycom.

12. Term. This Agreement shall continue in full force and effect until terminated by either party. Unless otherwise specifically agreed upon in writing, Paycom and Client each shall have the right for any reason or no reason at all to terminate this Agreement upon providing the other party with thirty (30) calendar days' prior written or electronic notice of termination. In addition to the

preceding termination rights, Paycom shall have the right to immediately terminate this Agreement for the following reasons: (i) Paycom determines that there has been a material change in existing legal requirements that adversely affects the Agreement; (ii) Client materially breaches its obligations to Paycom; (iii) upon termination or suspension of any payroll service agreement between Client and Paycom; (iv) Client asserts, files or threatens any bankruptcy or Client asserts, files or threatens adverse action against Paycom; (v) any one of Client's affiliated client code entities is in default of its obligations to Paycom; (vi) that Paycom may no longer service the Client due to Client's creditworthiness, Client's business reputation, or the nature of Client's business activities; or (vii) Client's use of the Screening Services for other than permissible purposes under the FCRA. Upon termination of this Agreement in whole or in part (and after expiration of any applicable notice periods), Paycom shall have no further obligation to perform the obligations set forth in this Agreement. In addition to Paycom's termination rights provided in this Agreement, during any time period in which Client is in default of its obligations to Paycom, Paycom shall have the right to suspend the provision of its services hereunder to Client pending Client's compliance with this Agreement.

13. Paycom's Intellectual Property. Paycom grants Client a non-exclusive, non-transferable license, exercisable solely during the term of this Agreement, to use applicable Paycom technology for the purpose of accessing and using the Screening Services. Client shall have no right to use the Paycom technology for any purpose other than accessing and using the Screening Services (and other services made available by Paycom subject to the terms and conditions of an executed written agreement between Paycom and Client). Except for the rights expressly granted above, this Agreement does not transfer from Paycom to Client any rights to the Paycom technology (or Paycom's licensor's technology), and all rights, titles and interests in and to any Paycom technology shall remain solely with Paycom. Client shall not, directly or indirectly, reverse engineer, decompile, disassemble or otherwise attempt to derive source code or any other intellectual property and/or proprietary information from any of the Paycom technology. Client acknowledges and agrees that Paycom's trademarks, tradenames, service marks, logos, other names and marks, and related product and service names, design marks, and slogans are the sole and exclusive property of Paycom. Client is not authorized to and shall not use any of Paycom's trademarks, tradenames, service marks, logos, other names and/or marks, and/or related product and service names, design marks, and/or slogans in any advertising, publicity, or in any other manner without the prior written consent of Paycom.

14. Miscellaneous.

A. Counterparts; Electronic Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Paycom and Client agree to conduct this transaction by electronic means and that an electronic signature of either party or both parties, including fax signature, PDF signature, or other electronic means, shall have the same legally binding force and effect as an original signature. An executed copy of the Agreement may be delivered by one or more of the Parties by facsimile, email, or similar instantaneous electronic transmission device pursuant to which the signature of, or on behalf of, the party can be seen, and such execution and delivery shall be considered valid, legally binding, and effective for all purposes.

B. Independent Contractor. Each party is and shall remain an independent contractor. Neither party is authorized to assume or create an obligation or responsibility, express or implied, on behalf of or in the name of the other party or to bind the other party in any manner. Except as authorized hereunder, neither party shall represent to third parties that it is the employer, employee, principal, agent, joint venture or partner with, or representative of the other party. For the avoidance of doubt, Paycom may perform any or all of its obligations through an affiliate or a third-party contractor so long as the Paycom remains responsible for such obligations.

C. Address Change. Client shall promptly notify Paycom if Client changes its name or address.

D. Information for "Vetting Purposes". Client shall be expected to provide certain information to Paycom regarding the nature of its business so that Paycom may appropriately "vet" Client before providing Reports. Among other things, Client shall provide a photocopy of Client's business license, Federal Tax ID/Employer Identification Number and/or articles of incorporation. If Client has been in business LESS than one (1) year, Client must also send a photo copy of two of the following items: A copy of a utility or telephone bill in the business name for services at the principal place of business, a copy of the lease or proof of property ownership, a copy of a bank statement addressed to the Client, or a copy of the commercial insurance under Client's name.

E. General Legal Compliance. Client shall comply with all laws applicable to its ordering, receipt, or use of Reports from Paycom.

F. Receipt of Federal Notices. Client acknowledges that it has received a copy of “A Summary of Your Rights Under the Fair Credit Reporting Act,” “Notice to Users of Consumer Reports,” and “A Summary of Identity Theft Rights” (also known as “Remedying the Effects of Identity Theft”) which are attached as Exhibits B, C and D to this Agreement.

G. Audits. Paycom shall have the right to conduct periodic audits of Client’s compliance with this Agreement. In addition, certain third-party vendors, such as departments of motor vehicles and credit bureaus, require the right to audit Client either directly or through Paycom. The scope and frequency of any audit shall be at the reasonable discretion of Paycom and will be subject to requirements imposed by third-party vendors. Paycom will provide reasonable notice prior to conducting any audit provided that Paycom has received reasonable notice from any third-party vendor involved in the audit process. Any violations discovered as a result of such audit may be cause for immediate action by Paycom, including, but not limited to, immediate suspension or termination of this Agreement.

H. Governing Law, Jurisdiction, Venue and Authority. Except to the extent preempted by federal law, this Agreement shall be governed by and construed under the laws of the State of Oklahoma, without regard to conflicts of law principles. With respect to any claim arising out of this Agreement, (a) each party irrevocably submits to the exclusive jurisdiction of the courts of the State of Oklahoma, or the United States District Court, located in Oklahoma County, Oklahoma, and (b) each party irrevocably waives any objection which it may have at any time to the venue of any suit, action, or proceeding arising out of or relating to this Agreement brought in any such court, and irrevocably waives any claim that such suit, action, or proceeding is brought in an inconvenient forum, and further irrevocably waives the right to object, with respect to such claim, suit, action, or proceeding brought in any such court, that such court does not have jurisdiction over such party. Any legal proceedings to resolve or litigate any dispute will be conducted solely on an individual basis. No party will seek to have any dispute heard as a class action or in any other proceeding in which either party acts or proposes to act in a representative capacity. Any and all such rights to proceed on a class-wide basis are hereby waived. No proceeding will be combined with another without the prior written consent of all parties to all affected proceedings. If any portion of this class action waiver is deemed unenforceable, then that portion will be severed with the remainder remaining in full force and effect. Client expressly waives any claim of sovereign immunity as to Client’s business dealings with Paycom if applicable (i.e. Native American Nations). Both parties agree that personal jurisdiction exists in Oklahoma.

I. WAIVER OF JURY TRIAL. PAYCOM AND THE CLIENT EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ISSUE TRIABLE BY A JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT NOW OR HEREAFTER EXISTS WITH REGARD TO THE AGREEMENT OR THE PARTIES’ BUSINESS DEALINGS, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY PAYCOM AND THE CLIENT AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY MAY OTHERWISE ACCRUE. PAYCOM AND THE CLIENT ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY THE OTHER PARTY.

J. Validity of Agreement. Each section, subsection and lesser section of the Agreement constitutes a separate and distinct undertaking, covenant or provision hereof. In the event that any provision of the Agreement shall be determined to be invalid or unenforceable, such provision shall be deemed limited by construction in scope and effect to the minimum extent necessary to render the same valid and enforceable, and, in the event such a limiting construction is impossible, such invalid or unenforceable provision shall be deemed severed from the Agreement, but every other provision of the Agreement shall remain in full force and effect.

K. Force Majeure. The obligation of Paycom to perform under this Agreement shall be excused if caused by matters which could not have been reasonably foreseen and avoided by commercially reasonable action, or are beyond its reasonable control, including, without limitation, government regulation or law, war, terrorism, insurrection, civil commotion, destruction of production facilities or material by earthquake, fire, flood, storm or other natural disaster, labor disturbances, public health emergencies (including, without limitation, any epidemic or pandemic), utility outages, communication outages, or failure of suppliers, public utilities or common carriers. If applicable, either party shall be excused from performance under the Agreement for the duration of the effects of such circumstances.

L. Successors and Assigns. Client may not assign this Agreement without the express written consent of Paycom. This Agreement may be assigned, in whole or in part, by Paycom to any affiliate entity or sister entity and, in such an event, the assignor shall thereafter no longer be liable to the Client for the obligations or rights so assigned. In addition, Client shall immediately notify Paycom of any of the following events: change in ownership of Client (over 50%), a merger, change in name or change in the nature of Client’s business.

M. No Third-Party Beneficiaries. The parties understand that this Agreement is for the benefit of Paycom and Client and, except as stated otherwise in this Agreement, no third party shall be deemed a third party beneficiary of this Agreement.

N. No Waiver. The failure by Client or Paycom to insist upon strict performance of the Agreement shall not constitute a waiver of that provision with respect to demands for future performance; nor shall any delay or omission by either party to seek a remedy for any breach of this Agreement be deemed a waiver by either party of its remedies or rights with respect to such a breach.

O. Exhibits and Schedules Incorporated. All Exhibits and Schedules attached hereto are incorporated herein.

P. Survival. The following provisions shall survive termination of this Agreement: 4B(2)(e), 7C (indemnification), 7D (indemnification), 8, 9, 10, 11, 14E, and 14H.

Q. Entire Agreement. The Agreement, and all attachments and exhibits hereto, represents the entire agreement between the parties related to Paycom's provision of services hereunder, and there are no inducements, representations, or warranties, or any other oral or other written agreements or understandings between the parties affecting the Agreement, or related to the services provided by Paycom or duties undertaken by Client under the Agreement. Paycom may amend the Agreement at any time in its sole discretion, effective upon posting the amended terms to Client's Website Account. With respect to the services provided by Paycom hereunder, the Agreement supersedes all previous agreements and negotiations between the parties. It is understood and agreed that no employee, officer, or director of Paycom has the authority to modify the Agreement orally.

R. Recording. Each party hereby consents that such other party may, without further notice or further notification, electronically monitor or record the telephone conversations between the parties' respective representatives in connection with the parties' business dealings. Each party agrees that it shall have an expectation that all telephone calls made or received by either party to the other party are being electronically monitored or recorded by the other party for the other party's business purposes and/or business records retention purposes. Each party hereby notifies the other party that it regularly and consistently monitors or records the telephone conversations of the other party's representatives, and that the monitoring or recording of such telephone conversations is likely to occur at any time and without further notice. It is further agreed that the monitoring or recording activities of such parties' representatives shall constitute permissible monitoring or recording pursuant to this Agreement. To the extent a party seeks to, in the future, withdraw and revoke the consent to such monitoring and recording activities provided for in this Agreement, then in order for such revocation to be effective said party must send a written or electronic notice to the other party pursuant to the notice provisions of this Agreement, and any such written or electronic notice shall not be effective until at least thirty (30) days after the receiving party receives such notice.

[The signature page is on the last page, after the exhibits.]

EXHIBITS TO EMPLOYMENT SCREENING SERVICES AGREEMENT

- EXHIBIT A** **Additional Terms and Conditions For Those Ordering Employment Verification Information From “The Work Number”**
- EXHIBIT B** **A Federal Governmental Notice Titled “A Summary of Your Rights Under the Fair Credit Reporting Act”**
- EXHIBIT C** **A Federal Governmental Notice Titled “Notice to Users of Consumer Reports: Obligations Of Users Under The FCRA”**
- EXHIBIT D** **A Federal Governmental Notice Titled “A Summary of Identity Theft Rights” (also known as “Remedying the Effects of Identity Theft”)**

EXHIBIT A

Additional Terms And Conditions For Those Ordering Employment Verification Information From "The Work Number."

Equifax Verification Solutions (EVS) Employment Information (as defined below) will be received by Subscriber through CRA subject to the following conditions (the "Terms and Conditions"):

1. Any information services and data originating from EVS (the "EVS Employment Information") will be requested only for Subscriber's exclusive use and held in strict confidence except to the extent that disclosure to others is required or permitted by law. Only designated representatives of Subscriber will request EVS Employment Information on Subscriber's employees, and employees will be forbidden to obtain EVS Employment Information on themselves, associates or any other persons except in the exercise of their official duties. Subscriber will not disclose EVS Employment Information to the subject of the EVS Employment Information except as permitted or required by law, but will refer the subject to EVS.
2. Subscriber will hold EVS and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of EVS Employment Information by Subscriber, its employees or agents contrary to the conditions of Section 1 above or applicable law.
3. Subscriber recognizes that EVS does not guarantee the accuracy or completeness of EVS Employment Information and Subscriber releases EVS and EVS's agents, employees, affiliated credit reporting agencies and independent contractors from any liability, including negligence, in connection with the provision of EVS Employment Information and from any loss or expense suffered by Subscriber resulting directly or indirectly from EVS Employment Information. Subscriber covenants not to sue or maintain any claim, cause of action, demand, cross-action, counterclaim, third-party action or other form of pleading against EVS, EVS's agents, employees, affiliated credit reporting agencies, or independent contractors arising out of or relating in any way to the accuracy, validity, or completeness of any EVS Employment Information.
4. Subscriber will be charged for the EVS Employment Information by CRA, which is responsible for paying EVS for the EVS Employment Information; provided, however, should the underlying relationship between Subscriber and CRA terminate at any time during the term of this Agreement, charges for the EVS Employment Information will be invoiced to Subscriber, and Subscriber will be solely responsible to pay EVS directly.
5. Fair Credit Reporting Act Certification. Subscriber certifies that it will order EVS Employment Information, which is a consumer report as defined by the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et seq. ("FCRA"), only when Subscriber intends to use the EVS Employment Information: (a) in accordance with the FCRA and all state law counterparts; and for the following permissible purpose: for employment purposes; provided, however, that Subscriber certifies that, before ordering EVS Employment Information to be used in connection with employment purposes, it will clearly and conspicuously disclose to the Consumer, in a written document consisting solely of the disclosure, that Subscriber may obtain EVS Employment Information for employment purposes, and will also obtain the Consumer's written authorization to obtain or procure EVS Employment Information relating to that Consumer. Subscriber further certifies that it will not take adverse action against the Consumer based in whole or in part upon the EVS Employment Information without first providing to the Consumer to whom the EVS Employment Information relates a copy of the EVS Employment Information and a written description of the Consumer's rights as prescribed by the Consumer Financial Protection Bureau ("CFPB") under Section 609(c)(3) of the FCRA as referenced on Exhibit A-1 attached hereto, and also will not use any EVS Employment Information in violation of any applicable federal or state equal employment opportunity law or regulation. Subscriber will use EVS Employment Information ordered under this Agreement for the foregoing purpose and for no other purpose. Subscriber acknowledges that it has received from CRA a copy of the consumer rights summary as prescribed by the CFPB as referenced on Exhibit A-1.

It is recognized and understood that the FCRA provides that anyone "who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18, United States Code, imprisoned for not more than two (2) years, or both." EVS may periodically conduct audits of Subscriber regarding its compliance with the FCRA and other certifications in this Agreement. Audits will be conducted by email whenever possible and will require Subscribers to provide documentation as to

permissible use of particular EVS Employment Information. In addition, CRA will be required to provide documentation indicating CRA validated the legitimacy of subscriber prior to contract execution and will also provide a copy of agreement between CRA and Subscriber. Subscriber gives its consent to EVS to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or Subscriber's material breach of this Agreement, constitute grounds for immediate suspension of the Service or termination of this Agreement. If EVS terminates this Agreement due to the conditions in the preceding sentence, Subscriber (i) unconditionally releases and agrees to hold EVS harmless and indemnify it from and against any and all liabilities of whatever kind or nature that may arise from or relate to such termination, and (ii) covenants it will not assert any claim or cause of action of any kind or nature against EVS in connection with such termination.

Vermont Certification. Subscriber certifies that it will comply with applicable provisions under Vermont law. In particular, Subscriber certifies that it will order EVS Employment Information relating to Vermont residents that are consumer reports as defined by the Vermont Fair Credit Reporting Act ("VFCRA"), only after Subscriber has received prior Consumer consent in accordance with VFCRA Section 2480e and applicable Vermont Rules. Subscriber further certifies that a copy of Section 2480e of the Vermont Fair Credit Reporting Statute, attached hereto as Exhibit A-2, was received from CRA.

Subscriber will comply with the applicable provisions of the FCRA, Federal Equal Credit Opportunity Act and any amendments to it, all state law counterparts of them, and all applicable regulations promulgated under any of them including, without limitation, any provisions requiring adverse action notification to the Consumer.

6. Data Security. This Section 6 applies to any means through which Subscriber orders or accesses EVS Employment Information including, without limitation, system-to-system, personal computer or the Internet. The term "Authorized User" means a Subscriber employee that Subscriber has authorized to order the EVS Employment Information and who is trained on Subscriber's obligations under this Agreement with respect to the ordering and use of the EVS Employment Information, including Subscriber's FCRA and other obligations with respect to the access and use of consumer reports.

A. With respect to handling the EVS Employment Information, Subscriber agrees to:

- i) ensure that only Authorized Users can order or have access to EVS Employment Information,
- ii) ensure that Authorized Users do not order EVS Employment Information for personal reasons or provide them to any third party except as permitted by this Agreement,
- iii) inform Authorized Users that unauthorized access to consumer reports may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment,
- iv) ensure that all devices used by Subscriber to order or access the EVS Employment Information are placed in a secure location and accessible only by Authorized Users and that such devices are secured when not in use through such means as screen locks, shutting power controls off, or other commercially reasonable security procedures,
- v) take all necessary measures to prevent unauthorized ordering of EVS Employment Information by any persons other than Authorized Users for permissible purposes, including, without limitation, (a) limiting the knowledge of the Subscriber security codes, member numbers, User IDs, and any passwords Subscriber may use (collectively, "Security Information"), to those individuals with a need to know, (b) changing Subscriber's user passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing the EVS Employment Information, or if Subscriber suspects an unauthorized person has learned the password, and (c) using all security features in the software and hardware Subscriber uses to order EVS Employment Information,
- vi) in no event access the EVS Employment Information via any hand-held wireless communication device, including but not limited to, web enabled cell phones, interactive wireless pagers, personal digital assistants (PDAs), mobile data terminals, and portable data terminals,
- vii) not use non-company owned assets such as personal computer hard drives or portable and/or removable data storage equipment or media (including but not limited to laptops, zip drives, tapes, disks, CDs, and DVDs) to store EVS Employment Information.
- viii) encrypt EVS Employment Information when it is not in use and with respect to all printed EVS Employment Information store in a secure, locked container when not in use and completely destroyed when no longer needed by cross-cut shredding machines (or other equally effective destruction method) such that the results are not readable or useable for any purpose, if Subscriber sends,

transfers or ships any EVS Employment Information, encrypt the EVS Employment Information using the following minimum standards, which standards may be modified from time to time by EVS: FIPS 140-2 compliant ciphers and algorithms.

- ix) monitor compliance with the obligations of this Section 6, and immediately notify EVS if Subscriber suspects or knows of any unauthorized access or attempt to access the EVS Employment Information, including, without limitation, a review of EVS invoices for the purpose of detecting any unauthorized activity,
- x) not ship hardware or software between Subscriber's locations or to third parties without deleting all Security Information and any EVS Employment Information,
- xi) if Subscriber uses a Service Provider to establish access to EVS Employment Information, be responsible for the Service Provider's use of Security Information, and ensure the Service Provider safeguards Security Information through the use of security requirements that are no less stringent than those applicable to Subscriber under this Section 6,
- xii) use commercially reasonable efforts to assure data security when disposing of any consumer information or record obtained from the EVS Employment Information. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of Subscriber's activities (e.g. the Consumer Financial Protection Bureau, the applicable banking or credit union regulator) applicable to the disposal of consumer report information or records.
- xiii) use commercially reasonable efforts to secure EVS Employment Information when stored on servers, subject to the following requirements: (i) servers storing EVS Employment Information must be separated from the internet or other public networks by firewalls which are managed and configured to meet industry accepted best practices, (ii) protect EVS Employment Information through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iii) secure access (both physical and network) to systems storing EVS Employment Information, which must include authentication and passwords that are changed at least every ninety (90) days; and (iv) all servers must be kept current and patched on a timely basis with appropriate security specific system patches, as they are available,
- xiv) not allow EVS Employment Information to be displayed via the internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices, and
- xv) use commercially reasonable efforts to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history for at least three (3) months for review by EVS.

B. If EVS reasonably believes that Subscriber has violated this Section 6, EVS may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to Subscriber and at EVS's sole expense, conduct, or have a third party conduct on its behalf, an audit of Subscriber's network security systems, facilities, practices and procedures to the extent EVS reasonably deems necessary, including an on-site inspection, to evaluate Subscriber's compliance with the data security requirements of this Section 6.

7. Subscriber certifies that it has read the attached Exhibit A-3 "Notice to Users of Consumer Reports, Obligations of Users" which explains Subscriber's obligations under the FCRA as a user of consumer information.

State Compliance Matters
Vermont Fair Credit Reporting Contract Certification

The undersigned, (“Subscriber”), acknowledges that it subscribes to receive various information services from TALX Corporation, a provider of Equifax Verification Solutions (“EVS”) in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the “VFCRA”) and the Federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. Seq., as amended (the “FCRA”) and its other state law counterparts. In connection with Subscriber's continued use of EVS information services in relation to Vermont consumers, Subscriber hereby certifies as follows:

Vermont Certification. Subscriber certifies that it will comply with applicable provisions under Vermont law. In particular, Subscriber certifies that it will order EVS Employment Information relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Subscriber has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules. Subscriber further certifies that the attached copy of § 2480e of the Vermont Fair Credit Reporting Statute was received from EVS.

Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)

§ 2480e. Consumer consent

(a) A person shall not obtain the credit report of a consumer unless:

- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
- (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.

(b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.

(c) Nothing in this section shall be construed to affect:

(1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and

(2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Consumer Financial Protection Bureau.

VERMONT RULES * CURRENT THROUGH JUNE 1999 *****
AGENCY 06. OFFICE OF THE ATTORNEY GENERAL
SUB-AGENCY 031. CONSUMER PROTECTION DIVISION
CHAPTER 012. Consumer Fraud--Fair Credit Reporting
RULE CF 112 FAIR CREDIT REPORTING
CVR 06-031-012, CF 112.03 (1999)
CF 112.03 CONSUMER CONSENT

(a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.

(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.

(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

EXHIBIT B

Para información en español, visite www.consumerfinance.gov/learnmore o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552

A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under FCRA. **For more information, including information about additional rights, go to www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
 - a person has taken adverse action against you because of information in your credit report;
 - you are the victim of identity theft and place a fraud alert in your file;
 - your file contains inaccurate information as a result of fraud;
 - you are on public assistance;
 - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.consumerfinance.gov/learnmore for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.consumerfinance.gov/learnmore for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete, or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.

- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.consumerfinance.gov/learnmore.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- The following FCRA right applies with respect to nationwide consumer reporting agencies:

CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE

You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.consumerfinance.gov/learnmore.

States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:

| TYPE OF BUSINESS: | CONTACT: |
|---|--|
| <p>1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates</p> <p>b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:</p> | <p>a. Consumer Financial Protection Bureau 1700 G Street, N.W. Washington, DC 20552</p> <p>b. Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, N.W. Washington, DC 20580 (877) 382-4357</p> |
| <p>2. To the extent not included in item 1 above:</p> <p>a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks</p> <p>b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act.</p> <p>c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations</p> <p>d. Federal Credit Unions</p> | <p>a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050</p> <p>b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480</p> <p>c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106</p> <p>d. National Credit Union Administration Office of Consumer Financial Protection (OCFP) Division of Consumer Compliance Policy and Outreach 1775 Duke Street Alexandria, VA 22314</p> |
| <p>3. Air carriers</p> | <p>Asst. General Counsel for Aviation Enforcement & Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Avenue, S.E. Washington, DC 20590</p> |
| <p>4. Creditors Subject to the Surface Transportation Board</p> | <p>Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street, S.W. Washington, DC 20423</p> |
| <p>5. Creditors Subject to the Packers and Stockyards Act, 1921</p> | <p>Nearest Packers and Stockyards Administration area supervisor</p> |
| <p>6. Small Business Investment Companies</p> | <p>Associate Deputy Administrator for Capital Access United States Small Business Administration 409 Third Street, S.W., Suite 8200 Washington, DC 20416</p> |
| <p>7. Brokers and Dealers</p> | <p>Securities and Exchange Commission 100 F Street, N.E. Washington, DC 20549</p> |
| <p>8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations</p> | <p>Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090</p> |
| <p>9. Retailers, Finance Companies, and All Other Creditors Not Listed Above</p> | <p>Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, N.W. Washington, DC 20580 (877) 382-4357</p> |

EXHIBIT C

All users of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was first prescribed in 2004. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, www.consumerfinance.gov/learnmore.

NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA

The Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Bureau of Consumer Financial Protection's website at www.consumerfinance.gov/learnmore. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. Section 604(a)(1)
- As instructed by the consumer in writing. Section 604(a)(2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(i)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a)(3)(E)
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a)(4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making "prescreened" unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of "prescreened" information are described in Section VII below.

B. Users Must Provide Certifications

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files

When a consumer has placed a fraud alert, including one relating to identify theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer’s alert.

E. Users Have Obligations When Notified of an Address Discrepancy

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer’s

file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Consumer Financial Protection Bureau and the banking and credit union regulators.

The Consumer Financial Protection Bureau regulations will be available at www.consumerfinance.gov/learnmore/.

F. Users Have Obligations When Disposing of Records

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. The Consumer Financial Protection Bureau, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Consumer Financial Protection Bureau regulations may be found at www.consumerfinance.gov/learnmore/.

II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the Consumer Financial Protection Bureau.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) (“Notice to the Home Loan Applicant”).

III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

A. Employment Other Than in the Trucking Industry

If the information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer’s rights will be provided to the consumer.
- **Before** taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer’s rights (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2).

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

B. Employment in the Trucking Industry

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or a permitted by statute, regulation, or order).

VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(1), 604(c), 604(e), and 614(d). This practice is known as “prescreening” and typically involves obtaining a list of consumers from a CRA who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer's CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.

- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, the Consumer Financial Protection Bureau has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The regulation is 12 CFR 1022.54.

VIII. OBLIGATIONS OF RESELLERS

A. Disclosure and Certification Requirements

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 - (1) the identity of all end-users;
 - (2) certifications from all users of each purpose for which reports will be used; and
 - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

B. Reinvestigations by Resellers

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. Fraud Alerts and Resellers

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

The Consumer Financial Protection Bureau website, www.consumerfinance.gov/learnmore, has more information about the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1618 et seq.:

| | |
|--------------|-------------------|
| | 15 U.S.C. 1681 |
| Section 603 | 15 U.S.C. 1681a |
| Section 604 | 15 U.S.C. 1681b |
| Section 605 | 15 U.S.C. 1681c |
| Section 605A | 15 U.S.C. 1681c-1 |
| Section 605B | 15 U.S.C. 1681c-2 |
| Section 606 | 15 U.S.C. 1681d |

| | |
|-------------|-------------------|
| Section 607 | 15 U.S.C. 1681e |
| Section 608 | 15 U.S.C. 1681f |
| Section 609 | 15 U.S.C. 1681g |
| Section 610 | 15 U.S.C. 1681h |
| Section 611 | 15 U.S.C. 1681i |
| Section 612 | 15 U.S.C. 1681j |
| Section 613 | 15 U.S.C. 1681k |
| Section 614 | 15 U.S.C. 1681l |
| Section 615 | 15 U.S.C. 1681m |
| Section 616 | 15 U.S.C. 1681n |
| Section 617 | 15 U.S.C. 1681o |
| Section 618 | 15 U.S.C. 1681p |
| Section 619 | 15 U.S.C. 1681q |
| Section 620 | 15 U.S.C. 1681r |
| Section 621 | 15 U.S.C. 1681s |
| Section 622 | 15 U.S.C. 1681s-1 |
| Section 623 | 15 U.S.C. 1681s-2 |
| Section 624 | 15 U.S.C. 1681t |
| Section 625 | 15 U.S.C. 1681u |
| Section 626 | 15 U.S.C. 1681v |
| Section 627 | 15 U.S.C. 1681w |
| Section 628 | 15 U.S.C. 1681x |
| Section 629 | 15 U.S.C. 1681y |

EXHIBIT D

A Summary of Identity Theft Rights (also known as Remediating the Effects of Identity Theft)

Para información en español, visite www.consumerfinance.gov/learnmore o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.

Remediating the Effects of Identity Theft

You are receiving this information because you have notified a consumer reporting agency that you believe that you are a victim of identity theft. Identity theft occurs when someone uses your name, Social Security number, date of birth, or other identifying information, without authority, to commit fraud. For example, someone may have committed identity theft by using your personal information to open a credit card account or get a loan in your name. For more information, visit www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.

The Fair Credit Reporting Act (FCRA) gives you specific rights when you are, or believe that you are, the victim of identity theft. Here is a brief summary of the rights designed to help you recover from identity theft.

1. **You have the right to ask that nationwide consumer reporting agencies place “fraud alerts” in your file to let potential creditors and others know that you may be a victim of identity theft.** A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you. It also may delay your ability to obtain credit. You may place a fraud alert in your file by calling just one of the three nationwide consumer reporting agencies. As soon as that agency processes your fraud alert, it will notify the other two, which then also must place fraud alerts in your file.

- Equifax: 1-800-525-6285; www.equifax.com
- Experian: 1-888-397-3742; www.experian.com
- TransUnion: 1-800-680-7289; www.transunion.com

An initial fraud alert stays in your file for at least one year. An extended alert stays in your file for seven years. To place either of these alerts, a consumer reporting agency will require you to provide appropriate proof of your identity, which may include your Social Security number. If you ask for an extended alert, you will have to provide an identity theft report. An identity theft report includes a copy of a report you have filed with a federal, state, or local law enforcement agency, and additional information a consumer reporting agency may require you to submit. For more detailed information about the identity theft report, visit www.consumerfinance.gov/learnmore.

2. **You have the right to free copies of the information in your file (your “file disclosure”).** An initial fraud alert entitles you to a copy of all the information in your file at each of the three nationwide agencies, and an extended alert entitles you to two free file disclosures in a 12-month period following the placing of the alert. These additional disclosures may help you detect signs of fraud, for example, whether fraudulent accounts have been opened in your name or whether someone has reported a change in your address. Once a year, you also have the right to a free copy of the information in your file at any consumer reporting agency, if you believe it has inaccurate information due to fraud, such as identity theft. You also have the ability to obtain additional free file disclosures under other provisions of the FCRA. See www.consumerfinance.gov/learnmore.
3. **You have the right to obtain documents relating to fraudulent transactions made or accounts opened using your personal information.** A creditor or other business must give you copies of applications and other business records relating to transactions and accounts that resulted from the theft of your identity, if you ask for them in writing. A business may ask you for proof of your identity, a police report, and an affidavit before giving you the documents. It may also specify an address for you to send your request. Under certain circumstances a business can refuse to provide you with these documents. See www.consumerfinance.gov/learnmore.
4. **You have the right to obtain information from a debt collector.** If you ask, a debt collector must provide you with certain information about the debt you believe was incurred in your name by an identity thief – like the name of the creditor and the amount of the debt.

5. **If you believe information in your file results from identity theft, you have the right to ask that a consumer reporting agency block that information from your file.** An identity thief may run up bills in your name and not pay them. Information about the unpaid bills may appear on your consumer report. Should you decide to ask a consumer reporting agency to block the reporting of this information, you must identify the information to block, and provide the consumer reporting agency with proof of your identity and a copy of your identity theft report. The consumer reporting agency can refuse or cancel your request for a block if, for example, you don't provide the necessary documentation, or where the block results from an error or a material misrepresentation of fact made by you. If the agency declines or rescinds the block, it must notify you. Once a debt resulting from identity theft has been blocked, a person or business with notice of the block may not sell, transfer, or place the debt for collection.
6. **You also may prevent businesses from reporting information about you to consumer reporting agencies if you believe the information is a result of identity theft.** To do so, you must send your request to the address specified by the business that reports the information to the consumer reporting agency. The business will expect you to identify what information you do not want reported and to provide an identity theft report.
7. The following FCRA right applies with respect to nationwide consumer reporting agencies:

CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE

You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer's credit file. Upon seeing a fraud alert display on a consumer's credit file, a business is required to take steps to verify the consumer's identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

To learn more about identity theft and how to deal with its consequences, visit www.consumerfinance.gov/learnmore, or write to the Consumer Financial Protection Bureau. You may have additional rights under state law. For more information, contact your local consumer protection agency or your state Attorney General.

In addition to the new rights and procedures to help consumers deal with the effects of identity theft, the FCRA has many other important consumer protections. They are described in more detail at www.consumerfinance.gov/learnmore.

The individual that signs this Agreement on behalf of Client hereby certifies that he/she has direct knowledge of the facts addressed above. The individuals signing below represent that they are duly authorized to do so.

Client's legal business name

AUTHORIZED SIGNATURE

INSERT DATE

TYPE OR PRINT NAME

TITLE

Physical address/location of Client identified above:

PAYCOM PAYROLL, LLC

AUTHORIZED SIGNATURE

TYPE OR PRINT NAME

Reporting Agent

TITLE

Enhanced Background Checks Drug Screening Order Form

Please select the services below that you will be utilizing per your company's drug testing policy.

Non-DOT Testing Services

- Non-DOT 10 Panel (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$35.00
- Non-DOT 10 Panel without THC (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$35.00
- Non-DOT 9 Panel (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Non-DOT 9 Panel Rapid Drug Test (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Non-DOT 9 Panel without THC (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Non-DOT 5 Panel (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Non-DOT 5 Panel without THC (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Non-DOT 5 Panel Rapid Drug Test (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Non-DOT 5 Panel DOT Look Alike (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$31.00
- Hair Test 5 Panel \$75.00 + Clinic Cost
- Non-DOT Physical \$82.00 + Fees
- Non-DOT Breath Alcohol Test \$44.00 + Fees
- Non-DOT 5 Panel Blood Drug Test ² \$145.00
- Non-DOT 9 Panel Blood Drug Test ² \$196.00
- Nicotine and Cotinine Test ² \$38.00
- T-Spot TB Test ² \$180.50
- Hep-B Titer ² \$98.50
- Hep-B Vaccine ² \$120.50
- Influenza Shot ² \$49.50
- Ishihara Test ² \$35.50
- Snellen Vision Test ² \$59.50
- Titmus Vision Test ² \$40.50
- Audiogram Hearing Test ² \$45.50

DOT Testing Services (only select if your company has any DOT regulated positions that will need screened)

- DOT Drug Test – 5 Panel Expanded (In Network) ¹ (Out of Network / Extended Network) ^{2,3} \$34.00 + Fees
- DOT Physical \$97.00 + Fees
- DOT Breath Alcohol Test \$44.00 + Fees

If multiple services will be ordered at the same time, please list the combinations below:

Client Contact Information

Name: _____

Address (No PO Boxes): _____

City, State, Zip: _____

Phone Number: _____

E-mail: _____

*If a Designated Employer Representative (DER) for Department of Transportation (DOT) is different from above, please enter here:

Name: _____

Address (No PO Boxes): _____

City, State, Zip: _____

Phone Number: _____

Email: _____

Drug Testing Services

****Additional fees will apply when using out of network or extended network locations. See footnotes below.****

1. "In Network" urine drug testing facilities are defined as LabCorp or Quest owned Patient Service Centers. The "In Network" urine drug testing service fee includes the cost of specimen testing, MRO fees, and collections performed at "In Network" collection facilities and is listed in the package price.
2. "Preferred Clinic Network" drug and health screening facilities are defined as managed clinic facilities outside of LabCorp or Quest that are available at lower costs. The "Preferred" service fee will be charged as a surcharge on your billing invoice. "Extended Clinic Network" drug and health facilities are defined as managed clinic facilities outside of LabCorp and Quest that are available at higher costs. The "Extended" service fee will be charged as a surcharge on your billing invoice.
3. Non DOT (Department of Transportation) Urine Drug Testing with eCOC (electronic Chain of Custody) – in the event the system is unable to return an instant enabled clinic within the search radius, the system will automatically display lab based electronically enabled clinics. Regardless of test type completed, billing will reflect the package that was originally ordered as well as any surcharges for extended clinic usage.

Additional charges will be incurred for the following drug screening services:

- Using One-to-One Setups (Collection Site Referrals) \$250
 - Custom collection site network setup
- Paper Chain Shipping Service (Instructions and COC Mailing to Candidate) \$35 per shipment

Services listed below are available and will be billed at the rates specified upon request:

- Split Sample Retest Fee \$250.00
- Aliquot Testing \$200.00
- D & L Isomer Testing or 6-MAM \$75.00 per Test
- THC-V \$212.50 per Test
- Program Consulting/Client Audit Support \$395.00 per hour
- MRO Consultation / Hearing Prep / Expert Testimony \$395.00 per hour
- Onsite Expert Testimony \$395.00 per hour plus travel fee of \$3,000 per day
- MRO Litigation Hearing Package \$90.00 per package
- Laboratory Litigation Hearing Package \$750.00 per package
- Interpreter Fee \$5.00 per minute

Client will reimburse reasonable administrative, copying and shipping charges for special requests for records, results, product shipment or other information.

Emergency/After Hours Mobile Collection *Sundays and holidays are 1.25 times the rates below*

- Onsite Fee \$350 (base fee)
- Mobile Breath Alcohol Test \$99.55 plus fees
- Mobile Lab Based Urine Collection \$71 plus fees
- Mobile Lab Based Hair Collection \$71 plus fees
- Wait Fee (i.e. Shy Bladder) \$61.80/hour

Mileage Rates Round Trip (Flat Rate)

- 0-10 Miles \$5.20
- 11-20 Miles \$10.40
- 21-30 Miles \$15.60
- 31-50 Miles \$26.00
- 51-75 Miles \$39.00
- 76-100 Miles \$52.00
- 101-150 Miles \$78.00

Pricing is subject to change with written or electronic notice. Additional service fees may apply.

| | |
|----------------------|--|
| Client Name | |
| Client Code | |
| FEIN | |
| Signature | |
| Printed Name & Title | |
| Date | |

Enhanced Background Checks Pricing

| | |
|--|--------------------|
| Package A | \$18.95 |
| National Criminal Scan ^{1,2} | Included |
| National Sex Offender Registry | Included |
| National Security / Terrorist Watch List (OFAC) | Included |
| Package B | \$30.95 |
| National Criminal Scan ^{1,2} | Included |
| National Sex Offender Registry | Included |
| National Security / Terrorist Watch List (OFAC) | Included |
| County Criminal Search ¹ | (1) Included |
| Package C | \$34.95 |
| National Criminal Scan ^{1,2} | Included |
| National Sex Offender Registry | Included |
| National Security / Terrorist Watch List (OFAC) | Included |
| Address History Search | Included |
| County Criminal Search ² (7-year County Criminal Search based on address history) | Unlimited/Included |

¹ Criminal Felony & Misdemeanor search fees will apply to verify potential records.

² County Public record access fees may apply.

Pricing is subject to change with written or electronic notice. Additional service fees may apply.

Optional Add-on Services

| | |
|--|---------|
| Adverse Action Letters Process ¹ (per letter charge) | \$10.00 |
| Employee Credit Report ² (per search) | \$7.00 |
| County Criminal Search ³ (per county) | \$12.00 |
| Education Verification ⁴ (per verification) | \$12.50 |
| Employment Verification ⁴ (per verification) | \$12.50 |
| Motor Vehicle Report ⁵ (per license) | \$7.00 |
| National Federal Criminal Search | \$25.00 |
| Federal Statewide Criminal Search | \$12.00 |
| National Federal Bankruptcy Search | \$25.00 |
| Federal District Criminal (Per District) | \$10.00 |
| Federal District Civil Search (Per District) | \$10.00 |
| Statewide Criminal Search (Per State where available) ³ | \$10.00 |
| State Sex Offender Search | \$6.00 |
| National Criminal Scan ^{6,3} | \$7.00 |
| Healthcare Sanctions Level 3 | \$12.00 |
| Healthcare Sanctions Level 1M | \$8.50 |
| Professional Reference Verification (Per Reference) | \$14.00 |
| Civil County Court Search (Lower) (Per County) ³ | \$7.50 |
| Civil County Court Search (Upper) (Per County) ³ | \$7.50 |
| National Sex Offender Registry | \$6.00 |
| Office of Foreign Assets and Control (OFAC) | \$5.00 |
| OIG/GSA/SAM Excluded Parties Search | \$8.00 |
| Global Security Scan | \$14.00 |
| SSN Check | \$1.00 |
| CDLIS | \$8.00 |

¹ Pre-adverse and adverse action letters are processed separately and billed accordingly.

² Requires expanded credentialing process including additional paperwork and an onsite inspection (Credit Check only)

³ County/State access fees may apply.

⁴ Third party access fees may apply.

⁵ State Department of Motor Vehicle fees will apply. Fees vary by state.

⁶ Criminal Felony & Misdemeanor search fees will apply to verify potential records.

| | |
|----------------------|--|
| Client Name | |
| Client Code | |
| FEIN | |
| Signature | |
| Printed Name & Title | |
| Date | |



[Get started](#)

Ready to run background checks the modern way?

Fast, smooth, and safe background checks for businesses. Every time.

[Get a quote](#)

Fast

97% of customers say our turnaround time is faster than the competition

Smooth



smooth

90% of our customers say Checkr has simplified their daily work

[Get started](#)

Safe

Built-in compliance with every hire

Thousands of companies have modernized with Checkr



The screenshot shows the Checkr dashboard interface. On the left is a dark blue sidebar with the 'checkr' logo and a navigation menu including: Candidates, Order background check, Packages, Logs, Analytics, Account settings, Screenings settings, Payments & billing, Continuous checks, Fair chance, Help, and admin@flexitex.com. The main content area has a white background with a table of candidates. At the top right of the table area are two buttons: '+ Manual Order' and 'Invite Candidates'. The table has columns for Name, Status, Assessment, Adjudication, Geos, Created, and Completed. The data rows are as follows:

| Name | Status | Assessment | Adjudication | Geos | Created | Completed |
|-------------------|----------|------------|--------------|------|--------------|--------------|
| Oliver Miller | Complete | Eligible | | CHI | Jun 05, 2022 | Jun 09, 2022 |
| Tabitha Cruz | Complete | Eligible | | NYC | Jun 05, 2022 | Jun 09, 2022 |
| Jennifer Wright | Complete | Review | | NYC | Jun 06, 2022 | Jun 06, 2022 |
| Hassan Umar | Complete | Eligible | | DEN | Jun 06, 2022 | Jun 09, 2022 |
| Montero Nomura | Complete | Eligible | | BRM | Jun 06, 2022 | Jun 06, 2022 |
| Anna Baros | Complete | Escalated | | MIN | Jun 07, 2022 | Jun 09, 2022 |
| Christoph Sokolov | Complete | Eligible | | LAS | Jun 07, 2022 | Jun 09, 2022 |
| Thomas Ricci | Complete | Eligible | | ARI | Jun 08, 2022 | Jun 09, 2022 |
| Alex Ortiz | Complete | Eligible | | CHI | Jun 08, 2022 | Jun 08, 2022 |
| Mia Wong | Complete | Eligible | | MIN | Jun 08, 2022 | Jun 08, 2022 |

Why Checkr is faster

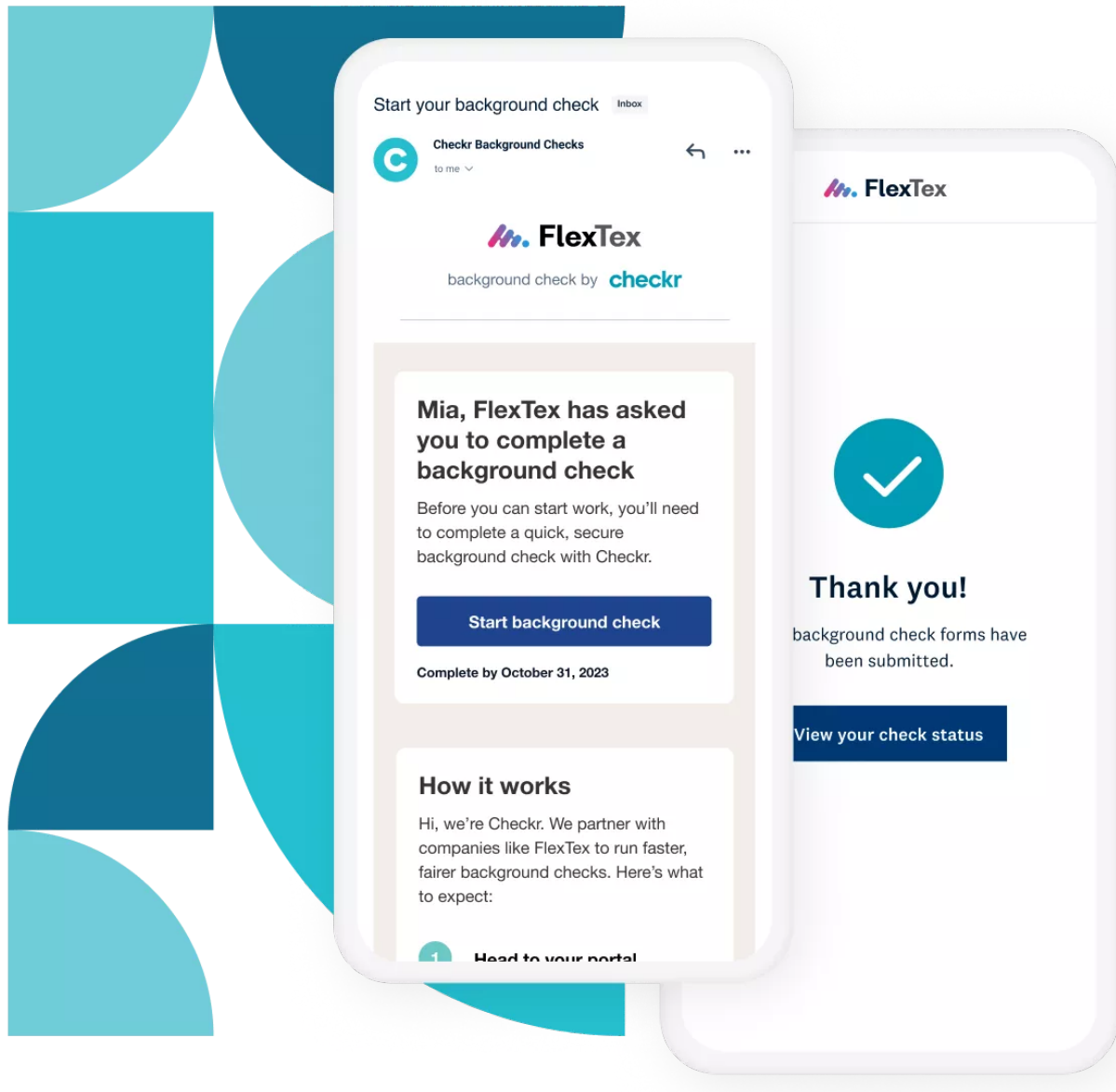
While other screening services lean heavily on human labor – which is slow and error-prone – Checkr uses a more modern approach.

Automation

99% of the background checks are automated after data retrieval, with human Q/A.

Owned data

Data retrieval is speedier as a result of our data source ownership and control over data quality.



How Checkr reduces manual work

Other background check services require a lot of time and effort from hiring teams and candidates. Checkr's streamlined experience and automated workflows dramatically reduce it.

- A mobile-first, user-friendly candidate experience
- Automated follow-ups to guide candidates

- Multilingual candidate support



- 100+ integrations connect with the applications you use every day

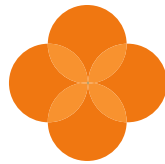
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Maximize accuracy and compliance with every hire



Fine-grained filters

Your custom criteria are applied automatically and consistently, reducing adverse action rates by 20%



Built-in compliance

Regulatory compliance is built into Checkr products



At-the-ready support

Our FCRA trained experts stand ready to assist you

[Request a demo](#)

"I have used many background check companies and **Checkr is by far the fastest one to date**. I really appreciate the **simplicity and ease of use**... They make the entire process easy and painless."

Stacy C.

People Operations Analyst, Financial Technology Company

Start hiring faster today

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SECUREHIRE PRE-EMPLOYMENT SERVICES



- CRIMINAL BACKGROUND CHECKS
- DRIVING RECORDS
- DRUG SCREENING
- OCCUPATIONAL HEALTH
- CREDIT CHECKS
- SSN TRACE
- ADDRESS & ALIAS SEARCH
- SEX OFFENDER REGISTRY
- CUSTOM CLIENT PORTAL

- DOCUMENT STORAGE SOLUTIONS
- PAPERLESS ELECTRONIC DOCUMENTS
- CLOUD BASED FILE PORTALS
- HIPPA COMPLIANT SECURE PLATFORM

*simple
streamlined
secure*

ALL OF YOUR HIRING SOLUTIONS IN ONE PLACE

SERVICES

SCREENING

- \$23+ Criminal Background*
- \$19+ Driving Record

- \$25 Credit Check

DRUG & LAB

- \$35 5 Panel Drug Screen
- \$45 10 Panel Drug Screen

FILE PORTAL

- \$199/mo per location
- Includes 3 user accounts
- Includes 2 electronic file conversions

*All criminal background searches include, SSN Trace, Address & Alias Search, and Sex Offender Search at no additional charge.

SECUREHIRE.COM





SECUREHIRE

PRE-EMPLOYMENT SCREENING

BACKGROUND AND MVR PRICING BY STATE

| | BG | MVR | | BG | MVR |
|---------------|------|------|----------------|-------|------|
| Alabama | \$27 | \$22 | Montana | \$40 | \$22 |
| Alaska | \$25 | \$24 | Nebraska | \$33 | \$20 |
| Arizona | \$25 | \$20 | Nevada | \$25 | \$21 |
| Arkansas | \$27 | \$20 | New Hampshire | \$25 | \$27 |
| California | \$23 | \$20 | New Jersey | \$23 | \$27 |
| Colorado | \$27 | \$20 | New Mexico | \$25 | \$21 |
| Connecticut | \$25 | \$29 | New York | \$110 | \$21 |
| Delaware | \$25 | \$29 | North Carolina | \$23 | \$22 |
| Florida | \$43 | \$23 | North Dakota | \$25 | \$20 |
| Georgia | \$25 | \$15 | Ohio | \$25 | \$20 |
| Hawaii | \$36 | \$37 | Oklahoma | \$25 | \$43 |
| Idaho | \$25 | \$23 | Oregon | \$25 | \$24 |
| Illinois | \$25 | \$26 | Pennsylvania | \$25 | \$20 |
| Indiana | \$29 | \$22 | Rhode Island | \$25 | \$34 |
| Iowa | \$25 | \$23 | South Carolina | \$45 | \$22 |
| Kansas | \$39 | \$21 | South Dakota | \$65 | \$20 |
| Kentucky | \$25 | \$20 | Tennessee | \$46 | \$21 |
| Louisiana | \$25 | \$20 | Texas | \$23 | \$21 |
| Maine | \$48 | \$21 | Utah | \$25 | \$23 |
| Maryland | \$23 | \$27 | Vermont | \$50 | \$30 |
| Massachusetts | \$25 | \$22 | Virginia | \$25 | \$21 |
| Michigan | \$29 | \$21 | Washington | \$31 | \$27 |
| Minnesota | \$25 | \$21 | West Virginia | \$25 | \$23 |
| Mississippi | \$25 | \$28 | Wisconsin | \$29 | \$19 |
| Missouri | \$25 | \$20 | Wyoming | \$35 | \$19 |

OTHER PRICING

| | | |
|----------------------------|------|-------------------------------|
| Credit | \$20 | |
| Drug (QuickScreen 5 Panel) | \$35 | |
| Alias | \$7 | * pricing charged per 3 names |
| SSN | \$8 | *as needed basis |