

**AGENDA**

Joint Administrative Services Board  
Monday February 22, 2016 1:00 p.m.  
Joint Government Center

**1. Call to Order.**

Determination of Quorum  
Selection of Chairperson  
Selection of Vice-Chairperson

Establishment of meeting calendar. Please consider the following:

Date	Time	Location	Topic(s)
02/22/16	1:00:00 PM	JGC	Health Ins, Budget, Technology
03/28/16	1:00:00 PM	JGC	Health Insurance, Budget, Technology
04/25/16	1:00:00 PM	JGC	Technology
05/23/16	1:00:00 PM	JGC	Audit, Technology
06/27/16	1:00:00 PM	JGC	<i>Only schedule if needed for Technology</i>
07/25/16	1:00:00 PM	JGC	<i>Only schedule if needed for Technology</i>
08/22/16	1:00:00 PM	JGC	<i>Only schedule if needed for Technology</i>
09/26/16	1:00:00 PM	JGC	Technology
10/24/16	1:00:00 PM	JGC	Director Evaluation, Technology
11/28/16	1:00:00 PM	JGC	Technology
12/19/16	1:00:00 PM	JGC	Technology
01/23/17	1:00:00 PM	JGC	Organization, Budget, Technology

**2. Approval of Minutes. (November 23 Minutes Attached).**

**3. ERP Update.**

*Phase 1 Financials Additional Training:*

- Web Training on 1099 reporting in January.

*Phase 2 Payroll/HR*

- Web Training on W2s and ACA reporting in January.

*Phase 3 Revenue and Permits.*

- General Billing, Accounts Receivable, Tyler Cashiering, Animal License went live February 16.

- Permits and Inspections Go Live April 12.
- Business License Go Live April 12
- Utility Billing Kicked Off. Go Live in October.

4. **Discussion of Monthly Pay Date.** Payroll is due in employee accounts on the “last teaching day of the month”, except in the summer months (this harkens back to a time when checks were hand delivered). In addition, payroll typically arrives in employee accounts 24 hours earlier than the due date, in order to create a buffer against paying late due to technical problems. We receive occasional comments and suggestions from employees regarding these practices, usually with a request for less variability, and it bears some discussion.

5. **ESS Rollout & Transmittal Emails.**

6. **W2 and 1095C Emails. (opt in and password).**

7. **Invoice Processing.** Please find an updated listing of the number of invoices entered over approximately the first seventh months of using MUNIS, including a count of invoices greater than \$800 by department.

8. **JAS 2017 Budget.** Please find a budget proposal attached.

9. **Joint Technology Plan.** Please see attached.

10. **ACA Agreement with Local Choice.**

11. **Next Meeting March 28.**



Phase 1 Financials Additional Training

- Web Training on 1099 reporting in January.
- Ongoing support, including Next Year Budget Entry.

Phase 2 Payroll/HR

- Post live training December 1, 2, & 3: State, Federal, Vendor Reporting, Personnel Actions, Applicant Tracking.
- W2s, 1099s and ACA reporting in early January.

Phase 3 Revenue and Permits.

- Schedules established for Permits and Code Enforcement and for Accounts Receivable/General Billing.
- Must sort out transition issues: three simultaneous revenue collection systems during implementation.
- Animal License and Business License modules approved.
- See customer file discussion below.

Tom Judge reviewed the above points. Highlights include:

- Will continue to roll out employee self-service. Current users include:
  - Parks part-time staff
  - School Administration
  - School IT
  - Social Services
- Need to determine functionality of the Treasurer's office during transition.
- Need to schedule implementation of animal license and business license modules.

4. The Customer File

Gordon Russell and Tom Judge have been researching the setup of several files related to the Revenue modules: Customer file, Central Property File, and Real Estate Master. The research has involved several conversations with Tyler Technologies consultants, the cities of Falls Church and Staunton, as well as other communities. The results of this research will be shared at the meeting, perhaps with recommendation for the setup.

Highlights of review by Tom Judge include:

- This is the most complex part of the implementation.
- Will try to keep to one customer record for all modules.

- Per Gordon Russell, real estate records will be maintained as a separate entity unless there is a perfect overlay with all the other customer entities that might be associated.
- Researching requirements for maintaining personal property records.
- Hope to appoint a central address "changing" department.
- Need to conduct review of current data.

Following review, **David Weiss** moved that the Joint Administrative Services Board sanction the idea of cooperation among all departments in order to create the best customer file that we can.

Tom Judge asked to amend the motion to appoint a keeper for new customer records.

Treasurer Sharon Keeler agreed to be the control point for addition of new customer records.

Following additional discussion, **David Weiss** withdrew his motion and asked that the language be brought before the Board at its next meeting.

David Weiss opined that he believed it was important to indicate that the Joint Administrative Services Board is officially pursuing this course of unification.

Tom Judge suggested the motion as, *"be it resolved that the County move forward with the use of a common customer across all departments and agencies to the greatest extent possible and that the deciders as to the creation of customers will reside in the office of the Treasurer, which department is responsible ultimately for the collection of the revenue."*

**Chuck Bishop**, seconded by Sharon Keeler, moved the motion suggested by Tom Judge. The motion carried by the following vote:

David Ash	- Aye
Chuck Bishop	- Aye
Sharon Keeler	- Aye
Charles "Chip" Schutte	- Aye
David Weiss	- Aye

## 5. Invoice Processing

Please find attached a listing of the number of invoices entered over approximately the first six months of using MUNIS.

Highlights of review and discussion include:

- Emily Johnson, Accounts Payable Clerk, inputs the greatest number; responsible for checking all other entries; inputs invoices for Social Services.
- Ruby Miller, Office Manager Maintenance, is a close second in number of invoices processed. Joint Administrative Services has offered to input utility invoices; however, it is believed that it

is Ms. Miller's preference to input because it would be more time consuming to go back in Munis to check the invoices if JAS performs the entry. Joint Administrative Services is happy to renew the offer to take back some of the burden.

- Joint Administrative Services should enter invoices for items received through Purchasing; however, with the increase in drop shipments, there is a lot of confusion about where invoices should go resulting in invoice entry for items for which persons did not issue the purchase order. This could be resolved by providing invoicing instructions to vendors.
- Annette Gilley inputs all regional organizations.
- Perception among smaller users is that this system is taking more time than it did before on paper. These users enter small batches, which is where the perception comes that it is more time consuming.
  - The majority of persons entering are low-volume users.
  - Low volume users enter invoices when received to facilitate timely payment.
  - David Ash observed that holding invoices to make a batch adds pressure, creates a sense of urgency on approvers and limits the time available for the approver to ask questions and review supporting data.
    - To alleviate the burden on low-volume users, we may want to select one staff member to enter invoices on behalf of more departments.
    - Emily Johnson has expressed concern about potential problems that could arise by waiting to enter invoices.
    - Currently, invoices are paid with the next scheduled check run after entry even if before due date; however, invoices can be entered to be paid when due.
  - Tom Judge opined that the perception of low-volume users will change as other modules are added.
  - Some high volume users also assert that processing takes longer in Munis.
  - Tom Judge offered to take a lot of the volume, even beyond utilities, from Ruby Miller but noted that his impression was that she wanted to enter these invoices. He suggested that the joint maintenance group might want to discuss further.
  - Sheriff Roper commented that his department would prefer to process its invoices for, like Maintenance, they also check/verify the invoices while processing.
  - Chuck Bishop put forth that with Munis the information / workload is not shared as previously. Previously, the paperwork would be complete or nearly [requisitions filled out, invoice coded, etc.] before being turned in for approval; now, with basically one point of entry, the added responsibility and processing time affects other priorities.
    - Tom Judge suggested adding more users.
- Two principals agreed to from the beginning:
  - If you send out the purchase order, then you do the receiving and the invoice.
  - If the invoice happens to land in your basket even if you aren't the one that sent out the purchase order you should key it in anyway rather than have the courier run it around.

- Tom Judge stated that the problem here is that the vendor has sent the invoice to the wrong address. The answer is to put the invoice in but to send an email to the vendor asking them to change the address and send it to Emily Johnson.
  - Some people prefer to receive and key the invoice.
  - Emily Johnson indicates that at her batch rate it takes one to two minutes to key an invoice.
- Purchase requisitions are not required for purchases under \$800.
  - Purchasing will enter requisitions for items under \$800 as requested. It will also handle the receiving and invoicing.
  - Continue to track situation and evolve as needed.

Mr. Weiss stated that he has been told that there are issues with training schedules, training inadequate or ineffective, computer systems not up when training sessions start, Tyler employees absent or not knowledgeable of system capabilities. He asked additional discussion ways to improve Munis function. Highlights include:

- CCPS:
  - Some frustration initially; and while there are still some rumblings, it is not as much.
  - Complaints about training include instruction during sessions on how the back end worked when attendees were expecting instruction on how to operate the system.
  - Individual training conducted.
  - Not hearing as much as he used to and believes that employees are becoming more accustomed to the system.
  - Budget training was conducted using a "Go To Meeting" format.
  - Must wait for new vendors to be approved by Joint Administrative Services to place orders.
- Treasurer:
  - Still confusion but hopeful that it will work out.
  - Uncertain how her office will make three different systems work.
  - Timing could have been better. Taylor's schedule placed training/set up during tax season.
  - She and her Deputy III will be working during the Thanksgiving holiday to input codes.
- County Administration:
  - Processing in Munis takes too long, whether perception or reality. Six months into the new program and users do not see any time savings.
  - System is cumbersome.
  - Question why we are investing the time and effort to teach a user how to input in Munis if it is not something done often enough to become proficient.

- While still hopeful, there has been no indication that time saved in another area will offset the increased workload.
- Munis appears to negatively affects other programs while logged in; so to prevent issues, other programs must be closed before opening Munis.
  - Tom Judge stated that this was not a Munis problem. Noting a similar problem at the high school, he opined that this might result from using too much bandwidth, a wireless connection, too much loaded onto the system, or too untidy in the background.
- Tom Judge offered to show users how to set up ways to make the system quicker such as shortcuts, create a list of favorites, set up views across the top of the screen.
- Sheriff:
  - Excited about Munis, very pleased.
  - Looking forward to the new budgeting process and building the process.
  - Next year at this time, the budget process should be much easier.

David Weiss opined that in order for things to be addressed staff must be very specific. He remarked that the County should take some proactive steps to address valid concerns. He further noted that some issues could be resolved by more one-on-one training.

Tom Judge responded that his staff should be more available to provide one-on-one instruction. He informed the Board that Annette Gilley has been providing one-on-one report training.

Chairman Schutte reminded that during the planning phase the Board had anticipated issues around the six-month mark.

Tom Judge remarked that it would take time to implement and that some modules were a long way from complete. He further noted that it would take some time to absorb. Mr. Judge concluded that the organization had done well but there was still a lot of follow up in individual cases.

## 6. Next Meeting Date December 21, 2015

### Adjournment

At 2:06 pm, Chairman Schutte adjourned the meeting.

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Minutes Recorded and Transcribed by Lora B. Walburn



Clerk	# Invoices > \$800	Total # of Invoices 05/01- Current	Monthly
2600acather	1	2	0
2600agilley	120	342	40
2600armstrongb	17	151	18
2600bbennett	18	52	6
2600bbosserman	5	88	10
2600crhodes	0	20	2
2600dbean	15	174	20
2600dpeake	1	21	2
2600ecollins	0	2	0
2600ejohnson	336	1330	156
2600grussell	4	13	2
2600hbutts	1	24	3
2600jrose	65	428	50
2600kennicottc	5	69	8
2600lcooke	0	14	2
2600lmcDonald	0	2	0
2600lwalburn	20	31	4
2600mlegge	145	478	56
2600mradford	10	26	3
2600phess	10	45	5
2600pickettr	0	65	8
2600princea	1	85	10
2600pwiley	210	536	63
2600rmiller	241	1312	154
2600shewbridgee	9	32	4
2600skeeler	10	48	6
2600svaughan	5	32	4
2600tgordon	2	5	1
2600tmyers	20	283	33
2600tylern	22	161	19
2600weirr	105	526	62
2600wolfords	12	129	15
<b>TOTAL</b>	<b>1410</b>	<b>6526</b>	<b>768</b>

79% of invoices are < \$800

JAS Finance & Purchasing

			ACTUAL	ORIG BUD	REQUEST	VARIANCE	
10700010	1100	Finance Salaries	383,952	400,106	415,376	15,270	Includes 4% Salary Increase
10700010	1300	Finance PT Sal	917	2,000	2,000	-	
10700010	2100	Finance FICA	28,655	30,761	31,929	1,168	
10700010	2210	Finance VRS 1&2	55,740	56,725	60,894	4,169	
10700010	2300	Finance Health Ins	26,258	29,312	31,955	2,643	
10700010	2400	Finance Life Ins	4,645	4,761	5,483	722	
10700010	2750	Finance RHCC	4,088	4,188	4,611	423	
10700010	2800	Finance Leave Pay	300	-	-	-	
10700010	3120	Finance Fin & Aud	31,800	34,500	36,000	1,500	Estimate increase on reprourement
10700010	3320	Finance Maint Con	50	-	-	-	
10700010	3600	Finance Advertise	-	200	200	-	
10700010	4300	Finance Cen Purch	-	-	-	-	
10700010	5210	Finance Postal	1,435	2,150	1,200	(950)	Down from 6K 5 years ago
10700010	5230	Finance Telephone	1,260	1,200	1,200	-	
10700010	5500	Finance Travel	855	1,500	1,500	-	
10700010	5510	Finance Mileage	319	800	800	-	
10700010	5810	Finance Due & Memb	190	750	500	(250)	Quit GFOA
10700010	6000	Finance Mat&Sup	1,091	2,000	1,200	(800)	Using less paper products
10700020	3320	IT Maint Con	27,082	7,000	7,500	500	Copier/Contingency for Utility Billing/Fines and Penalties
10700020	6000	IT Mat&Sup	-	-	100	100	Toner
TOTAL			568,636	577,953	602,448	24,495	
<u>REVENUE</u>							
10700030	180302	Rebates & Refunds - JAS	149	3,000	2,000	2,000	

<u>EVENT</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Notes</u>
Telephone System *	38,000	38,000	38,000	38,000	68,000	38,000	38,000	38,000	38,000	30K maint; 3K handset; 30K PBX replacement in 2021
Information Security		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	Disaster Recovery System. Sort things out in 2017
<b>Energy Management System</b>		100,000	100,000	100,000	100,000	100,000				Extension shifted forward. Sort things out in 2017.
Building Security: Video and Sensor		50,000	50,000	50,000	50,000					Must decide on goal of integrated joint system.
Fiber optic infrastructure	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	Need updated figures for below.
Network Switch Upgrades	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	120K schools; 64K Government
Video Conferencing				25,000						Need and cost not defined
ERP Application	117,506	117,506	117,506	121,031	124,662	128,402	132,254	136,222	140,308	Ongoing Maintenance Cost
Training	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	Focus on ERP Training in 2017
<b>TOTAL</b>	<b>415,906</b>	<b>590,906</b>	<b>590,906</b>	<b>619,431</b>	<b>628,062</b>	<b>551,802</b>	<b>455,654</b>	<b>459,622</b>	<b>463,708</b>	

KEY:

**Bold = School 100%**

*Italic = Government 100%*

Normal = Split

\* The phone system will be split: 45-45-10, Sch-Gov-Town

<u>Dark Fiber Ongoing</u>	FY 16		<u>Other</u>	
	<u>Monthly</u>	<u>Annual</u>		
Shentel School	2800	33600	Comcast Boyce	? Phases out 2017
Shentel Government	1900	22800	Comcast Retro Gov	14400 Pays out in 2016
Comcast School	180	2160	Comcast Retro Sch	21600 Pays out in 2016
Comcast Government	120	1440	JW Centrex Lines	-14400 Savings begin 2016 Not fiber, note only
Total School	2980	35760		
Total Government	2020	24240		

Clarke County

tjudge@clarkecounty.gov

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**Re: FY 17 Joint Technology Plan Update**

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**From :** Ed Shewbridge <shewbridge@clarke.k12.va.us> Mon, Dec 21, 2015 10:51 AM  
**Subject :** Re: FY 17 Joint Technology Plan Update  
**To :** Tom Judge <tjudge@clarkecounty.gov>  
**Cc :** Gordon Russell <grussell@clarkecounty.gov>, David Ash <dash@clarkecounty.gov>, Chuck Bishop <bishopc@clarke.k12.va.us>

All,

HVAC - The Tridium head end unit is still in a rack at JWMS if the decision is made to use it, but I think the plan is to seek a single propriety source for HVAC needs. To the best of my limited knowledge, the Siemens system at CCHS is not compatible with TAC. EMS/HVAC systems aren't really the school tech department's area of expertise and it would benefit the county if an HVAC software/systems expert was hired.

Video Conferencing - The goal is a bit outdated, especially since we are currently using free Google services such as Hangouts that include chat and video conferencing.

Software Adoption and Replacement - The school district is utilizing Google Applications for Education, a free service that includes email, calendaring, websites, video chat, Classroom, student accounts, email retention, and a myriad of other services. The school district supports cloud based services and prefers using cloud based services versus internal software. There is significant cost and resource savings utilizing web based services provided the infrastructure can support it. I don't foresee the school district replacing the Google services for at least quite some time.

Building Security - Randy has taken a larger role in building security.

I am good with everything else. Happy holidays to everyone!

Ed

On Tue, Dec 15, 2015 at 11:13 AM, Tom Judge <tjudge@clarkecounty.gov> wrote:  
It's time to update the Joint Technology Plan. Attached is the adopted plan from FY 16. Please give me your comments on the attached, and return to me before Christmas, and I will update the plan into a draft which will be presented to JAS in late January.

Thomas J. Judge, Director of Joint Administrative Services, Clarke County,  
540-955-6172



# COMMONWEALTH of VIRGINIA

SARA REDDING WILSON  
DIRECTOR

*Department of Human Resource Management*

101 N. 14<sup>TH</sup> STREET  
JAMES MONROE BUILDING, 12<sup>TH</sup> FLOOR  
RICHMOND, VIRGINIA 23211  
(804) 225-2133  
(TTY) 711

December 1, 2015

Thomas Judge  
Director of Joint Administrative Services  
Clark County Government and Schools  
524 Westwood Road  
Berryville, VA 22611

Subject: Financial Report for July 1, 2014 – June 30, 2015 plan year

Dear Mr. Judge:

The final FY 2015 plan year accounting for The Local Choice Program has been completed and the Commonwealth of Virginia's Auditor of Public Accounts has audited the records. As part of this accounting, we prepare performance reports for the entire program, including reports for the pooled members, and for each of our experience rated groups. These reports are the basis for any adverse experience adjustment should member groups choose to terminate at the end of the plan year. Likewise, it provides an indication for the current year if your experience tracks at last year's level.

Enclosed is the plan year performance report for Clark County Government and Public Schools. The report reflects the premium income, total expenses, and the results for the plan year. In addition, the report provides results for each monthly contract unit for the group. In simplest terms, a contract unit represents the shortage/excess of premiums collected for each single enrollee in your group for each month of the plan year. This gain or loss may be converted for a multi-member contract unit by multiplying the two member contracts by 1.85 and a family unit by 2.7.

For comparative purposes, the loss percentage for the total program was 2.1%. Your individual group experienced a loss of 10.8% for the plan year. On a contract unit basis, the total program had a loss of \$12.24 with the combined experience rated group's loss of \$14.75. Additional information regarding the program's operations can be found in the TLC annual report for the 2015 plan year.

We hope that the premiums in place for FY 2016 will allow your group to show a surplus at the end of the current plan year. Thank you for your participation in THE LOCAL CHOICE program. Contact us if we may be of assistance to you.

Sincerely,

A handwritten signature in black ink, appearing to read "George J. Gibbs, Jr.", written over a horizontal line.

George J. Gibbs, Jr., CPA  
Chief Financial Officer

**THE LOCAL CHOICE PROGRAM**  
**Performance Report For Plan Year Ending June 30, 2015**  
**For**  
**Clarke County and Schools**

PREMIUM INCOME:	\$ 2,844,361
CLAIM EXPENSE:	
Medical Surgical Claims Cost	\$ 4,209,921
Less Network Savings	\$ (2,051,765)
Less Claims in Excess of Pooling Limit	\$ (98,460)
IBNR 6/30/14	\$ (262,286)
IBNR 6/30/15	\$ 238,925
Pooling Charge	\$ 203,634
Drug and Dental Capitation	\$ 729,323
NET INCURRED CLAIMS	<u>\$ 2,969,292</u>
RETENTION	
Vendor Administration	\$ 143,708
Program Administration	<u>17,132</u>
TOTAL RETENTION	\$ 160,840
TOTAL EXPENSES:	<u>\$ 3,130,132</u>
OTHER INCOME LESS EXPENSES	
Misc. Income	\$ 6,639
ACA Fees	<u>\$ (28,653)</u>
TOTAL OTHER FEES	\$ (22,014)
GAIN/LOSS	<u>\$ (307,785)</u>
Total Contact Units (1, 1.85, 2.7)	5,335
Loss/Gain per Contract Unit	(57.69)
% Gain/Loss	-10.821%

**AFFORDABLE CARE ACT  
DESIGNATED "THE LOCAL CHOICE" ("TLC") GOVERNMENT ENTITY REPORTING AGREEMENT**

**THIS AFFORDABLE CARE ACT DESIGNATED TLC GOVERNMENT ENTITY REPORTING AGREEMENT** (the "Agreement") is made and entered into by and between the (name/address/EIN) Clarke County & Schools - Combined / 524 Westwood Rd Berryville, VA 22611 / EIN 541070553, (the "Employer"), and the Virginia Department of Human Resource Management, ("DHRM"), 101 N. 14<sup>th</sup> Street, Richmond, VA, 23219, EIN 54-6024817 (collectively, the "Parties") on the date both parties have signed this agreement.

**WHEREAS**, Sections 6055 and 6056 the of the Internal Revenue Code of 1986, as amended (the "Code") were promulgated by the Patient Protection and Affordable Care Act ("ACA"); and

**WHEREAS**, Section 6055 of the Code requires employers that sponsor self-insured group health plan coverage (as that term is defined in Treasury Regulation Sections 1.6055-1(c)(1)(ii) and -1(c)(2)) to report certain health coverage information to the Internal Revenue Service (the "IRS") and to furnish statements to covered individuals; and

**WHEREAS**, Section 6056 of the Code requires applicable employer members (as that term is defined in Treasury Regulation Sections 1.6056-1(b)(3) and 54.4980H-1(a)(5)) to report certain health coverage information to the IRS and to furnish related employee statements to its full-time employees; and

**WHEREAS**, Employer is an applicable employer member subject to ACA reporting under Section 6056 of the Code; and

**WHEREAS**, Sections 6055(d) and 6056(e) of the Code, and corresponding Treasury Regulation Sections 1.6055-(c)(2)(ii) and 301.6056-1(k), permit employers that are agencies or instrumentalities of a governmental unit to appropriately designate other agencies or instrumentalities that are part of or related to the same governmental unit to file the returns and furnish the statements for which the employer would otherwise be responsible under Sections 6055 and 6056 of the Code; and

**WHEREAS**, the Commonwealth of Virginia (the "Commonwealth") is a governmental unit, as that term is defined by Treasury Regulation Sections 1.6055-1(b)(7) and 301.6056-1(b)(7); and

**WHEREAS**, Employer has determined, based upon a reasonable and good faith interpretation of existing rules relating to agency or instrumentality determinations for other federal tax purposes, that it is an agency or instrumentality of the Commonwealth for ACA purposes; and

**WHEREAS**, DHRM has determined, based upon a reasonable and good faith interpretation of existing rules relating to agency or instrumentality determinations for other federal tax purposes, that it is an agency or instrumentality of the Commonwealth for ACA purposes; and

**WHEREAS**, having each determined that it is a governmental agency or instrumentality that is part of or related to the Commonwealth, the Parties are in agreement that (i) Employer is subject to ACA reporting requirements under Sections 6055 and/or 6056 of the Code (ii) DHRM's role, as the central human resources agency for the Commonwealth, is to assist agencies and instrumentalities of the Commonwealth with the administration and implementation of employee benefit plans and (iii) the Parties therefore wish to designate DHRM as the governmental entity responsible for the ACA reporting obligations that would otherwise apply to Employer.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the Parties agree as follows:

1. Agreement and Certification by Employer. Employer hereby acknowledges and certifies that:

- a. Employer is a plan member of self-insured group health plan coverage (as that term is defined in Treasury Regulation Sections 1.6055-1(c)(1)(ii) and -1(c)(2)) and is therefore required by Section 6055 of the Code to report certain information to the IRS and to furnish statements to covered individuals regarding that health coverage; and
  - b. to the extent that Employer is an applicable employer member (as that term is defined in Treasury Regulation Sections 1.6056-1(b)(3) and 54.4980H-1(a)(5)), Employer is also required by Section 6056 of the Code to report certain health coverage information to the IRS and to furnish related employee statements to its full-time employees.
2. Appointment and Designation of DHRM as Designated Government Entity. Employer wishes to delegate, and DHRM wishes to assume, Employer's ACA reporting obligations described in the preceding paragraph. Accordingly, DHRM is hereby designated and appointed the Designated Government Entity responsible for filing the returns and furnishing the statements for which Employer would otherwise be responsible under Sections 6055 and 6056 of the Code.
- a. As a condition to this appointment and designation, Employer agrees to provide DHRM with accurate information, as described more fully in paragraph 7 below, which is needed by DHRM to complete the appropriate forms designated by the IRS for ACA reporting purposes. Employer further agrees to retain a copy of this designation in its books and records.
  - b. Notwithstanding that DHRM may serve as the designated government entity for multiple agencies and instrumentalities of the Commonwealth, DHRM agrees to file and furnish separate returns and statements on behalf of Employer. To the extent that Employer is subject to reporting under Section 6056 of the Code:
    - i. if DHRM files more than one information return under Section 6056 of the Code on behalf of Employer, one authoritative transmittal (IRS Form 1094-C) will be filed to report aggregate employer-level data in accordance with IRS forms and instructions; and
    - ii. DHRM shall furnish a single employee statement (IRS Form 1095-C) on behalf of Employer to each of Employer's full-time employees (so that all required information with respect to the employee's full-time employment with Employer is reflected on a single IRS Form 1095-C).
3. Agreement and Certification by DHRM. DHRM hereby acknowledges and certifies that pursuant to the appointment and designation set forth in the preceding paragraph, it is the appropriately designated person under, assumes responsibility for, and is subject to the requirements of, Sections 6055(d) and 6056(e) of the Code (including sections 6721, 6722 and 6724) as applicable to and on behalf of Employer.
4. Authority. The appointment and designation of DHRM as the Designated Government Entity on behalf of Employer is made pursuant to Sections 6055(d) and 6056(e) of the Code, and corresponding Treasury Regulation Sections 1.6055-(c)(2)(ii) and 301.6056-1(k), as applicable. DHRM and Employer each acknowledge and certify that to the best of its knowledge, said appointment and designation is consistent with, permissible and effective under all applicable laws, including the laws of the United States and the laws of the Commonwealth.
5. DHRM's IRS and Employee Reporting Responsibilities. DHRM shall be responsible for:
- a. submitting a Section 6055 information return and a Section 6056 information return, to the IRS on behalf of Employer; and
  - b. furnishing each individual covered under Employer's self-insured group health coverage and each employee who was a full-time employee of Employer at any time during the reporting year (regardless of whether or not covered under Employer's self-insured group health coverage), an employee statement as required under Section 6055 and/or 6056 of the Internal Revenue Code.

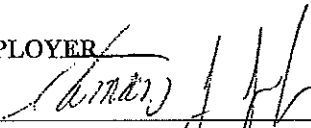
These information returns and employee statements shall be filed as specified in Appendix A.



6. DHRM's Return Correction Requirements. DHRM shall be responsible for taking any action necessary and appropriate to ensure that the information returns and employee statements referenced in paragraph 5 are accurate. In the event that the applicable returns or employee statements contain incorrect information or are deficient in any other regard, DHRM shall be responsible for ensuring that a corrected return and/or statement is submitted to the IRS and/or furnished to the affected employee(s).
7. Employer's Responsibilities. Employer shall be responsible for and agrees to the following:
- Verify, maintain, and report errors on all information in Benefits Eligibility System-generated reports, ensuring accuracy of the reports for its employees who are eligible for health coverage;
  - Record and maintain information on all employees identified by Employer as full-time employees under the ACA and provide monthly counts of full-time employees to DHRM on an annual basis;
  - Record and provide monthly counts of the total number of employees employed by Employer to DHRM on an annual basis;
  - Provide such counts described in subparagraph 7(b) and 7(c) of this Agreement to DHRM in the format and within the time prescribed by the DHRM Office of Health Benefits;
  - Certify that all counts required to be provided to DHRM pursuant to subparagraphs 7(b), (c) and (d) of this Agreement are accurate as reported;
  - Assume all liability for any penalties incurred under Section 4980H of the Code due to the misclassification of employees, inaccurate reporting of employees to DHRM, incorrect determinations of eligibility for health coverage, or the failure to offer coverage to any full-time employee who is required to receive an offer for coverage pursuant to the ACA or other applicable law.
8. Retention. The Parties agree to maintain a copy of this Agreement according to their normal record-retention rules, including Section 6103 of the Code to the extent applicable.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year signed below.

EMPLOYER

  
Signature of Authorized Officer

Print Name:

Thomas J. Judge

Print Title:

Dir. Joint Admin. Serv.

Date:

12/30/15

VIRGINIA DEPARTMENT OF HUMAN RESOURCE  
MANAGEMENT

Gene Raney

Director, Office of State and Local Health Benefits Programs

Date: