UFCW & FELRA SCHOLARSHIP FUND

AGENDA

DECEMBER 12, 2018

I. CALL TO ORDER

II. MINUTES (pg. 1 – 3)
   A. REGULAR MEETING – SEPTEMBER 25, 2018

III. FINANCIAL REPORT (pg. 4)
   A. PNC REPORT

IV. ATTORNEYS' REPORT

V. ADMINISTRATIVE MANAGER'S REPORT – (3Q18) (pg. 5 – 8)

VI. OTHER FUND BUSINESS (pg. 9 – 10)
   A. SCHOLARSHIP PROCEDURES
   B. MISCELLANEOUS CORRESPONDENCE

VII. NEXT MEETING DATES AND LOCATIONS

VIII. ADJOURNMENT

MINUTES

United Food and Commercial Workers
and Food Employers Labor Relations Association
Scholarship Fund

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Sparks, Maryland 21152-9451
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(800) 638-2972
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A Program of the
FELRA and UFCW
VEBA Fund

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MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS
OF THE UFCW & FELRA SCHOLARSHIP FUND
SEPTEMBER 25, 2018
LANDOVER, MARYLAND

The following Committee Members were present:

Union Committee Members
J. Chorpenning, Chairman
N. Jacobs

Employer Committee Members
M. Goble
S. Ridore

Also present were:

H. Burton - Morgan, Lewis, & Bockius LLP
M. Federici - UFCW Local 400
J. Hack – UFCW Local 27
J. Harrison – UFCW Local 27
N. Hill - UFCW Local 27
T. Hipkins - UFCW Local 27
C. Hoffmann - UFCW Local 400
W. Jensen - Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
J. Paradis - Twin Circles Consulting
S. Sanchez - Slevin & Hart, P.C.
R. Sichel – Investment Performance Services
B. Slevin - Slevin & Hart, P.C.
L. Walsh – Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Committee Members reviewed the minutes of the last regular meeting held on June 4, 2018, which were previously circulated.

On Motion made and seconded, the Committee Members voted unanimous approval of the following resolution:

RESOLVED to approve the minutes of the last regular meeting held on June 4, 2018 as presented.

III. FINANCIAL REPORT

A. PNC Bank

Mr. Jensen presented the PNC Summary of Activity report for the period January 1 through August 31, 2018. Such report indicated a beginning market value of $232,611, earnings of $5,415, zero receipts, and disbursements of $54,170, producing an ending market value of $183,856 as of August 31, 2018.

B. Investment Performance Services ("IPS")

The Committee Members welcomed Mr. Rich Sichel of IPS to the meeting. Mr. Sichel presented the Master Consulting Report for the quarter ended June 30, 2018. Such report indicated a beginning market value for the second quarter 2018 of $218,450, net cash flow of a negative of $16,509 and a net investment change of $2,272, resulting in an ending market value of $204,212 for the quarter. The performance was 1.1% for the quarter.

C. Preliminary Update – August 31, 2018

Mr. Sichel reviewed the Preliminary Performance Report for the period ending August 31, 2018. Such report indicated an ending market value of $183,823. The year-to-date performance through August 31, 2018 was 2.7%.

IV. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2018 Report

Mr. Jensen presented the Administrative Manager's Second Quarter 2018 Report. Such report indicated total income of $1,652 and total expenses of $13,449, producing a net deficit of $11,797 for the second quarter.

Mr. Jensen said that the Committee may want to review reducing the current scholarship award amount of $2,500 in order to increase the number of scholarships awards available to be paid, given the decline in available assets. After discussion, the Committee members suggested that the Fund office schedule a conference call of the Scholarship Committee between meetings to discuss the scholarship benefit.

V. NEXT MEETING DATE AND LOCATION

It was noted that the next meeting of the Board of Trustees is scheduled for December 12, 2018 in the offices of UFCW Local 400 located in Landover, Maryland.

VI. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully Submitted,

William R. Jensen

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FINANCIAL REPORT

UFCW & FELRA VEBA SCHOLARSHIP FUND
SUMMARY OF ACTIVITY
JANUARY 01 to OCTOBER 31, 2018

Item	Amount
Market Value 01/01/18	$232,611
Earnings	$5,301
Receipts	$0
Disbursements	($63,974)
Market Value 10/31/2018	$173,938

ADMINISTRATIVE MANAGER'S REPORT

UFCW AND FELRA

SCHOLARSHIP FUND

THIRD QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

EXPENSES
THIRD QUARTER 2018

Scholarships Awarded

Scholarship		$12,500
FICA		574
Total		$13,074

Expenses

Category		Amount
Administration		$10,740
Miscellaneous		3,033
Total		$13,773

Miscellaneous

Category		Amount
PNC		$8
Postage		2,759
Printing		247
Telephone		19
Total		$3,033

QUARTERLY RECAPS
2018

Income	First 2018	Second 2018	Third 2018	Fourth 2018	Total
Contributions	$0	$0	$0		$0
Interest	1,175	1,652	1,339		4,166
Miscellaneous	0	0	0		0
Total Income	$1,175	$1,652	$1,339	$0	$4,166

Expenses					
Scholarship	$0	$2,500	12,500		$15,000
FICA	0	191	574		765
Administration	10,428	10,740	10,740		31,908
Miscellaneous	786	18	3,033		3,837
Total Expenses	$11,214	$13,449	$26,847	$0	$51,510

Total Income	$1,175	$1,652	$1,339	$0	$4,166
Total Expenses	$11,214	$13,449	$26,847	$0	$51,510
Surplus (Deficit)	($10,039)	($11,797)	($25,508)	$0	($47,344)

Total Recipients	0	1	5		6

Fund Reserve	$218,450	$204,212	$179,498	

QUARTERLY RECAPS
2017

Income	First 2017	Second 2017	Third 2017	Fourth 2017	Total
Contributions	$0	$0	$0	$0	$0
Interest	1,922	3,071	1,540	1,605	8,138
Miscellaneous	0	0	0	0	0
Total Income	$1,922	$3,071	$1,540	$1,605	$8,138

Expenses					
Scholarship	$0	$0	$20,000	$0	$20,000
FICA	0	0	1,530	0	1,530
Administration	10,125	10,428	10,428	10,428	41,409
Miscellaneous	242	89	3,777	2,688	6,796
Total Expenses	$10,367	$10,517	$35,735	$13,116	$69,735

Total Income	$1,922	$3,071	$1,540	$1,605	$8,138
Total Expenses	$10,367	$10,517	$35,735	$13,116	$69,735
Surplus (Deficit)	($8,445)	($7,446)	($34,195)	($11,511)	($61,597)

Total Recipients	0	0	8	0	8

Fund Reserve	$275,056	$268,227	$239,083	$232,593

OTHER FUND BUSINESS

FELRA Scholarship Award SOP

August

- Communications Department - Updates the preliminary application.
  - Updates are reviewed by the appropriate staff, Account Executive, Account Manager and Fund attorneys.
  - The application is emailed to the appropriate union local for placement in its newsletter.
- IT Department - Posts the preliminary application on AA's website.

September 1 – December 31

- Participant Services Department - Receives phone calls from participants and applicants regarding the scholarship application process.
- Mailroom - Date-stamps each preliminary application.
- Administrative Department handles the process from this point forward unless stated otherwise.
  - Manually verifies each participant and his/her dependent's eligibility in the Eligibility system.
  - Individual letters are mailed to non-eligible participants with an explanation as to why they are not eligible, applicants copied.
  - If the participant is not in our Eligibility system, an email is sent to the employer requesting them to verify the participant's employment, hire date and union local.
- Eligible participant and applicant information is posted to a spreadsheet in preparation for mailing the formal application.

January

- Formal applications are mailed to each applicant the first week of January.
- Preliminary applications postmarked after the December 31 postmark date are deemed ineligible. A letter of explanation is mailed to the applicant. The participant receives a copy of this letter.

February - April

- Completed formal applications and attachments are submitted to the Fund Office.
  - Mailroom – Date-stamps the formal application and each attachment.
- Formal applications postmarked after the March 1 postmark date are deemed ineligible. The formal application, attachments and a letter of explanation are mailed to the applicant. The participant is mailed a copy of this letter.
- Each application and included attachments, i.e. personal statement, resume, recommendations letters, etc., are evaluated.
- SAT and ACT scores, GPA, extracurricular activities, honors/awards history, work experience and community activities are recorded on a ranking spreadsheet. Additional comments are noted, i.e., honor curriculum, recommendation letters submitted, extensive community service, etc.

- The ranking spreadsheet is broken down by employer and union local.
- Amount of awards is determined for each employer and local within that employer based on an apportioning created by the Board of Trustees.
- Reports including all applicants and suggested award recipients are created and given to the Account Executive to distribute to the Scholarship Committee.

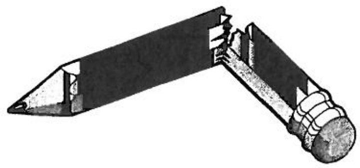
May – August

- Once the Trustees approve the list of potential winners:
    - A congratulatory letter and the Acceptance Agreement is mailed to each winner.
    - A letter is mailed to each remaining applicant stating that they did not win an award but are welcome to reapply the following year if they are eligible.
- Applicants return the Acceptance Agreement and college information to the Fund office.
    - A check request submitted to the Accounting Department.
    - The check with a letter is mailed to the appropriate college for each winner. A copy of the letter is mailed to the participant and the winner.

Note: Throughout the process, all actions are noted in the participant's CP section of their individual record in the Eligibility system.

Accounting Duties

- Reconcile 2 accounts on a monthly basis – 1 Investment and 1 Trust cash account.
- Accounts are monitored monthly to ensure sufficient funding and make any necessary transfers.
- Make payments for operating expenses – Postage, printing, legal, administration.
- Withhold and pay taxes on behalf of the Scholarship payments.
- Create a Quarterly AMR for the Trustees.
- Work with the auditors to perform the annual audit, including gathering and providing all required documentation.
- Maintain and update the general ledger for all transactions on behalf of the Fund.



MEETING NOTES