


**FRANKLIN COUNTY**

<b>TO: BOARD OF FRANKLIN COUNTY COMMISSIONERS</b>	<b>Reviewed:</b> 
<b>FROM: Gayla Stofko</b>	<b>Ext. 3444</b>
<b>DEPARTMENT: Administration/HR</b>	
<b>DATE: October 22, 2008</b>	<b>No.</b>

**ITEM: Approve continuation of agreement with ASI to administer Franklin County's Flexible Spending Account for calendar year 2009**

Background: On November 1, 2006, four proposals were considered by the Commission for the administration of Franklin County's Flexible Spending Account to become effective January 1, 2007. The Commission selected the proposal from ASI and entered into an agreement with them on November 8. The agreement included automatic renewal with no fee schedule changes through December 31, 2011.

Recommended Action: Approve continuation of agreement with ASI to administer the county's Flexible Spending Account for the calendar year 2009, with automatic annual renewal at no fee schedule change through the year 2011, unless terminated by either party.

Attachments: ASI agreement

**FRANKLIN COUNTY SECTION 125 CAFETERIA PLAN  
AGREEMENT FOR SERVICES**

This agreement dated November 8 2006 between Application Software, Inc., hereinafter referred to as ASI and Franklin County hereinafter referred to as "the Client", specifies the services to be provided to Franklin County in the ongoing administration of the Franklin County Section 125 Cafeteria Plan, hereinafter referred to as "the Plan", and the specified responsibilities of Franklin County and ASI. The parties hereto agree as follows:

Administrator

Franklin County shall be the Plan Administrator and ASI, hereinafter referred to as the "Administrative Firm", shall be engaged as a subcontractor in the performance of administrative services for the plan.

Length of Contract

This contract shall be in effect from January 1, 2007, to December 31, 2007 and will automatically renew annually unless terminated by either party. Either party shall have the right to terminate the contract at any time providing 90 days written notice.

Communication Services Provided by ASI

1. Present informational seminars to the employees (optional).
2. Provide telephone assistance for those employees who require assistance to complete their election forms.
3. Provide a sufficient number of introductory flyers so that one may be distributed to each benefit-eligible employee. Provide additional communication pieces in electronic format for online posting or printing by the Client.

Administrative Services Provided by ASI

1. Provide assistance in reviewing the Franklin County Flexible Spending Accts, Dependent Care Assistance Account Plan, and Health Care Reimbursement Account Plan. Inform Franklin County of changes in the Internal Revenue Code and Regulations affecting the Plans and recommend changes in the Plans to assure compliance with applicable Internal Revenue Code and Regulations.
2. Process the initial enrollment from Franklin County provided on electronic media to initiate the administrative function.
3. Provide participants with a packet of claim forms, On-line account inquiry instructions, a confirmation of enrollment, and a direct deposit/e-mail authorization form.

4. Provide Franklin County with a supply of reimbursement claim forms and direct deposit/e-mail authorization forms.
5. Process Dependent Care Assistance Account and Health Care Reimbursement Account reimbursement requests and prepare reimbursements during the Plan Year and the subsequent grace period following the end of the Plan Year according to the following schedule:

All valid claims will be processed no later than the first banking day after receipt by the claims office in Columbia. In the event a claim cannot be paid in full, the participant will be notified of the reason for no or partial payment no later than the first banking day after receipt of the claim by the claims office in Columbia.

6. Provide Franklin County a Statement of Account and a disbursements listing within 10 days following the end of each month summarizing participation.
7. Provide each participant a semi-annual account summary showing year-to-date activity and balance of remaining annual election amounts.
8. ASI agrees to abide by the terms of this agreement and make good faith interpretation of the Plan Terms. ASI shall also be responsible for acts of negligence, fraud, embezzlement, or other misconduct on its part, or the part of its representatives. Clerical error is not negligence if ASI makes a prompt attempt to correct the error once it is discovered. ASI agrees to maintain adequate blanket fidelity or errors and omissions insurance to cover all losses arising out of any such misconduct.
9. Provide each Health Care Reimbursement Account participant who requests one, a stored value card that can be used to purchase prescription drugs at participating pharmacies and for services provided through eligible vendors, including hospitals, health clinics and other known health care providers.

#### Responsibilities of the Franklin County

1. Secure legal review of the Franklin County Flexible Spending Accts, Dependent Care Assistance Plan, Health Care Reimbursement Plan, and Summary Plan Description from Franklin County's legal counsel.
2. Appoint one person to serve as Plan Coordinator to answer simple questions, provide forms, and handle enrollment of new employees.
3. Provide enrollment materials to employees and report enrollment to ASI on magnetic media.
4. Report participant terminations and changes as well as the effective date of such terminations or changes to ASI.
5. Initiate any action required in the event plan(s) become discriminatory.

Banking Arrangement

Franklin County will maintain an account(s) at the bank of its choice, with sufficient funds for the total of the daily reimbursements. Franklin County shall authorize ASI to debit, via Automated Clearing House, these accounts for the total of each day's reimbursements effective the same day as the reimbursements. Reimbursement checks and direct deposits debits will be issued from a general account maintained in the name of ASI at a bank of ASI's choice.

Reports and Data

All reports and data remain the property of Franklin County. ASI will provide Franklin County all data, upon request, in the electronic or printed format used by ASI in its administration processes.

Fees and Terms of Payment

The fee schedule is attached below. This fee schedule is guaranteed through December 31, 2011. ASI shall provide 150 day notice of rate changes for any year beginning after December 31, 2011.

The Monthly Fees will be billed on the monthly invoice and are due within thirty (30) days following the billing date. The Monthly Fee for participants ceases the month following cessation of coverage.

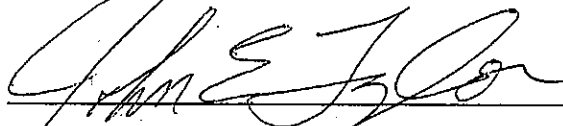
FEE SCHEDULE

Effective: 01/01/2007 through 12/31/2011

Monthly Fee per Flexible Benefits Plan participant	\$4.00
Optional Debit Card	\$1.50
Additional Debit Card Requests	\$5.00 per request (with no additional monthly fees)
Grace Period Administration	\$4.00 per participant with greater than \$100 fifteen days after the end of the plan year—one-time fee
Employee meetings (optional) annually	priced per year

The terms of this contract, as stated above, are agreed to

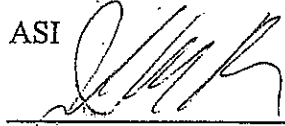
Franklin County

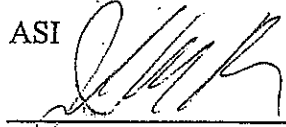
By: 

Date: 11-8-06

Name: John E. Taylor

Title: Commission Chairman

ASI 

By: 

Date: 11/27/06

Name: John M. Riddick

Title: President