

ACTIVIST

NALC

A NEWSLETTER FOR BRANCH LEADERS OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS
VOL. 21, NO.3
November 2008

Is now the right time . . .

To buy a branch building?



Branch 1119 (Marietta GA) acquired this attractive building in 1988, and completed a 3000 sq. ft. addition in 2002. In addition to hosting union meetings, the hall is available for rental by both members and non-members for private functions.

Disclaimer: *This article is not intended to be, nor should it be taken as, professional real estate advice. It provides the observations of various leaders from branches which have purchased property recently.*

Is this a good time to buy or build a branch building? You may get as many opinions on this question as there are types of branch properties, but according to a leading commercial real estate professional, “...*this is the best time—in*

my 20 year career—to purchase a commercial piece of property...as long as you have prepared well in advance and you’ve done your homework.”

According to the realty professional interviewed for this article, with companies forced to downsize by the economy’s near-collapse, commercial property is a buyer’s market. Many companies have held onto a diverse property portfolio for years, waiting to develop new mar-

kets. These properties were gaining value as the real estate market continued to climb, but now are falling in value and becoming a liability as businesses find it necessary to consolidate assets and reduce expenditures.

What does this mean to the buyer? It likely means a property which was unattainable a few years ago, can now be purchased at much lower price from a very motivated seller. What is the advantage to a branch? Aside from the potential for a cheaper price, you are in the stronger negotiating position.

This doesn’t mean you should run out and purchase the next building you find; you must exercise due

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SECRETARY TREASURER

Contractors vs. employees

An IRS story

A tale of Tom's taxes

Once upon a time there was an NALC branch. The branch paid a small stipend to each of its shop stewards – a mere \$49 per month. The stipend was meant as a small reward for stewards who attended union meetings, investigated grievances, took calls from carriers during evenings after work, and copied papers at their own expense. The \$49 was not much, but it showed the branch's appreciation for the stewards' hard work.

The long-time branch treasurer was named Tom. Tom had asked around and decided that the branch could pay the steward stipends without reporting them to the Internal Revenue Service. No forms to fill out, no withholding headaches, no quarterly payroll tax. To be on the safe side, the branch told the shop stewards they were required to report the stipends to the IRS as income.

Treasurer Tom was glad he had recommended setting the stipend at \$49 per month. The stewards' annual total came to \$588. That was less than \$600, the threshold amount that would have forced the branch to file a Form 1099 reporting each of the payments (IRS Form 1099-MISC, Miscellaneous Income).

Of course, Tom knew he had to file Forms 1099 every year to report the salaries of the top branch officers. The branch by-laws provided for annual salaries for the top

three officers: President, \$5,000; Vice President, \$4,000; and Treasurer, \$3,000.

Q: What's wrong with this picture?

A: Everything. Clearly, Tom had never been to an NALC's National Secretary-Treasurers class. If he had attended, he would have learned that his branch had violated tax laws. If the IRS were to audit the branch, the union could suffer fines and penalties and have to pay three years of back taxes. And—here's the only positive result—it would have to correct its financial system to comply with the tax laws.

The IRS definitions

Under the tax law, whenever a union (branch, state, or national) pays someone to perform work, the individual paid is either an *employee* or an *independent contractor*.

(Note that *per diem* is a different story – it is not pay for work. Rather, *per diem* is paid to cover lodging, meals and incidental expenses for convention delegates or union employees who travel on union business away from home overnight.)

The distinction is important, for it determines how the tax laws apply to the union and to the individual. If the individual is an employee, then *payroll taxes* are required. If the individual is an independent contractor, then the tax and paperwork burden on the union is far less, for the **1099 rules** apply. More on the tax rules later.

First, the legal definitions:

Employee: An individual paid to work for the union is an "employee" if the union *controls the details of the individual's performance of the work*. That is, if the union determines not only what work needs to be done, but also *how* the paid worker is to do it, then the worker is probably an employee. The IRS uses a set of factors to determine, on a case-by-case basis, whether a paid worker is an employee. An individual is more likely to be an employee if, for example:

- The branch provides the individual with materials, tools, training, or detailed instructions for getting the job done;

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William H. Young, President



- The union pays the individual by the hour or day rather than by the job; and
- The individual works for the union but not for others.

When the IRS examines a factual situation, it uses these factors and others to determine whether an *employer-employee relationship* exists. If it does, payroll taxes are required.

Independent contractor: A non-employee or independent contractor, on the other hand, typically has a more arms-length relationship with the union. A paid worker is more likely to be an independent contractor if, for example:

- The worker provides his or her own materials and tools;
- The worker has special expertise and decides how the work is to be done;
- The worker offers similar services to others; and
- The worker is paid by the job.

Example: A branch hires a college student to network the union’s computers, create a membership database, and create a data backup system for branch files. The student has performed similar jobs for small businesses in the past. The union tells the student basically what it wants. The student selects appropriate hardware and software, installs and customizes both, creates the database, and shows branch officers how to use the system. The branch pays the student \$5,000 for the entire job.

The college student is probably an independent contractor. The branch need only file a Form 1099 at the end of the year to report its payment to the student. The student is responsible for reporting the in-

Branch Tax Liabilities	Withhold from Employee Paychecks and Pay Over to Government	Pay to Government
Federal Income Tax	X	
State Income Tax	X	
Employee portion of Social Security Taxes (FICA)	X	
Employer share of FICA		X
Federal Unemployment Tax		X
State Unemployment Tax		X

come in his or her personal tax filing.

Back to Treasurer Tom

Q: What about those shop stewards and branch officers? Are they employees or independent contractors?

A: The answer is straightforward and definite:

The IRS has ruled that officers serving on the executive boards of unions are *employees*.

It has also advised, in a number of Opinion Letters, that shop stewards are *employees* as well, because the local union typically *controls the details of the performance* of the stewards’ work. NALC’s shop stewards are clearly employees under the Opinion Letters, because they receive training, materials, and specific instructions from the union concerning their duties and responsibilities.

Q: If officers and stewards are all employees, what about other branch activists? How would the IRS treat payments to branch editors, MDA coordinators, and others who perform work for the branch?

A: They are all *employees*, too, so all payments to them are subject to *payroll taxes*.

Payroll taxes - What must Be done?

So all union officers, stewards, and other activists are employees when the union pays them for work. The IRS classifies their pay as *wages* and those wages are subject to *payroll taxes*.

What does all this mean for Treasurer Tom, in the example above? He needs to set up a payroll system to calculate, withhold, and pay to the government the taxes due on the branch’s payments to officers, stewards and other employees.

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OSHA form 300

A resource for branch OWCP reps

Many NALC branches face a common problem when providing assistance to letter carriers with OWCP claims: branch OWCP representatives don't learn about an on-the-job injury until late in the claims process, after errors have been made by the Postal Service and/or the injured worker. Such errors can result in denied claims, delayed compensation payments, and unpaid medical bills.

Early involvement by a trained branch OWCP representative can help prevent errors. But education efforts to encourage letter carriers to immediately advise the branch of on-the-job injuries don't always work. Fortunately, an OSHA requirement—OSHA's Form 300—can be accessed by branches to help ensure safe workplaces and obtain timely knowledge of reports of on-the-job injuries.

The Problem

When letter carriers don't get timely assistance from their branch with on-the-job injuries, the chances of having serious problems with their OWCP claims increase. Most letter carriers, as well as most USPS supervisors, don't have much expertise when it comes to OWCP claims. That lack of knowledge often results in claim errors.

For instance, a branch Injured Worker Specialist (IWS) recently reported that he first learned on October 17 that a branch member

had suffered a traumatic injury on September 10, and that a supervisor had wrongly advised the letter carrier to submit a Form CA-2A (instead of the appropriate Form CA-1). As a result, the letter carrier had gone without Continuation of Pay (COP) for more than five weeks. While that error was ultimately correctable, the delay in payment could have easily been avoided if the branch IWS had known about the injury earlier.

Another common error occurs when management fails to forward a completed Form CA-1 or CA-2 to OWCP within the required time limit of ten working days. This unavoidably causes OWCP adjudication delays, and concurrent delays in payment of wage-loss compensation and medical expenses. USPS managers are much less likely to illegally delay submission of CA forms to OWCP if a branch shop steward or other representative knows about the injury. The branch officer can ensure that :1) the manager knows about the time limit and 2) the consequences to the manager of failing to meet it are swift and certain.

Management and worker errors in processing OWCP claims cause problems for injured workers in many ways. Most branches report they are very successful with OWCP claims when involved immediately or shortly after the claim is filed. Early involvement helps avoid, or can quickly correct, management and worker errors.

The longer errors go undetected, the more difficult it becomes to correct them. An OWCP claim is usually easier to get accepted on the original submission that it is on appeal, after OWCP has made a formal decision to deny it. More work is involved in correcting adverse OWCP decisions than in precluding them in the first instance. The evidence necessary to correct an error is usually more readily obtainable closer in time to the occurrence than it is later.

Typically, branches try to motivate letter carriers to immediately notify the branch whenever they suffer on-the-job injuries through routine outreach efforts, such as notices in branch newsletters, discussions at branch meetings, and informal conversations with branch members. Most branches report limited success with such attempts. Various reasons explain that limited success: many carriers don't read the Branch newsletter or attend meetings; others may have misplaced trust in the competence or integrity of their supervisors; still others may be particularly vulnerable to management intimidation when they suffer an injury; some may be physically unable to notify the union due to their injury.

Whatever the reason, the fact remains that typical branch outreach efforts don't always work. Branches are well-advised to find additional methods to ascertain who has suffered an on-the-job injury and when. If additional methods are

available, the branch can contact the letter carrier and offer assistance.

One obvious method flows from Article 41.3P of the National Agreement, which requires USPS to promptly notify the local union president of any job-related vehicle accidents involving city letter carriers. Branches that rigorously enforce this provision of the National Agreement have an easy method of learning about some on-the-job injuries in a timely manner—those that are caused by vehicle accidents. The branch president, who must be promptly notified by USPS of vehicle accidents, should then automatically inform the branch IWS. He/she can then contact the letter carrier involved in the vehicle accident to determine if an injury was involved, and if so, offer assistance with the OWCP claim.

While there is no similar National Agreement requirement that obligates USPS to notify local branch presidents of accidents that do not involve vehicles, there is a

legal requirement that obligates USPS to make a timely record of on-the-job injuries. Branch representatives have a right to access to that record.

A solution

The Occupational Safety and Health Act (OSHA) requires the Postal Service to keep a log of work related injuries and illnesses. The log is called the OSHA 300 (see the example below). Each facility must maintain one. Its use is mandatory. Management must record most on-the-job injuries by name and date of injury (as well as other data). Entries must be completed within seven calendar days of receiving information that an illness or injury occurred. Forms must be retained for five years. Management must provide a copy of the OSHA 300 to an authorized union representative by the end of the business day after the day an oral or written request is made.

The requirements listed above can be found at 20 CFR 1904.

(Specific OSHA regulations dealing with Form 300 are listed on page 8.) OSHA will enforce them upon a formal complaint by a union representative. Complaints can be initiated by calling the appropriate area OSHA office. Phone numbers can be accessed online, by clicking the appropriate state on the map at the following website:

<http://www.osha.gov>.

Experience has shown that local USPS management will not welcome an OSHA investigation. OSHA has authority to levy fines, and does not hesitate to exercise that authority when its investigations show violations of the above regulations.

Thus, branches have a relatively quick method of forcing compliance when they are faced with a local management team that is not aware of the OWCP recordkeeping requirements, or is otherwise not in compliance.

In response to a question from NLRB, asking whether an employer

OSHA's Form 300 (Rev. 01/2004)

Log of Work-Related Injuries and Illnesses

You must record information about every work-related death and about every work-related injury or illness that involves loss of consciousness, restricted work activity or job transfer, days away from work, or medical treatment beyond first aid. You must also record significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. You must also record work-related injuries and illnesses that meet any of the specific recording criteria listed in 29 CFR Part 1904.8 through 1904.12. Feel free to use two lines for a single case if you need to. You must complete an Injury and Illness Incident Report (OSHA Form 301) or equivalent form for each injury or illness recorded on this form. If you're not sure whether a case is recordable, call your local OSHA office for help.

Identify the person		Describe the case				Classify the case <small>CHECK ONLY ONE based on the most serious that case:</small>	
(A) Case no.	(B) Employee's name	(C) Job title <small>(e.g., Welder)</small>	(D) Date of injury or onset of illness	(E) Where the event occurred <small>(e.g., Loading dock north end)</small>	(F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill <small>(e.g., Second degree burns on right forearm from acetylene torch)</small>	(G) Death	(H) Days away from work
_____	_____	_____	____/____/____ <small>month/day</small>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	_____	____/____/____ <small>month/day</small>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	_____	____/____/____ <small>month/day</small>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	_____	____/____/____ <small>month/day</small>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

Form 300 can be accessed on-line: <http://www.osha.gov/recordkeeping/new-osha300form1-1-04.pdf>

may redact names of non-union employees when it turns over the OSHA 300 Log to an employee representative, an OSHA Letter of Interpretation responded:

[OSHA's] longstanding practice of providing access to all of the information on the 300 Log permits employees and their representatives to be totally informed about the employee recordkeeping practices, and the occupational injuries and illnesses recorded in the workplace. The data included on the 300 Log assists employees and their representatives in their voluntary efforts to uncover and eliminate workplace safety and health hazards. In addition, the name of the employee listed on the 300 Log is important in understanding and verifying recordable cases. In many cases it may be necessary to speak with a specific employee to determine the conditions that lead to the injury or illness, and this is impossible without access to employee names. The removal of non-union employees listed on the 300 Log would diminish an employee representative's ability to uncover safety and health hazards in the workplace. OSHA Recordkeeping Handbook Section 1904.29 (9/9/05)

The OSHA Recordkeeping Handbook can be accessed online: <http://www.osha.gov/recordkeeping/handbook/index.html>

Branch representatives clearly have a right to ongoing information about illnesses and injuries in their workplaces in order to help eliminate workplace safety and health hazards. In fact, USPS Handbook EL-809 (Joint Labor Management Safety Committee Training) references several management reports that the committee should use in carrying out its responsibilities, in-

(Continued on page 11)

OSHA Form 300 in Federal Register and ELM

29 CFR 1904.29(a) Basic requirement. You must use OSHA 300... for recordable injuries and illnesses. The OSHA 300 form is called the Log of Work-Related Injuries and Illnesses...

29 CFR 1904.29(b)(3) How quickly must each injury or illness be recorded? You must enter each recordable injury or illness on the OSHA 300 Log... within seven (7) calendar days of receiving information that a recordable injury or illness has occurred.

29 CFR 1904.33(a) Basic requirement. You must save the OSHA 300 Log... forms for five (5) years following the end of the calendar year that these records cover.

29 CFR 1904.35(a)(1) Basic requirement. Your employees and their representatives must be involved in the recordkeeping system in several ways.

29 CFR 1904.35(b)(2)(i) Who is an authorized employee representative? An authorized employee representative is an authorized collective bargaining agent of employees.

29 CFR 1904.35((b)(2)(iii) If an employee or representative asks for access to the OSHA 300 Log, when do I have to provide it? When an employee... or authorized employee representative asks for copies of your current or stored OSHA 300 Log(s) for an establishment the employee or former employee has worked in, you must give the requester a copy of the relevant OSHA 300 Log(s) by the end of the next business day.

29 CFR 1904.35(b)(2)(iv) May I remove the names of the employees or any other information from the OSHA 300 Log before I give copies to an... employee representative? No, you must leave the names on the 300 Log. However, to protect the privacy of injured and ill employees, you may not record the employee's name on the OSHA 3400 Log for certain "privacy concern cases," as specified in paragraphs 1904.29 (b)(6) through 1904.29(b)(9).

ELM 821.122 OSHA Requirements

In accordance with OSHA Part 1904, an OSHA Form 301 must be completed for each recordable injury or illness. The original OSHA 301 must be maintained along with the OSHA 300 Log for 5 years.

ELM 821.141 OSHA 300, Log of Work-Related Injuries and Illnesses

In accordance with 29 CFR 1904, each facility must maintain an OSHA 300 log by calendar year that lists all OSHA-recordable occupational injuries and illnesses. All such injuries and illnesses must be recorded on the log within 7 days of notification.



Books for branch leaders

While there are many books on labor law and labor history, it is not always easy to find material to help branch officers carry out their duties. The two books reviewed here go some way towards filling this gap. The first, *I Just Got Elected—Now What?* is appropriate for any new union officer, while the second is designed to help local union trustees carry out their important work.

Barry, Bill. *I Just Got Elected — Now What? A New Union Officer's Handbook*. Annapolis MD: Free State Press. 2007. \$10.00.

You decide to run for office and then you actually get elected. What have you let yourself in for? Bill Barry's book is meant to get you thinking and planning, once the shock of your success wears off. This slim handbook certainly will not answer all of your questions, but it will help you assess your new role and where you fit in your branch. In approximately 50 pages, Barry quickly covers the important issues that you, as a new union leader, need to be considering.

I Just Got Elected—Now What? contrasts two models of unionism: organizing and servicing. The organizing model emphasizes the involvement of all members, fostered by communication and concern for improving members' skills and abilities. In this model, decisions flow up from an active membership to the union's leaders.

The more reactive servicing model emphasizes grievance-handling and arbitration as the best way to solve members' problems.

With this approach, the union may rely more on the use of a limited number of experts. The membership can become passive and feel cut off from their leaders. The author, Bill Barry, believes the organizing model offers a better way to an effective labor movement, and this view of how a union should operate informs his book.

You do not need to embrace the organizing model of unionism to find Barry's suggestions for how to think about the union and your new job helpful. Chapters cover important topics such as strategic planning, analysis of union functions, individual change, and communications. Each chapter ends with a "to-do" list which encourages you to analyze your own branch in relation to the topic discussed. Barry's book can't guarantee that a new union official will become an effective leader, but it can certainly give the reader a good start.

Lund, John. *Auditing Local Union Financial Records: A Guide for Local Union Trustees*. Annapolis, MD: Union Communication Services, 2005. \$15.00.

As the author of *Auditing Local Union Financial Records: a Guide for Local Union Trustees* notes, "Well-informed and conscientious trustees and local auditors are the best defense against financial misunderstandings and potential misdeeds within their local unions." This concise guide has been helping trustees do their job for over 15 years.

Chapters cover all aspects of the trustee's job: trustees' rights and

responsibilities, income sources, assets, disbursements, and the audit report itself. Each chapter combines background information with sample documents and worksheets that can be used when actually carrying out an audit. A self-test concludes each chapter, so that the reader can gauge how thoroughly he or she has understood the material (don't worry—the answers are included).

Lund's book nicely supplements the Office of Labor-Management Standards [OLMS] guide, *Conducting Audits in Small Unions* [available on the NALC web site]. The OLMS guide includes an audit planner and useful sample forms. While OLMS provides a step-by-step overview of an audit, Lund clearly places the audit in the context of local union operations. His book provides a clear explanation of the audit process and related issues, not just a checklist of the steps to take.

Trustees who rely on both sources should feel comfortable that, when conducting an audit, they have the information needed to do a thorough, businesslike job. Potential problems can be spotted so that they can be corrected or, better yet, avoided entirely.

The books reviewed here, and others of interest to the labor activist, can be obtained from the following source.

Union Communication Services
165 Conduit St.
Annapolis MD 21401-2512
800-321-2545
www.unionist.com

Buying a branch building

(Continued from page 1)
 diligence with your branch funds and responsibilities. According to many commercial realty advisers, the downturn in commercial real estate prices could continue for the next 18-24 months. Just like successfully handling a grievance—and to repeat the realtor’s advice—do your homework and prepare.

Homework and preparation

Clearly, the first order of business is to know the will of the branch—does your branch need or want to own a property? Depending on your branch by-laws, the branch should consider forming or appointing a committee to determine its specific needs. A building committee can have as many different configurations as there are building options. Some committees are made up of the branch executive

council, while others contain branch officers, trustees and members with specific construction and realty knowledge. Still others rely on representatives of the rank and file.

The important thing is to be transparent with the committee selections and clear in defining its purpose. The committee should establish the branch’s goals in owning a building, and the requirements a building should meet. It can then determine what sort of building would satisfy the goals of the branch. Of course, determining those goals and requirements may prove a challenging task in and of itself.

Some of the goals, such as pride and involvement in the branch, are

intangible. Branch 364 President Ray Maki indicated the purchase of the “old Post Office” building for the branch hall has built camaraderie within the branch. The Clarksville TN branch has only 70 members, but the purchase of the building has brought the branch’s purpose into a clearer focus: *“We’re here to build the organization, not a social gathering,*

Start your building fund now.

**Bynoskia Sams
 President
 Branch 578
 Savannah GA**

but for a branch of our size we’re very proud of our building. The acquisition of the building brought the union’s activities into a centralized location and is creating a more effective organization.”

The first requirement the branch may want to consider is, as the realtors say, location, location, location. Obviously, some sites can be prohibitive because of cost or zoning, but the branch may wish to have a building which is within convenient proximity of a particular postal facility. A good location for other branches might be one located near to good infrastructure access, such as the freeway or main traffic arteries. Other branches may place a high value on parking for a certain number of autos, if, for instance, there are limitations on off-street parking.

When a committee is studying what sort of building would be most suitable, it is important to know exactly what its uses are going to be. Some branches have buildings which serve only as administrative offices for the branch. These branches typically have two or three rooms within the building, along with a small conference room for executive board meetings and



Branch 9’s office in Minneapolis, MN, proudly proclaims it’s the Jerome Keating Branch.



Branch 343 moved into this building in the historic Soulard neighborhood of St. Louis in 1984. It's the second building the branch has owned.

Dollars and cents

While knowing what type of building is desired is essential, there really is a more fundamental question: how do you pay for it? According to the majority of lenders, a commercial borrower must have at least 20% to put down when seeking a mortgage. Again, planning is key and your financial plan must be solid. The branch is looking at quite possibly the largest single financial commitment it has ever made and likely will ever make again.

If your branch is planning to take out a mortgage, you have to be ready. Some branches establish a building fund separate and apart from the general fund, while others budget a mortgage from the general fund. Many branches have been saving and investing in a building account for years. Either way, unless a branch is independently wealthy or has existing assets which can be converted to finance a building, an increase in dues is the most common option for

branches wishing to purchase a building. According to article 15 of the *NALC Constitution*, any such dues increase requires a change to the branch by-laws. If a dues increase is necessary, the recommendation of the building committee must be clear and easily understandable in order to help the branch make this weighty decision.

Incidentally, don't forget the building is just a shell. You need to consider the costs associated with furnishing your building. Are you

an area for records storage and retrieval. Other branches have properties which provide administrative offices and a large meeting room to accommodate the regular monthly branch meeting. Some branch buildings house both administrative offices and other rooms which are rented to tenants, providing income, and some branches have a combination of all these types.

After determining the uses for a prospective building, the committee should recommend how many square feet are needed. An office measuring 12' by 15', or 180 square feet, would accommodate a desk or workstation, a couple of chairs, a book case and two or three file cabinets. Three such offices and a like-sized conference room, plus a restroom facility and entry area will push the size of the building to near 1000 square feet. If a branch wants a hall for a general branch meeting, its size should be considered relative to the number of members the committee anticipates will attend. The branch might be planning to include food preparation and service areas with a meeting facility.

When the branch is presented with these options, it can then make an educated decision on a building.

Once the goals and requirements are defined and agreed upon, stay focused. Branch 9 President Pam Donato said it is very important to have a clear picture of what you want in mind, since *"...it's easy to become enamored with the idea of the building and cast the priorities aside without a check list."* If your study and requirements calls for a single story building, but you can only find buildings with two or three floors, don't jump on the two or three story building just to have a building. The items on your building check list presumably are there for good reason; they should not be dismissed for the sake of acquiring a structure **without** good reason.

Make sure you are financially sound.

**Pam Donato
President
Branch 9
Minneapolis MN**

looking at buying new or additional office furniture? Will your branch have to purchase of tables and chairs for a meeting hall? If you opted to purchase a building with kitchen facilities—commercial cookery isn't cheap—have you calculated those expenses?

The hunt

Once the branch has decided on the building's requirements, goals, and financing, the hunt is on. Just as with your own house, there is a wide range of ways to find just what you want. Do you enlist a real estate agent? Does the committee run down every lead the members pass along? In short, how do you find the right place?

Branch 2, Milwaukee WI President Steve Erceg said, "*keep your eyes wide open*" and "*exercise due diligence—check the building codes and zoning laws, for example.*" There probably isn't a single formula for success when it comes to searching for the right building. Before actually looking at properties, the branch may want to contact a reputable structural engineer who would be willing to inspect any building of interest. Such a big

investment calls for a good second opinion. Many perfectly sound looking buildings have proven to be less than met the eye upon closer inspection.

Should your branch elect to use a real estate agent, consider whether to use an agent who specializes in commercial realty or not. While in some regards the sale of real estate is the same whether it is residential or commercial, your search may require the expertise of a realtor with the specialized knowledge of that market. It may be advisable to use an agent that specializes in representing buyers rather than both buyers and sellers, to avoid any possible conflict of interest on the part of the agent.

For some branches, the "hunt" may be easy and a building selected without the assistance of a realtor. In those cases, the branch may wish to hire an attorney who deals with real estate to help navigate the complexities of contracts and associated paperwork. Some real estate agents will agree to assist with the paperwork for a set fee, which is far below the normal commission rate. Bear in mind, the current market puts the prepared buyer in a strong

negotiating position for these services as well as the purchase price.

Responsibility

The purchase of a branch building will probably be the largest single investment/expenditure your branch will ever undertake. Every branch which can afford a building doesn't need a building. As a branch leader you are going to be asked to take on the mantle of responsibility by the rank and file—the mantle is heavy. Are you better off to lease? What are the tax implications? What is the liability?

Take advantage of every resource available to you. Seek out the advice of your tax attorney. Call your business agent to get the number of other branches with buildings—weigh their counsel. Seek information from our National Secretary-Treasurer Jane E. Broendel's office. Most of all, be thorough in your research, transparent in your explanations, very careful with the branch's money, and, after a full vetting of the information—trust the will of the branch.

The next issue of the *Activist* will discuss management of branch buildings.

Employees vs. contractors

(Continued from page 3)

The taxes the branch must withhold and/or pay to the government are shown in the box on the top of page 3.

All this may be a challenge for Tom, who wears a green eyeshade while recording financial transactions in an old-style ledger, by candlelight. He may need to learn how to use financial software such as Quickbooks, Peachtree, or something similar. These powerful accounting programs can handle

branch accounting tasks, and they offer payroll services that can shoulder much of Tom's burden. [See www.intuit.com and www.Peachtree.com for more information about these programs.]

How To start complying

Tom is nervous about his branch suddenly starting to comply with the payroll tax laws. Won't that send up a red flag and trigger an audit? He's heard some scary stories about IRS fines and penalties totaling thousands of dollars.

Q: Should Tom's branch just lay low and hope the IRS won't notice them?

A: Absolutely not. Many NALC branches have begun complying with the payroll tax laws after learning of their obligations. To date, not one has been punished for doing so. Some branches have simply started to comply at the start of a calendar quarter. Others have visited the IRS and asked for help. Either way, Tom's branch needs to comply right away. Paying taxes properly is part of Tom's duty as a branch officer. He

Training Seminars & State Conventions

Listed below are the educational and training seminars planned for the beginning of 2009. For more information, contact your National Business Agent. Regions not listed have no training scheduled until later in the year.

Region 2—NBA Paul Price, (363) 892-6545
Alaska, Utah, Idaho, Montana, Oregon, Washington
March 13-14 Oregon State Convention, Salem, OR
March 27-29 Washington State-wide training, Wenatchee, WA
April 28-May 3 Regional Assembly, Anchorage, AK

Region 4—NBA Wesley Davis (501) 760-6566
Arizona, Arkansas, Colorado, Oklahoma, Wyoming
February 6-7 Colorado State Training, Pueblo, CO

Region 5—NBA Mike Weir (314) 872-0227
Missouri, Iowa, Nebraska, Kansas
February 21-22 Regional RAP Session, St. Louis, MO

Region 6—NBA Pat Carroll (248) 589-1779
Kentucky, Indiana, Michigan
May 15-17 Indiana State Convention, Indianapolis, IN
May 31-June 2 Michigan State Convention, Mt. Pleasant, MI
June 14-16 Kentucky State Convention, Lexington, KY

Region 8—NBA Lew Drass (256) 828-8205
Alabama, Louisiana, Mississippi, Tennessee
March 15-18 Regional Assembly/Training Seminar, Tunica, MS

Region 9—NBA Judy Willoughby (954) 964-2116
Florida, Georgia, North Carolina, South Carolina
March 7-8 Stewards' Training, Pooler, GA
March 13-15 Stewards' Training, Maitland, FL
April 30-May 2 Stewards' Training, Greenville, SC

Region 10—NBA Gene Goodwin (281) 540-5627
New Mexico and Texas
February 14-16 Spring Training Seminar, Houston, TX
April 19 TSALC District 3 Meeting, Childress, TX

Region 12—NBA William Lucini (215) 824-4826
Pennsylvania, South and Central New Jersey
February 22-24 Annual Training Seminar/Workshop, Atlantic City, NJ

Region 13—NBA Timothy Dowdy (757) 934-1013
Delaware, Maryland, Virginia, West Virginia, Washington, DC
February 3-4 Region-wide New Stewards' Training, Charlottesville, VA
February 15-16 Delaware Shop Steward Training, Wilmington, DE
February 19-20 Virginia Shop Steward Training, Richmond, VA
February 25-26 Maryland/DC Shop Steward Training, Hagerstown, MD

Region 15—NBA Larry Cirelli (212) 868-0284
Northern New Jersey, New York, Southwest Connecticut
January 4-6 Annual Training Session, Atlantic City, NJ

owes it to the membership to do the right thing. Anything less would risk the branch's financial well-being and its reputation.

For More Help

For more information on payroll taxes, see:

IRS *Publication 15 (2008)*, (*Circular E*), Employer's Tax Guide, available www.irs.gov,

IRS Forms W-2, W-4, 940, and 941, also at www.irs.gov,

NALC's *Branch Officer's Guide to Finance and Administration*, Chapter 4, "Reporting to the IRS," available at www.nalc.org/depart/sectreas. ■

OSHA form 300

(Continued from page 6)

cluding the OSHA 300. (A list of specific references in the ELM can be found on the opposite page. Note that the reference in the EL-809 to the OSHA 200 is outdated, as the 200 was replaced by the 300 in 2002.)

Branches can exercise their right to help achieve safe and healthy workplaces by monitoring the OSHA 300 on a regular basis, and at the same time obtain timely information about which of their members may need or appreciate assistance with OWCP claims. ■

USPS

BY THE NUMBERS

USPS Operations

<u>FY 2008—4th Quarter</u>	<u>Number</u>	<u>Change from SPLY*</u>
Total mail volume year-to-date (YTD) (Millions of pieces)	201,128	-4.5%
Mail volume by class (YTD in millions)		
<i>First-Class</i>	91,697	-4.8%
<i>Periodicals</i>	8,605	-2.2%
<i>Standard (bulk mail)</i>	75,415	-3.7%
<i>Packages</i>	846	-3.3%
Daily delivery points	149,192,286	0.8%
<i>Percent city</i>	58.5%	-0.02%
<i>Percent rural</i>	26.2%	0.3%
<i>Percent Highway Contract</i>	1.9%	-3.1%
City carrier routes	161,648	-1.1%
Rural carrier routes	76,575	2.3%

*SPLY = Same Period Last Year

Employment and Wages

<u>FY 2008 —Pay Period 20</u>	<u>Number</u>	<u>Change from SPLY*</u>
City carrier employment	218,874	-1.9%
<i>Percent union members</i>	91.8%	-0.8%
Transitional	7,213	n/a
<i>Percent of bargaining unit</i>	3.3%	n/a
City carriers per delivery supervisor	17.8	2.8%
Career USPS employment	663,239	-3.1%
City carrier avg. straight-time wage	\$24.09/hr	4.0%
City carrier overtime ratio —FY2008 (OT hrs/total work hours)	10.7%	—
Ratio SPLY	14.5%	—

Finances

Full Year 2008 (billions)

Operating Revenue	\$ 74,932	0.2%
Operating Expenses	\$ 77,738	-3.0%
Operating Income	\$ (2,806)	



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