

MEMORANDUM

TO: Board of Trustees

FROM: Erin Feore, Director of Human Resources; and
Kent Walrack, General Manager

SUBJECT: Review, discuss and possibly approve a contract award with First NonProfit, the District's third-party administrator for Unemployment Claims; Annual Contract for calendar year 2025 in the amount of \$206,400

RELATED DISTRICT POLICY, PRACTICES, RESOLUTIONS or ORDINANCES: N/A

DATE: December 3, 2024

I. RECOMMENDATION

The Board of Trustees make a motion to approve a contract award to First NonProfit, the District's third-party administrator for unemployment claims for plan year 2025 in the amount of \$206,400.

II. BACKGROUND

IVGID has contracted with First NonProfit since January 2004 for third party unemployment claims assistance to include:

- Auditing benefit charges for inaccuracies
- Processing separation data and claims
- Providing professional representation at unemployment hearings on behalf of the District
- Providing Claims Status reports
- Providing access to an HR database website for regulations updates, workplace compliance information, and HR related trainings

Following the influx of unemployment claims received by DETR (Department of Employment, Training and Rehabilitation) during the COVID-19 shutdown and ongoing pandemic, the District received a record-high experience rating, as had most employment organizations across the United States. As the pandemic

began to subside, greater scrutiny was placed on ongoing claims, first received during the height of the pandemic. This has resulted in an increase of unemployment hearings; however, thanks to the careful documentation provided to and the diligent collaboration with First NonProfit by the Human Resources team, the District has received a greater number of favorable rulings than in years past. We believe this collaborative work has resulted in an overall 3% reduction in unemployment costs, as outlined in the First NonProfit proposal.

First NonProfit continues to monitor recent legislation to ensure ongoing compliance and provide benchmarking data to Finance. Examples of such data include:

- Evaluation of the Wyden-Bennet Plan rewrite:
 - This proposed legislation would seek to expand unemployment benefits to better meet the needs of the modern workforce and more effectively respond to economic crises. If approved, this would possibly increase base benefits and work to minimize the disparity of benefits between the states.
- Nevada State Unemployment Changes:
 - The taxable base wage in Nevada has increased for \$40,600 to \$41,800.
 - It is anticipated that the weekly benefit award (WBA) will have a 4.1% increase.

III. FINANCIAL IMPACT AND BUDGET

The annual bonded service agreement recommended for approval is for a fixed fee of \$206,400 and represents a \$6,300 decreased over the fixed fee for calendar year 2024.

IV. ALTERNATIVES

None; the District must have Unemployment Insurance. The District may choose to direct staff to explore alternative third-party provider(s) for administration of the District's Unemployment Insurance claims processing.

V. COMMENTS

This item is included on the Consent Calendar as it is a required item of doing business within the State of Nevada and is a budgeted item in Fiscal Year 2024-2025.

VI. DISTRICT IMPROVEMENT, COST REDUCTION, RETURN ON INVESTMENT OR PRODUCTIVITY ENHANCEMENTS

Effective administration of the District's Unemployment Insurance claims, ensures that the District's liabilities are managed consistent with evolving federal and state laws impacting employee benefits as well as liability requirements imposed on employers. The services provided through this contract also significantly minimizes the District's exposure to fraudulent unemployment insurance claims.

VII. ATTACHMENTS

1. IVGID Renewal Packet from First NonProfit for Plan Year 2025
2. IVGID Bonded Services Agreement for Plan Year 2025



Incline Village General Improvement

1/1/2025 – 12/31/2025





First Nonprofit

- Founded by United Way in 1978
- Based in Chicago, Illinois
- Our State Unemployment Insurance (SUI) programs serve more than 2,300 organizations across the country, covering nearly 710,000 employees.
- An Amynta Group Company

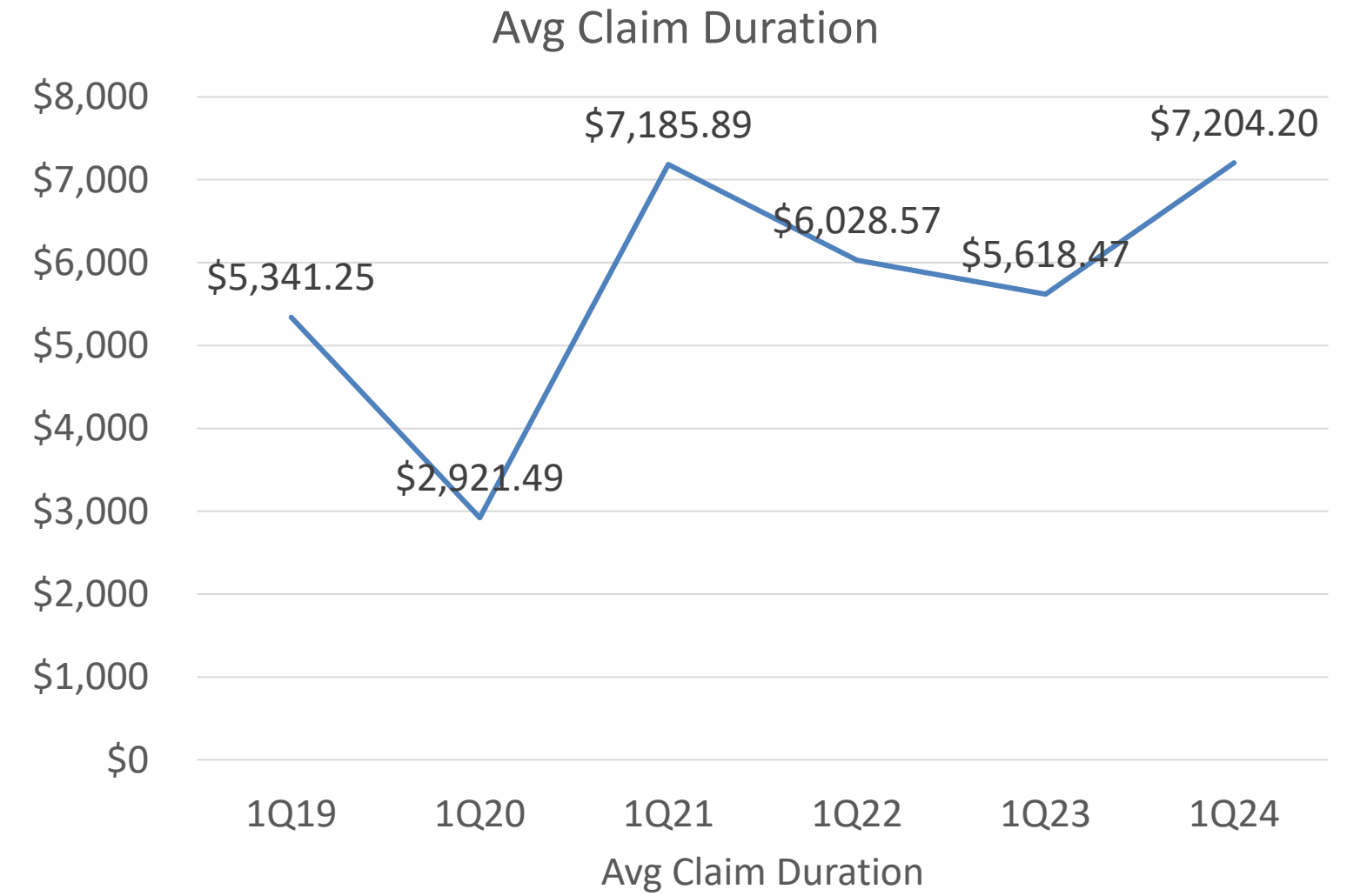
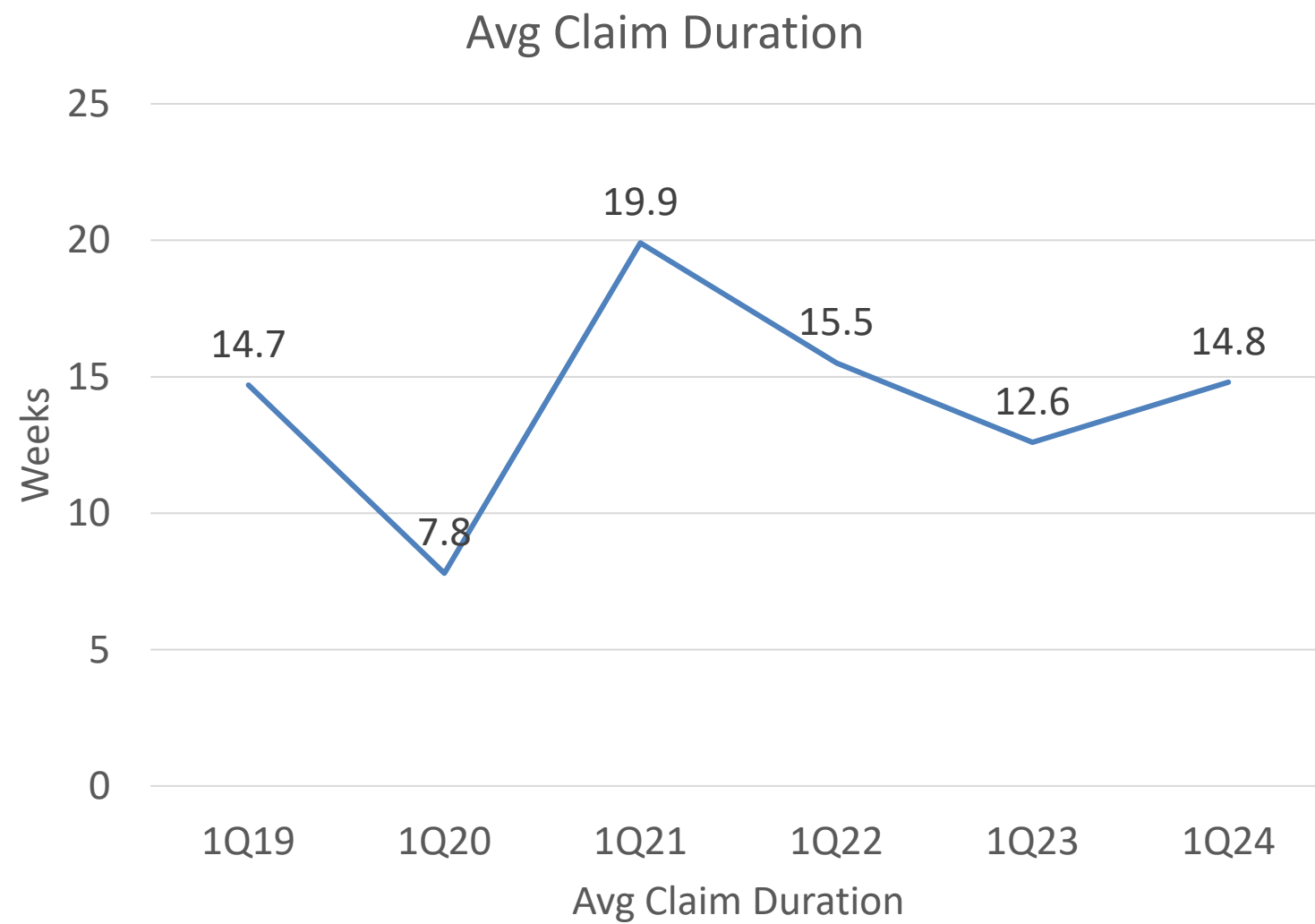
FNP National Nonprofit Partners



Market Conditions



Nevada – Conditions at Renewal





Legislation – Federal

- Increase in Weekly Benefit Award – State (Effective 1/1/24)
 - 4.1% increase
- Wyden-Bennet Plan – Federal (Updated Nov '23) – Main Points
 - Looking for an effective date of 1/1/25
 - Mandate 26 weeks of unemployment benefits provided
 - NV Meets
 - State maximum WBA equal to 67% of state average weekly wage
 - Based on '23, NV maximum WBA would increase to **\$827** per week
 - Currently at **\$604** per week
 - Provide \$25 per dependent per week in addition to standard benefits
 - Cost would be funded by Feds

2025 Renewal Summary



Quick Look

- \$6,300 cost decrease
 - 3% reduction
- Est Exp Credit = \$20,000
- Wyden-Bennet Plan rewrite update



Underwriting Notes

- Benefit Charges (January - December)
 - 2019: \$ 96,858
 - 2020: \$720,251
 - 2021: \$235,640
 - 2022: \$117,227
 - 2023: \$135,793
 - 2024: \$ 76,745 (through September)
 - 1Q '24 = \$34,702; 2Q '24 = \$21,075; 3Q '24 = \$20,968
- 2025 Cost Factors
 - Tail Liability into 1/1/2025 term (as of 10/31/24): \$123,293

Bonded Service Program Features

- Fully insured program
 - First and last dollar coverage
 - Fee set at percentage of gross wages
- Fixed annual cost
 - Precise allocation to fund source
- Budgetary certainty
- Potential Experience Credit
- Maximizes cash flow
 - Billed in equal quarterly installments
- Claims administration service
 - On-site education and training
 - Benefit charge auditing
 - Comprehensive claims counseling
 - Hearing representation
- Suite of HR resources
 - Including hundreds of employee training courses

Bonded Service Program Quote

- Term: 1/1/25 – 12/31/25
- Flat annual fee of \$206,400
 - Last four quarters reported wages = \$19,891,866
- Experience Credit
 - If claims paid are less than 77.5% of fees, EC = 50% balance remaining
 - Example: Total fee = \$206,400 then eligible for EC if charges are less than \$159,960

BSP Prior Year Comparison

- Minimum Annual Fee

- 2024: \$212,700

- 2025: \$206,400

- Experience Credit

- 2024: 50/77.5

- 2025: 50/77.5

- Summary

- \$6,300 cost reduction

- Est Exp Credit

- \$20,000

Claims Administration Review



Unemployment Claims Service Includes:

- Audit of Benefit Charges
 - Benefit awards, claims duration, and liability for accuracy
 - Ensure credits are received
 - Audit charges to wages paid to detect fraud
- Claims
 - Process all separation data and unemployment claims
 - Review, prepare arguments, and protest decisions as needed
 - Attend all unemployment hearings
- Technical services
 - Review personnel policies and procedures (all hiring and separation)
 - Provide educational workshops for management and supervisors
 - Customized claims activity reports
 - Online Access
 - Individual claim status reports

Mineral (formerly ThinkHR)



Mineral: Reduce Workplace Risks

- LIVE- SPHR and PHR certified advisors via:
 - Phone-based support service (available from 8:00 a.m. to 7:00 p.m. Central Time each business day)
 - Mobile application interaction
 - Online form submission
- Hundreds of employee training courses
 - Webinars approved for SHRM & HRCI recertification credits
- Federal and state level compliant handbook builder
 - Provides policy update alerts as regulations change
- Extensive resource library
 - Guides, comprehensive checklists, and other invaluable resources
 - Recruiting tools: salary comparison and job description builder
- Steady stream of need-to-know information
 - Breaking compliance news, expert analysis, legislative updates, and best practices through Law Alerts

Mineral[™]

Renewal Process



Enrollment Checklist

BONDED SERVICE PROGRAM:

- Fax or e-mail both the agreement and schedule to:
 - E-mail: cmendez@firstnonprofit.com
 - Fax: 312-239-8368, Attn: Cruz Mendez
- Provide a copy of your most recent audited financials – hardcopy or e-mail.





BONDED SERVICE AGREEMENT

WHEREAS the Client named in Item 1 of the attached Schedule has duly qualified as a reimbursing employer pursuant to the unemployment compensation laws of the State indicated in Item 2 of the Schedule and has thereby become liable to reimburse the State for those unemployment compensation benefits paid by the State to former employees of the Client legally entitled to such benefits, and

WHEREAS First Nonprofit Companies, Inc., hereinafter referred to as FNP, has established and administers an alternative unemployment compensation funding and cost control program which includes the management of an Unemployment Benefit Loss Fund to finance the Client's unemployment benefit charges and liability pursuant to the terms of this contract.

THEREFORE, the parties agree to the following:

1. FNP's Duties

FNP shall assume any and all obligations of the Client's for unemployment claims billed to the Client and paid by the State indicated in Item 2 of the attached Schedule, during the term of this contract, as indicated in Item 3 of the Schedule. FNP will not be held liable for any weeks of unemployment benefits actually paid by the applicable State unemployment compensation agency indicated in Item 2 of the Schedule, but not billed to the Client prior to the effective date of this contract.

At the termination of this contract, FNP's liability shall cease after FNP has paid the Client's obligations for all weeks of unemployment benefits paid by the applicable State unemployment compensation agency indicated in Item 2 of the Schedule for the final quarter covered by this contract, as indicated in Item 3 of the Schedule and for which the specified fee has been paid to FNP. It is further understood that FNP has no liability for payment of unemployment benefits for any period unless timely payment of fees, as provided herein, has been made by the Client.

Further, FNP, at its own expense, shall:

1. Maintain an Unemployment Benefit Loss Fund from which unemployment benefit payments will be made to the State unemployment compensation agency indicated in Item 2 for all unemployment benefits paid to former employees of the Client and covered by this Contract.
2. Secure a Master Contract Bond supporting the commitments of FNP under this contract with a Surety Company agreeable to both parties. A Contract Bond

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www.firstnonprofit.com

Attachment Rider naming the Client an “Obligee” of the Master Bond is affixed and made part of this contract. If at any time the Master Bond or the affixed Contract Bond Attachment Rider no longer secures commitments under this contract, this contract for services shall be immediately terminated.

3. Pay the State unemployment agency or the Client an amount equal to all benefits subject to and in compliance with the terms of this contract, upon receipt of a statement of benefit charges paid by the State unemployment agency on behalf of the Client and subject to the terms of this contract. It is expressly understood that FNP will not be liable for any penalty or interest incurred as a result of the Client’s actions or inactions.
4. Retain a professional unemployment claims management firm agreeable to both parties, as indicated in Item 4 of the attached Schedule, to provide the following services:
 - (a) Accumulate and record all separation and wage information forwarded by the Client.
 - (b) Examine all claims forms within the permitted period and take such actions as required to deny payment of benefits or the assessment of charges for any benefits deemed to be inappropriate or non-qualifying, including representation of the Client at hearings, where permitted by State law.
 - (c) Maintain accurate records of each claim describing any action taken to deny liability, showing details of separation reason, determinations, decisions, and payments made for that claim.
 - (d) Furnish timely reports showing all claims filed and their status, including but not limited to the payment status, total liability, and total payments made.
 - (e) Audit all benefit charge statements and take such actions as required to remove or reduce the charges on any claims payments deemed to be inaccurate or unwarranted.
 - (f) Provide loss control services including on-site training, when necessary, to reduce and contain unemployment benefit charges and liability.

2. Client’s Duties

The Client shall pay to FNP at the inception of this contract a provisional service fee based on the rates set forth in Item 5 of the Schedule for all employees covered under this contract applied to the estimated wages reported to the applicable State unemployment agency indicated in Item 2 of the attached Schedule for each classification of employees. Any service fee computed on estimated wages or minimum annual fee will be properly adjusted by FNP when actual wages are available.

The estimated service fees computed under this contract shall be due and payable on the first day of each covered calendar quarter, beginning with the effective date of the contract. The service fee shall be computed based on an amount equal to one-fourth of the minimum annual fee, as stated in Item 5 of this contract. At the completion of four quarters under this contract, the actual fee for the four quarter period will be adjusted based on the actual wages reported for said period. Any decrease or increase in the service fee resulting will be credited or billed and payable in conjunction with the next quarterly deposit fee under this contract.

As the application and management of unemployment claims administration and cost control is essential to containment of unemployment compensation costs and liability, the Client agrees to implement unemployment cost control and claims administration measures in cooperation with the designated unemployment claims management firm, as set forth in Item 4 of the attached Schedule, hereinafter referred to as the "Claims Manager."

3. Further the Client Hereby Agrees to

1. Disclose, prior to the effective date of this contract, any and all plans and/or pending discussions concerning any actions that has caused or may result in employee layoffs, reductions in hours worked and and/or wages paid to employees, mergers, or any planned separations that potentially could result in unemployment claims.
2. Submit timely and properly documented separation information so that the Claims Manager may provide a timely and accurate response to the state unemployment agency indicated in Item 2 of the Schedule to assure that only those claimants entitled to receive benefits do so.
3. Submit all claims, claims documents, and or correspondence of any kind related to unemployment claims and/or unemployment benefit charges, whenever received from the state unemployment agency named in Item 2 to the Claims Manager on a timely basis.
4. Cooperate with the Claims Manager by providing, on a timely basis as defined by the Nevada Department of Employment, Training and Rehabilitation, all appropriate personnel information related to claims for unemployment benefits.
5. Provide appropriate witnesses, as determined by the Claims Manager in consultation with Client, to attend appeal hearings for claims.
6. Report wages to the applicable State unemployment agency indicated in Item 2 of the attached Schedule on a quarterly basis for all employees covered by this contract.
7. Notify FNP upon learning of any separations or claims for unemployment benefits at any time during the term of this contract.

4. Limitations

FNP shall not be liable for and may deny the payment of obligations of the Client with respect to unemployment compensation benefits attributable to any period for which the Client has failed to submit timely payment in full of service fees pursuant to this contract as provided herein or arising out of or in consequence of:

- a) Failure to comply with those duties set forth in Section 3 of this contract providing the benefits in question resulted from the **negligent** action or inaction of the Client and not the result of action or inaction by the Claims Manager.
- b) Employer “lock-outs” or work stoppages, strikes, or other labor disputes.
- c) Failure to provide letters of assurance to employees of educational institutions for continued employment after a vacation or semester break if reasonable assurance of their continued employment exists.
- d) Reduction in the employment terms that extend seasonal unemployment for employees of organizations engaged in the administration of Head Start program(s).
- e) War, hostilities, whether war be declared or not, invasion, or civil war.
- f) A casualty or natural disaster, including but not limited to, earthquake, flood, hurricane, tornado, or fire.
- g) Voluntary and/or involuntary discontinuance of business operation, in whole or in part, whether permanent or temporary.

5. Transfer of Rights and Remedies

Should the Client be entitled to refunds or credits for any unemployment compensation benefits previously paid by FNP on behalf of the Client, the Client hereby transfers and assigns its rights and remedies to such refunds and credits to FNP.

6. Subrogation and Recoveries Thereunder

Subrogation. In addition to Section 5, upon FNP’s payment to the State unemployment agency or to the Client benefits which are subject to and in compliance with the terms of this contract, FNP shall be subrogated to and control all of the Client’s rights to seek and/or obtain recovery for any of the benefit amounts paid by FNP under the terms of this contract. Accordingly, FNP may in its sole discretion seek its recovery of these benefit amount(s) from the Client or any person, entity and/or organization. Upon FNP’s request, Client shall promptly execute all documents as well as promptly provide and/or execute perform all acts necessary for the preservation along with the enforcement of FNP’s right(s) to seek recovery under this Section. The Client shall not either by its action, omission, or failure to act do (or not do) anything which could prejudice, abridge, or limit FNP’s subrogation rights under this Section.

Subrogation Recoveries. All recoveries by FNP under this Section shall be applied to (or credited to) Client’s Unemployment Benefit Loss Fund or, if the Client is no longer a participant

in Unemployment Benefit Loss Fund, and the recovery is made directly to Client then Client shall pay to FNP an amount equal to the recovery.

7. Unemployment Compensation Act

The term unemployment compensation benefits as used herein refers only to those benefits as defined by law of the applicable State indicated in Item 2 of the attached Schedule, but does not in any way, nor is the intent of this contract to, include any provisions of any code or law which provides disability benefits or disability insurance.

The amount and maximum period of any benefits payable as unemployment compensation benefits shall be deemed to be only those amounts set forth in the relevant acts of the applicable State indicated in Item 2 of the Schedule at the inception of this contract or named in any subsequent renewal thereof. In the event the State amends the eligibility, duration or amount of benefits an individual claimant may qualify to collect, FNP reserves the right to adjust the specified fee set forth herein effective the first day of the next calendar quarter by providing the Client thirty (30) days written notice. The Client reserves the right to reject any adjustment to the specified fee and if so, this contract shall terminate on the last day of the calendar quarter in which such notice was delivered.

8. Inspection and Audit

FNP, or its representatives, shall be permitted at all reasonable times during the continuance of this contract, and so long as FNP's liability exists, to examine the Client's records so far as they relate to FNP's liability and fees or other rights and remedies pursuant to the terms of this contract.

9. Misrepresentation

This contract shall be void if the Client or any representative thereof has failed to disclose, concealed or misrepresented any fact material to the issuance of this contract, the subject benefits covered hereunder, and the resulting issuance of the Contract Bond Attachment Rider. In any such event, the Contract Bond Attachment Rider and this contract shall be rescinded.

10. Non-Assignment

This Contract may not be assigned, in whole or in part, without the prior written consent of all parties.

11. Duration and Termination

The term and effective date of this contract are set forth in Item 3 of the attached Schedule. This contract may be cancelled for failure by either party to perform any of its obligations set forth herein and agreed by both parties pursuant to this contract, provided that thirty (30) days written notice is given to the other party declaring such intent to cancel. This contract shall be terminated immediately if the Client discontinues operations either voluntarily or involuntarily.

12. Interpretation and Venue

This contract shall be subject to and interpreted under the laws of the state of Nevada. Venue shall be in Washoe County or the federal district court with jurisdiction over such county.

WHEREFORE, the parties have executed this contract on the dates set forth by their respective signatures.

DATED: INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Name/Title

893 Southwood Boulevard
Incline Village, NV 89451

DATED: FIRST NONPROFIT COMPANIES, INC.

Joseph Poretto, Vice President, Sales & Marketing

1 South Wacker Drive, Suite 2380
Chicago, IL 60606



SCHEDULE FOR BONDED SERVICE AGREEMENT

ITEM 1. CLIENT INFORMATION

NAME: Incline Village General Improvement District
ADDRESS: 893 Southwood Boulevard, Incline Village, NV 89451
CONTACT PERSON: Erin Feore, Director of Human Resources
COVERED ENTITIES: Incline Village General Improvement District
State Acct. No.: 0090031, FEIN: 88-0099974

ITEM 2. APPLICABLE STATES: Nevada

STATE UNEMPLOYMENT AGENCY: Department of Employment, Training and Rehabilitation

ITEM 3. TERM OF COVERAGE: One year, January 1, 2025 to December 31, 2025

ITEM 4. CLAIMS MANAGER:

NAME: Employer Advocates
ADDRESS: P. O. Box 25236, Salt Lake City, UT 84125

ITEM 5. SERVICE FEE SCHEDULE: Flat Annual Fee of \$206,400 (invoiced at \$51,600 per quarter).

A. Refund Provision: If benefits charges paid during the term of the agreement are less than 77.5% of fees collected, Client will be eligible to receive a Refund. The Refund will be equal to 50% of the difference between 77.5% of fees collected and benefit charges paid during the term of the agreement.

DATED: INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Name/Title

893 Southwood Boulevard, Incline Village, NV 89451

DATED: FIRST NONPROFIT COMPANIES, INC.

Joseph Poretto, Vice President, Sales & Marketing

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Most Recent Audited Financial Statement Needed

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT

Financial Statements and Supplementary Information

[Company Name]		Income Statement	
Revenue		20XX	20XX
Sales revenue		110,000	95,000
(Less sales returns and allowances)			
Service revenue		70,000	62,000
Interest revenue			
Other revenue			
Total Revenues		180,000	157,000
Expenses			
Advertising		1,000	1,000
Bad debt			
Commissions			
Cost of goods sold		65,000	63,000
Depreciation			
Employee benefits			
Furniture and equipment			8,000
Insurance			
Interest expense		4,200	5,200
Maintenance and repairs			
Office supplies			
Payroll taxes			
Rent			
Research and development			
Salaries and wages		55,000	55,000
Software			
Travel			
Utilities			
Web hosting and domains			
Other		17,460	
Total Expenses		142,660	132,200
Net Income Before Taxes		37,340	24,800
Income tax expense		14,936	9,920
Income from Continuing Operations		22,404	14,880
Below-the-Line Items			
Income from discontinued operations			
Effect of accounting changes			
Extraordinary items			
Net Income		22,404	14,880

Member Referral Card

HELP
OTHER ORGANIZATIONS
SAVE
ON UNEMPLOYMENT

We're always looking for ways to help the organizations we serve. That's why when you refer another employer that enrolls in our programs, your organization will receive a \$500 donation. Please provide your contact information:

ORGANIZATION NAME:

CONTACT NAME AND TITLE:

Provide the contact information of the 501c3 nonprofit, governmental or tribal entity you would like us to get in touch with and email this to: cmendez@firstnonprofit.com

ORGANIZATION NAME:

CONTACT NAME & TITLE:

PHONE:

EMAIL:



Thank you!

First Nonprofit

1 S. Wacker Drive, Suite 2380

Chicago, IL 60606

First in Unemployment, Risk, and HR Management Solutions



BONDED SERVICE AGREEMENT

WHEREAS the Client named in Item 1 of the attached Schedule has duly qualified as a reimbursing employer pursuant to the unemployment compensation laws of the State indicated in Item 2 of the Schedule and has thereby become liable to reimburse the State for those unemployment compensation benefits paid by the State to former employees of the Client legally entitled to such benefits, and

WHEREAS First Nonprofit Companies, Inc., hereinafter referred to as FNP, has established and administers an alternative unemployment compensation funding and cost control program which includes the management of an Unemployment Benefit Loss Fund to finance the Client's unemployment benefit charges and liability pursuant to the terms of this contract.

THEREFORE, the parties agree to the following:

1. FNP's Duties

FNP shall assume any and all obligations of the Client's for unemployment claims billed to the Client and paid by the State indicated in Item 2 of the attached Schedule, during the term of this contract, as indicated in Item 3 of the Schedule. FNP will not be held liable for any weeks of unemployment benefits actually paid by the applicable State unemployment compensation agency indicated in Item 2 of the Schedule, but not billed to the Client prior to the effective date of this contract.

At the termination of this contract, FNP's liability shall cease after FNP has paid the Client's obligations for all weeks of unemployment benefits paid by the applicable State unemployment compensation agency indicated in Item 2 of the Schedule for the final quarter covered by this contract, as indicated in Item 3 of the Schedule and for which the specified fee has been paid to FNP. It is further understood that FNP has no liability for payment of unemployment benefits for any period unless timely payment of fees, as provided herein, has been made by the Client.

Further, FNP, at its own expense, shall:

1. Maintain an Unemployment Benefit Loss Fund from which unemployment benefit payments will be made to the State unemployment compensation agency indicated in Item 2 for all unemployment benefits paid to former employees of the Client and covered by this Contract.
2. Secure a Master Contract Bond supporting the commitments of FNP under this contract with a Surety Company agreeable to both parties. A Contract Bond

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Attachment Rider naming the Client an “Obligee” of the Master Bond is affixed and made part of this contract. If at any time the Master Bond or the affixed Contract Bond Attachment Rider no longer secures commitments under this contract, this contract for services shall be immediately terminated.

3. Pay the State unemployment agency or the Client an amount equal to all benefits subject to and in compliance with the terms of this contract, upon receipt of a statement of benefit charges paid by the State unemployment agency on behalf of the Client and subject to the terms of this contract. It is expressly understood that FNP will not be liable for any penalty or interest incurred as a result of the Client’s actions or inactions.
4. Retain a professional unemployment claims management firm agreeable to both parties, as indicated in Item 4 of the attached Schedule, to provide the following services:
 - (a) Accumulate and record all separation and wage information forwarded by the Client.
 - (b) Examine all claims forms within the permitted period and take such actions as required to deny payment of benefits or the assessment of charges for any benefits deemed to be inappropriate or non-qualifying, including representation of the Client at hearings, where permitted by State law.
 - (c) Maintain accurate records of each claim describing any action taken to deny liability, showing details of separation reason, determinations, decisions, and payments made for that claim.
 - (d) Furnish timely reports showing all claims filed and their status, including but not limited to the payment status, total liability, and total payments made.
 - (e) Audit all benefit charge statements and take such actions as required to remove or reduce the charges on any claims payments deemed to be inaccurate or unwarranted.
 - (f) Provide loss control services including on-site training, when necessary, to reduce and contain unemployment benefit charges and liability.

2. Client’s Duties

The Client shall pay to FNP at the inception of this contract a provisional service fee based on the rates set forth in Item 5 of the Schedule for all employees covered under this contract applied to the estimated wages reported to the applicable State unemployment agency indicated in Item 2 of the attached Schedule for each classification of employees. Any service fee computed on estimated wages or minimum annual fee will be properly adjusted by FNP when actual wages are available.

The estimated service fees computed under this contract shall be due and payable on the first day of each covered calendar quarter, beginning with the effective date of the contract. The service fee shall be computed based on an amount equal to one-fourth of the minimum annual fee, as stated in Item 5 of this contract. At the completion of four quarters under this contract, the actual fee for the four quarter period will be adjusted based on the actual wages reported for said period. Any decrease or increase in the service fee resulting will be credited or billed and payable in conjunction with the next quarterly deposit fee under this contract.

As the application and management of unemployment claims administration and cost control is essential to containment of unemployment compensation costs and liability, the Client agrees to implement unemployment cost control and claims administration measures in cooperation with the designated unemployment claims management firm, as set forth in Item 4 of the attached Schedule, hereinafter referred to as the "Claims Manager."

3. Further the Client Hereby Agrees to

1. Disclose, prior to the effective date of this contract, any and all plans and/or pending discussions concerning any actions that has caused or may result in employee layoffs, reductions in hours worked and and/or wages paid to employees, mergers, or any planned separations that potentially could result in unemployment claims.
2. Submit timely and properly documented separation information so that the Claims Manager may provide a timely and accurate response to the state unemployment agency indicated in Item 2 of the Schedule to assure that only those claimants entitled to receive benefits do so.
3. Submit all claims, claims documents, and or correspondence of any kind related to unemployment claims and/or unemployment benefit charges, whenever received from the state unemployment agency named in Item 2 to the Claims Manager on a timely basis.
4. Cooperate with the Claims Manager by providing, on a timely basis as defined by the Nevada Department of Employment, Training and Rehabilitation, all appropriate personnel information related to claims for unemployment benefits.
5. Provide appropriate witnesses, as determined by the Claims Manager in consultation with Client, to attend appeal hearings for claims.
6. Report wages to the applicable State unemployment agency indicated in Item 2 of the attached Schedule on a quarterly basis for all employees covered by this contract.
7. Notify FNP upon learning of any separations or claims for unemployment benefits at any time during the term of this contract.

4. Limitations

FNP shall not be liable for and may deny the payment of obligations of the Client with respect to unemployment compensation benefits attributable to any period for which the Client has failed to submit timely payment in full of service fees pursuant to this contract as provided herein or arising out of or in consequence of:

- a) Failure to comply with those duties set forth in Section 3 of this contract providing the benefits in question resulted from the **negligent** action or inaction of the Client and not the result of action or inaction by the Claims Manager.
- b) Employer “lock-outs” or work stoppages, strikes, or other labor disputes.
- c) Failure to provide letters of assurance to employees of educational institutions for continued employment after a vacation or semester break if reasonable assurance of their continued employment exists.
- d) Reduction in the employment terms that extend seasonal unemployment for employees of organizations engaged in the administration of Head Start program(s).
- e) War, hostilities, whether war be declared or not, invasion, or civil war.
- f) A casualty or natural disaster, including but not limited to, earthquake, flood, hurricane, tornado, or fire.
- g) Voluntary and/or involuntary discontinuance of business operation, in whole or in part, whether permanent or temporary.

5. Transfer of Rights and Remedies

Should the Client be entitled to refunds or credits for any unemployment compensation benefits previously paid by FNP on behalf of the Client, the Client hereby transfers and assigns its rights and remedies to such refunds and credits to FNP.

6. Subrogation and Recoveries Thereunder

Subrogation. In addition to Section 5, upon FNP’s payment to the State unemployment agency or to the Client benefits which are subject to and in compliance with the terms of this contract, FNP shall be subrogated to and control all of the Client’s rights to seek and/or obtain recovery for any of the benefit amounts paid by FNP under the terms of this contract. Accordingly, FNP may in its sole discretion seek its recovery of these benefit amount(s) from the Client or any person, entity and/or organization. Upon FNP’s request, Client shall promptly execute all documents as well as promptly provide and/or execute perform all acts necessary for the preservation along with the enforcement of FNP’s right(s) to seek recovery under this Section. The Client shall not either by its action, omission, or failure to act do (or not do) anything which could prejudice, abridge, or limit FNP’s subrogation rights under this Section.

Subrogation Recoveries. All recoveries by FNP under this Section shall be applied to (or credited to) Client’s Unemployment Benefit Loss Fund or, if the Client is no longer a participant

in Unemployment Benefit Loss Fund, and the recovery is made directly to Client then Client shall pay to FNP an amount equal to the recovery.

7. Unemployment Compensation Act

The term unemployment compensation benefits as used herein refers only to those benefits as defined by law of the applicable State indicated in Item 2 of the attached Schedule, but does not in any way, nor is the intent of this contract to, include any provisions of any code or law which provides disability benefits or disability insurance.

The amount and maximum period of any benefits payable as unemployment compensation benefits shall be deemed to be only those amounts set forth in the relevant acts of the applicable State indicated in Item 2 of the Schedule at the inception of this contract or named in any subsequent renewal thereof. In the event the State amends the eligibility, duration or amount of benefits an individual claimant may qualify to collect, FNP reserves the right to adjust the specified fee set forth herein effective the first day of the next calendar quarter by providing the Client thirty (30) days written notice. The Client reserves the right to reject any adjustment to the specified fee and if so, this contract shall terminate on the last day of the calendar quarter in which such notice was delivered.

8. Inspection and Audit

FNP, or its representatives, shall be permitted at all reasonable times during the continuance of this contract, and so long as FNP's liability exists, to examine the Client's records so far as they relate to FNP's liability and fees or other rights and remedies pursuant to the terms of this contract.

9. Misrepresentation

This contract shall be void if the Client or any representative thereof has failed to disclose, concealed or misrepresented any fact material to the issuance of this contract, the subject benefits covered hereunder, and the resulting issuance of the Contract Bond Attachment Rider. In any such event, the Contract Bond Attachment Rider and this contract shall be rescinded.

10. Non-Assignment

This Contract may not be assigned, in whole or in part, without the prior written consent of all parties.

11. Duration and Termination

The term and effective date of this contract are set forth in Item 3 of the attached Schedule. This contract may be cancelled for failure by either party to perform any of its obligations set forth herein and agreed by both parties pursuant to this contract, provided that thirty (30) days written notice is given to the other party declaring such intent to cancel. This contract shall be terminated immediately if the Client discontinues operations either voluntarily or involuntarily.

12. Interpretation and Venue

This contract shall be subject to and interpreted under the laws of the state of Nevada. Venue shall be in Washoe County or the federal district court with jurisdiction over such county.

WHEREFORE, the parties have executed this contract on the dates set forth by their respective signatures.

DATED: INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Name/Title

893 Southwood Boulevard
Incline Village, NV 89451

DATED: FIRST NONPROFIT COMPANIES, INC.

Joseph Poretto, Vice President, Sales & Marketing

1 South Wacker Drive, Suite 2380
Chicago, IL 60606



SCHEDULE FOR BONDED SERVICE AGREEMENT

ITEM 1. CLIENT INFORMATION

NAME: Incline Village General Improvement District
ADDRESS: 893 Southwood Boulevard, Incline Village, NV 89451
CONTACT PERSON: Erin Feore, Director of Human Resources
COVERED ENTITIES: Incline Village General Improvement District
State Acct. No.: 0090031, FEIN: 88-0099974

ITEM 2. APPLICABLE STATES: Nevada

STATE UNEMPLOYMENT AGENCY: Department of Employment, Training and Rehabilitation

ITEM 3. TERM OF COVERAGE: One year, January 1, 2025 to December 31, 2025

ITEM 4. CLAIMS MANAGER:

NAME: Employer Advocates
ADDRESS: P. O. Box 25236, Salt Lake City, UT 84125

ITEM 5. SERVICE FEE SCHEDULE: Flat Annual Fee of \$206,400 (invoiced at \$51,600 per quarter).

A. Refund Provision: If benefits charges paid during the term of the agreement are less than 77.5% of fees collected, Client will be eligible to receive a Refund. The Refund will be equal to 50% of the difference between 77.5% of fees collected and benefit charges paid during the term of the agreement.

DATED: INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Name/Title

893 Southwood Boulevard, Incline Village, NV 89451

DATED: FIRST NONPROFIT COMPANIES, INC.

Joseph Poretto, Vice President, Sales & Marketing

1 South Wacker Drive, Suite 2380, Chicago, IL 60606