



## The AMF: A Fund by Any Other Name

NECA-IBEW Collective Bargaining Agreements establish various funds, including the Administrative Maintenance Fund (AMF), Receiving Maintenance Fund, Industry Funds, Industry Advancement Funds, or Receiving Trust Fund. These funds, collectively referred to as 'AMF' throughout this document, can serve the following purposes:

- Negotiate and administer the collective bargaining agreement
- Process and handle grievances
- Receive and distribute fringe benefit contributions
- Manage all other responsibilities outlined in the agreement

Contribution rates and limits may differ by region, but the overall purpose remains consistent: to provide Chapters with the financial resources necessary to fulfill their obligations to signatory contractors established in the collective bargaining agreement.

### AMF vs. Chapter Service Charges: The Difference is in Who Pays

The key distinction between AMFs and Chapter Service Charges lies in who contributes. Chapter Service Charges, as defined by the Chapter's bylaws, are levied on Chapter members to fund their local association-specific activities. This makes sense, as these members directly benefit from the Chapter's work.

However, the Chapter also provides support for all signatory contractors, including non-members, when fulfilling duties related to the collective bargaining agreement. This presented a challenge – how to collect funds from non-members who also benefited from the Chapter's efforts?

Enter the AMF. Before its existence, non-member contractors enjoyed the advantages of collective bargaining without contributing to the associated costs like negotiations and grievance handling. The AMF was established through negotiations to address this imbalance.

However, the IBEW, recognizing the need for safeguards, set clear criteria for these funds:

- The fund is to be administered solely by the Chapter or employers.
- The fund may not be used in any manner detrimental to the Local Union.
- The enforcement of delinquent payments to the fund shall be the sole responsibility of the fund, Chapter, or Employers and not the Local Union.

Today, AMFs are widely adopted, appearing in most collective bargaining agreements. These funds provide essential financial resources for Chapters to operate and support the electrical construction industry. However, as with any financial system, there are potential risks involved.

### AMF Risks and Best Practices

While AMFs have clear responsibilities outlined in the collective bargaining agreement (as mentioned earlier), misusing them could lead to legal issues. There have been instances where funds were challenged for supporting activities outside the agreement's scope and anti-trust violations. Thankfully, in those cases, Chapters demonstrated proper utilization, and the courts upheld the legitimacy of the funds.

AMFs are considered permissive bargaining subjects, meaning negotiation between the Chapter and Union is allowed but not mandatory. This creates a potential risk: the Chapter's AMF revenue stream could become a bargaining chip for the Local Union in negotiations. Depending on the local relationship or current events, the AMF might be used to leverage concessions from the Chapter.

Commingling AMF contributions with general Chapter funds can make it difficult to prove how the money is spent. If the Chapter uses a single account without proper tracking, it could be challenging to demonstrate that AMF funds are used solely for approved purposes. To mitigate this risk, maintaining separate accounts or implementing a thorough tracking system for AMF contributions is highly recommended.

### **Key Points about AMFs in NECA-IBEW Agreements**

- **Common Fund, Varied Names:** Most NECA-IBEW agreements include a fund for administrative purposes. While the name may differ (Administrative Maintenance Fund, Receiving Fund, etc.), its core function remains the same.
- **Purpose Defined in Agreement:** Each agreement outlines the specific purposes of the AMF. Refer to the relevant section for details.
- **Applies to All Signatory Contractors:** All contractors who signed the NECA-IBEW agreement are subject to AMF contributions.
- **Proper Use is Vital:** Utilizing AMF funds for their intended purposes is crucial to avoid legal challenges.

AMFs are essential financial tools for NECA Chapters, providing a dedicated revenue stream to fulfill their obligations under the agreement. However, ensuring the legal and ethical use of these funds is paramount. By following established criteria, maintaining meticulous accounting practices, and fostering a positive relationship with the Local Union, Chapters can leverage the AMF effectively to support signatory contractors and the electrical construction industry.

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