

Oakland Education Fund Proposal

Oakland Education Fund (OEF) is a PEO (Personnel Employment Organization) whose main function is to contract with organizations like the PTA to serve as the employer of record. We enter into a contract with them for a certain fee and they handle the administration of and assume liability for our employees.

What They Do:

- Assume liability for all employees
- Background checks, fingerprinting, TB, etc.
- Payroll services, electronic timesheets
- Orientation for new employees
- Process any worker's comp claims that may arise
- Provide an employee handbook (though not site specific) that explains benefits and workers comp
- Tax reporting & tax deposits
- Annual performance evaluations (in the next year)
- Communications with employees.

Fees:

- Their fee is 10% of payroll plus the one-time fees below.
- \$75 per person for background checks (which only need to be done once)
- \$350 orientation fee for the first person and \$150 for each additional person (again, this only needs to happen for each).
- At the outset, they ask for a deposit of 3 months' payroll--they draw on this deposit during the final 3 months if we decide to end our contract with them. We receive an invoice each month and they do a yearly accounting.

Financial Upshot:

- Based on our approved budget, total salaries will come to \$216,190 so 10% is **\$21,619**
- We would no longer need to pay for payroll services and would **save \$6,570**.
- **Thus we would pay an additional \$15,049 for this service**
- Note, we would still pay Payroll Taxes \$18,000, Liability Insurance \$2,000 and Worker's Comp Insurance \$4,000 for a total of \$22,000

Additional Benefits:

- Reduced workload for PTA volunteers (Treasurer, Admin, Payroll). Also, no HR issues to deal with.
- Reduction of liability risk
- One place for employee records/contracts
- Consistency with employees and easier transition for PTA volunteers