

**ACTIONS TAKEN AND RESOLUTIONS ADOPTED BY CONSENT  
OF THE BOARD OF DIRECTORS OF  
MID-HUDSON LIBRARY SYSTEM**

The undersigned, being all of the members of the Board of Directors of **Mid-Hudson Library System** (the "Employer"), hereby adopt the following Resolution by unanimous consent and direct that this Consent Resolution be entered in the minute books of the Employer.

WHEREAS, the Employer previously adopted a Code Section 125 plan, referred to as the Cafeteria Plan (the "Plan");

WHEREAS, effective January 1, 2011, over the counter drugs cannot be reimbursed under an FSA or HRA without a prescription, and IRS Notice 2011-5 (the "Notice") modified the rules governing substantiation of over-the-counter drugs and medicines by a health FSA or HRA debit card for electronic claims processed on or after January 16, 2011; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors has hereby reviewed the attached Summary of Material Modifications and does hereby approves the adoption of the changes to the substantiation of over-the-counter drugs and medicines as set forth therein;

BE IT FURTHER RESOLVED that the officers of the Employer are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

By \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

**SUMMARY OF MATERIAL MODIFICATIONS TO THE FLEXIBLE SPENDING  
ACCOUNT PLAN (the "Plan")**

*This document summarizes important changes to your Flexible Spending Account Plan. If you have any questions regarding the changes summarized in this Summary of Material Modifications ("SMM"), you should contact Malleolo Administrators, LLC. You should keep a copy of this SMM with your Summary Plan Description for future reference.*

Effective January 1, 2011, over the counter (OTC) drugs and medicines can only be reimbursed if a valid prescription relating to such OTC medicines and drugs has been obtained. In order to ensure compliance with this requirement, you have two options:

- i) For participants using health debit cards at a SIGIS participating pharmacist, you must present your prescription to the pharmacist at the time and point of sale. The pharmacist will process the transaction using your health debit card.
- ii) For participants filing paper claims and/or purchasing drugs at a non-SIGIS participating pharmacy, you must submit a pharmacy receipt with an RX number or a copy of the written prescription with your request for reimbursement.

If the above requirements are met, and the OTC medicine or drug is otherwise an eligible medical expense, the claim will be processed. Note: a prescription is not required for eligible OTC medical items other than medicines or drugs (e.g., bandages, contact lens solution, etc).