

## PAPERLESS CLIENT OPTION

Thank you for allowing Keystone Payroll to be your payroll partner! We hope to exceed all of your expectations!! You have chosen to be a paperless client so we need to make you aware of the key components of this option:

1. Keystone Payroll will NOT print anything at our site...no employee checks or stubs, no paper reports and no garnishment checks.
2. Electronic reports will be delivered either via ViewChoice Online or SHUGO. (Ask your salesperson for information if not already provided)
3. Quarterlies and employee W2s will be provided electronically by the same choice as 2 above.
4. Employee stubs need provided either by you or they can be provided by Keystone Payroll through Employee Self Service (ESS) or SHUGO.

Normal Keystone Payroll policy is to submit all new employee direct deposits through a pre-note process. This process sends a test file to the employee's bank and asks their bank to verify the account and routing numbers are accurate for this employee. This pre-note cycle takes 8-10 business days to be effective if all numbers are accurate.

For paperless clients, there is a choice you will need to make regarding pre-notes: One, the pre-note process can be over-ride. This will allow direct deposits to occur with the first pay. Of course, this does have an inherent danger where the employee account and/or routing number is inaccurate and the funds do not make it to the employee's bank account. If this occurs, these funds will get returned to your company account so you can manually write a check to the employee.

Two, the pre-note process takes place causing "live" checks to be produced until the pre-note cycle is complete. Since we do not print anything, you the employer will need to hand write the checks on your end based upon the payroll reports we provide you.

Please make your selections below:

I would like e-report delivery via ViewChoice \_\_\_\_\_ or SHUGO \_\_\_\_\_

I will provide EE stubs \_\_\_\_\_

Keystone Payroll will provide stubs via ESS \_\_\_\_\_ or SHUGO \_\_\_\_\_

Please over-ride the pre-note process \_\_\_\_\_

Do NOT over-ride the pre-note process \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

# Reporting Agent Authorization

► Information about Form 8655 is at [www.irs.gov/form8655](http://www.irs.gov/form8655).

## Taxpayer

<b>1 a</b> Name of taxpayer (as distinguished from trade name)	<b>2</b> Employer identification number (EIN)
<b>1 b</b> Trade name, if any	<b>4</b> If you are a seasonal employer, check here <input type="checkbox"/>
<b>3</b> Address (number, street, and room or suite no.)	<b>5</b> Other identification number
City or town, state, and ZIP code	
<b>6</b> Contact person	<b>7</b> Daytime telephone number
	<b>8</b> Fax number

## Reporting Agent

<b>9</b> Name (enter company name or name of business)	<b>10</b> Employer identification number (EIN)
<b>11</b> Address (number, street, and room or suite no.)	
City or town, state, and ZIP code	
<b>12</b> Contact person	<b>13</b> Daytime telephone number
	<b>14</b> Fax number

## Authorization of Reporting Agent To Sign and File Returns

**15** Use the entry lines below to indicate the tax return(s) to be filed by the reporting agent. Enter the beginning year of annual tax returns or beginning quarter of quarterly tax returns. See the instructions for how to enter the quarter and year. Once this authority is granted, it is effective until revoked by the taxpayer or reporting agent.

940 _____	941 _____	940-PR _____	941-PR _____	941-SS _____	943 _____
943-PR _____	944 _____	945 _____	1042 _____	CT-1 _____	

## Authorization of Reporting Agent To Make Deposits and Payments

**16** Use the entry lines below to enter the starting date (the first month and year) of any tax return(s) for which the reporting agent is authorized to make deposits or payments. See the instructions for how to enter the month and year. Once this authority is granted, it is effective until revoked by the taxpayer or reporting agent.

940 _____	941 _____	943 _____	944 _____	945 _____	720 _____
1041 _____	1042 _____	1120 _____	CT-1 _____	990-PF _____	990-T _____

## Disclosure of Information to Reporting Agents

**17 a** Check here to authorize the reporting agent to receive or request copies of tax information and other communications from the IRS related to the authorization granted on lines 15, 16, and/or line 18

**b** Check here if the reporting agent also wants to receive copies of notices from the IRS

## Disclosure Authorization

**18 a** The reporting agent is authorized to receive otherwise confidential taxpayer information from the IRS to assist in responding to certain IRS notices relating to the Form W-2 series information returns. This authority is effective for calendar year forms beginning \_\_\_\_\_.

**b** The reporting agent is authorized to receive otherwise confidential taxpayer information from the IRS to assist in responding to certain IRS notices relating to the Form 1099 series information returns. This authority is effective for calendar year forms beginning \_\_\_\_\_.

**c** The reporting agent is authorized to receive otherwise confidential taxpayer information from the IRS to assist in responding to certain IRS notices relating to the Forms 3921 and 3922. This authority is effective for calendar year forms beginning \_\_\_\_\_.

## State or Local Authorization

**19** Check here to authorize the reporting agent to sign and file state or local returns related to the authorization granted on line 15 and/or line 16

## Authorization Agreement

I understand that this agreement does not relieve me, as the taxpayer, of the responsibility to ensure that all tax returns are filed and that all deposits and payments are made. If line 15 is completed, the reporting agent named above is authorized to sign and file the return indicated, beginning with the quarter or year indicated. If any starting dates on line 16 are completed, the reporting agent named above is authorized to make deposits and payments beginning with the period indicated. Any authorization granted remains in effect until it is revoked by the taxpayer or reporting agent. I am authorizing the IRS to disclose otherwise confidential tax information to the reporting agent relating to the authority granted on line 15 and/or line 16, including disclosures required to process Form 8655. Disclosure authority is effective upon signature of taxpayer and IRS receipt of Form 8655. The authority granted on Form 8655 will not revoke any Power of Attorney (Form 2848) or Tax Information Authorization (Form 8821) in effect.

I certify I have the authority to execute this form and authorize disclosure of otherwise confidential information on behalf of the taxpayer.

**Sign Here**

Signature of taxpayer	Title	Date
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## General Instructions

### What's New

Beginning in 2012, Form 944-PR and Form 944-SS have been deleted from line 15. Taxpayers who would otherwise file Form 944-PR or Form 944-SS will file Form 944 or Form 944(SP) unless they request to file quarterly Forms 941-PR or 941-SS.

### Purpose of Form

Use Form 8655 to authorize a reporting agent to:

- Sign and file certain returns. Reporting agents must file returns electronically except as provided under Rev. Proc. 2012-32. You can find Rev. Proc. 2012-32 on page 267 of Internal Revenue Bulletin 2012-34 at [www.irs.gov/pub/irs-irbs/irb12-34.pdf](http://www.irs.gov/pub/irs-irbs/irb12-34.pdf);
- Make deposits and payments for certain returns;
- Receive duplicate copies of tax information, notices, and other written and/or electronic communication regarding any authority granted; and
- Provide IRS with information to aid in penalty relief determinations related to the authority granted on Form 8655.

### Authority Granted

Once Form 8655 is signed, any authority granted is effective beginning with the period indicated on lines 15 or 16 and continues indefinitely unless revoked by the taxpayer or reporting agent. A new authorization must be submitted to the Service for any increase or decrease in the authority of a reporting agent to act for its client. The preceding authorization remains in effect except as modified by the new one. No authorization or authority is granted for periods prior to the period(s) indicated on Form 8655.

Where authority is granted for any form, it is also effective for related forms such as the corresponding non-English language form, amended return, (Form 941-X, 941-X(PR), 943-X, 944-X(PR), 945-X, or CT-1X), or payment voucher. In addition to the returns shown on lines 15 and 16, Form 8655 can be used to provide authorization for Form 944-SP using the entry spaces for Form 944. The form also can be used to authorize a reporting agent to make deposits and payments for other returns in the Form 1120 series, such as Form 1120-C, using the entry space for Form 1120 on line 16.

Disclosure authority granted on line 17a is effective on the date Form 8655 is signed by the taxpayer. Any authority granted on Form 8655 does not revoke and has no effect on any authority granted on Forms 2848 or 8821, or any third-party designee checkbox authority.

### Where To File

Send Form 8655 to:

Internal Revenue Service  
Accounts Management Service Center  
MS 6748 RAF Team  
1973 North Rulon White Blvd.  
Ogden, UT 84404

You can fax Form 8655 to the IRS. The number is 801-620-4142.

### Additional Information

Additional information concerning reporting agent authorizations may be found in:

- **Pub. 1474**, Technical Specifications Guide for Reporting Agent Authorizations and Federal Tax Depositors.
- **Rev. Proc. 2012-32**.

### Substitute Form 8655

If you want to prepare and use a substitute Form 8655, see Pub. 1167, General Rules and Specifications for Substitute Forms and Schedules. If your substitute Form 8655 is approved, the form approval number must be printed in the lower left margin of each substitute Form 8655 you file with the IRS.

### Revoking an Authorization

If you have a valid Form 8655 on file with the IRS, the filing of a new Form 8655 revokes the authority of the prior reporting agent beginning with the period indicated on the new Form 8655. However, the prior reporting agent is still an authorized reporting agent and retains any previously granted disclosure authority for the periods prior to the beginning period of the new reporting agent's authorization unless specifically revoked.

If the taxpayer wants to revoke an existing authorization, send a copy of the previously executed Form 8655 to the IRS at the address under *Where To File*, above. Re-sign the copy of the Form 8655 under the original signature. Write "REVOKE" across the top of the form. If you do not have a copy of the authorization you want to revoke, send a statement to the IRS. The statement of revocation must indicate that the authority of the reporting agent is revoked and must be signed by the taxpayer. Also, list the name and address of each reporting agent whose authority is revoked.

**Withdrawing from reporting authority.** A reporting agent can withdraw from authority by filing a statement with the IRS, either on paper or using a delete process. The statement must be signed by the reporting agent (if filed on paper) and identify the name and address of the taxpayer and authorization(s) from which the reporting agent is withdrawing. For information on the delete process, see Pub. 1474.

## Specific Instructions

### Line 15

Use the "YYYY" format for annual tax returns. Use the "MM/YYYY" format for quarterly tax returns, where "MM" is the ending month of the quarter the named reporting agent is authorized to sign and file tax returns for the taxpayer. For example, enter "09/2012" on the line for "941" to indicate you are authorizing the named reporting agent to sign and file Form 941 for the July–September quarter of 2012 and subsequent quarters.

### Line 16

Use the "MM/YYYY" format to enter the starting date, where "MM" is the first month the named reporting agent is authorized to make deposits or payments for the taxpayer. For example, enter "08/2012" on the line for "720" to indicate you are authorizing the named reporting agent to make deposits or payments for Form 720 starting in August 2012 and all subsequent months.

### Who Must Sign

**Sole proprietorship.** The individual owning the business.

**Corporation** (including a limited liability company (LLC) treated as a corporation). Generally, Form 8655 can be signed by: (a) an officer having legal authority to bind the corporation, (b) any person designated by the board of directors or other governing body, (c) any officer or employee on written request by any principal officer, and (d) any other person authorized to access information under section 6103(e).

**Partnership** (including an LLC treated as a partnership) or an unincorporated organization. Generally, Form 8655 can be signed by any person who was a member of the partnership during any part of the tax period covered by Form 8655.

**Single member LLC treated as a disregarded entity.** The owner of the LLC.

**Trust or estate.** The fiduciary.

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Our authority to request this information is Internal Revenue Code sections 6011, 6061, 6109, and 6302 and the regulations thereunder. We use this information to identify you and record your reporting agent authorization. You are not required to authorize a reporting agent to act on your behalf. However, if you choose to authorize a reporting agent, you are required to provide the information requested, including your identification number. Failure to provide all the information requested may prevent or delay processing of your authorization; providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement agencies and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to complete and file Form 8655 will vary depending on individual circumstances. The estimated average time is 1 hour, 7 minutes.

If you have comments concerning the accuracy of this time estimate or suggestions for making Form 8655 simpler, we would be happy to hear from you. Email us at [taxforms@irs.gov](mailto:taxforms@irs.gov) and enter "Form 8655" on the subject line or write to: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send Form 8655 to this address. Instead, see *Where To File* above.



# KEYSTONE PAYROLL FORM AD-2002

## AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSIT (ACH CREDITS)

PLEASE PRINT CLEARLY

COMPANY NAME: \_\_\_\_\_ ID#: \_\_\_\_\_

I (we) hereby authorize, hereinafter called COMPANY, to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my (our) account indicated below and the depository named below, hereinafter called DEPOSITORY, to credit and/or debit the same to such account.

DEPOSITORY NAME: \_\_\_\_\_

BRANCH: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

ACCOUNT 1  
ACCOUNT # \_\_\_\_\_

ACCOUNT 2  
ACCOUNT # \_\_\_\_\_

TRANSIT/ABA#: \_\_\_\_\_

TRANSIT/ABA#: \_\_\_\_\_

TYPE:  CHECKING  SAVINGS

TYPE:  CHECKING  SAVINGS

AMOUNT: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

NAME (S): \_\_\_\_\_  
(PLEASE PRINT)

ID#: \_\_\_\_\_

NAME (S): \_\_\_\_\_  
(PLEASE PRINT)

SIGNED X:: \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNED X:: \_\_\_\_\_



# KEYSTONE PAYROLL FORM S-L-2002

## SIGNATURE FORM

PLEASE PRINT CLEARLY

COMPANY # \_\_\_\_\_

EFFECTIVE DATE \_\_\_\_\_

In order for us to successfully scan a signature for check signing, please follow the guidelines below:

- 1- Sign the form twice. Once in box #1, and then in box #2.
- 2- For best results, sign using a fine, black, felt tip marker.
- 3- Keep the signature COMPLETELY WITHIN the outside lines of the box. DO NOT allow the signature to touch the outside lines since they will be removed from the final image.

### SINGLE SIGNATURE – BOX 1

Print Name of Signature

Bank Name for This Account

### SINGLE SIGNATURE – BOX 2

Print Name of Company

Bank Account # Using This Signature

### DOUBLE SIGNATURE – BOX 1

Print Name of First Signature

### DOUBLE SIGNATURE – BOX 2

Print Name of Second Signature

## LOGO SIZING BOXES

To scan a logo, paste the logo image inside the box below. Make sure the logo is completely within the box.

Logo type 2 should include the company name and address. Logo type 1 should not.

### LOGO TYPE 1

1 1/4" BY 1 1/4"  
(without name and address)

### LOGO TYPE 2

1 1/4" HIGH BY 3 1/4"  
(includes company name and address)



## New Client Customer Information Form

**Processors:** *Please submit contract 24-48 hours prior to sending any transactions to allow time for set up.* Set ups are completed during normal business hours 8am-5pm CST Monday-Friday. Contracts are not entered on non-processing holidays.

Processor Company Name Keystone Payroll, LLC PIN C 4 7

**CLIENT COMPANY INFORMATION – \*ALL information below is REQUIRED\***

Company Legal Name \_\_\_\_\_

Company dba name \_\_\_\_\_

Company Ownership (Full names of all company owners/officers/members are required)

\_\_\_\_\_  
\_\_\_\_\_

Tax Identification Number\* \_\_\_\_\_ Years in Business \_\_\_\_\_

*\*Federal Tax ID # verification is required. Acceptable verification options include: any official document from a trusted third party listing company name along with tax ID (i.e. any IRS Form letter including SS-4 or 147-C, tax return signed by entity & preparer, printout from EFTPS showing full tax ID, etc)*

Company Contact Person \_\_\_\_\_ Company Phone # \_\_\_\_\_

Contact Email Address \_\_\_\_\_

Address \_\_\_\_\_  
*(Physical/street address only; PO Boxes not accepted)*

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Nature of the Business \_\_\_\_\_  
*(i.e., What type of products/services does the company provide to its customers? Please be as specific as possible.)*

Is the company engaged in any marijuana-related activity? \_\_\_Y\_\_\_N

**Bank Information** *(Must be a Corporate Account)*

Routing Number \_\_\_\_\_ Account Number \_\_\_\_\_

**Direct Deposit Processing Window** *(not applicable for billing, tax or vendor payments)*

3 Day Processing Window (24 hour)       5 Day Processing Window (72 hour)  
 4 Day Processing Window (48 hour)       Wire       Wire Drawdown

Seasonal:  *(you must select a processing window above)*

**Type of Transactions to be submitted and frequency of these transactions:**

- Payroll Direct Deposit      \_\_\_ Daily \_\_\_ Weekly \_\_\_ Bi weekly \_\_\_ Semi monthly \_\_\_ Monthly \_\_\_ Quarterly \_\_\_ Periodically
- Billing (fees)      \_\_\_ Daily \_\_\_ Weekly \_\_\_ Bi weekly \_\_\_ Semi monthly \_\_\_ Monthly \_\_\_ Quarterly \_\_\_ Periodically
- Tax Impound      \_\_\_ Daily \_\_\_ Weekly \_\_\_ Bi weekly \_\_\_ Semi monthly \_\_\_ Monthly \_\_\_ Quarterly \_\_\_ Periodically
- Tax Payment      \_\_\_ Daily \_\_\_ Weekly \_\_\_ Bi weekly \_\_\_ Semi monthly \_\_\_ Monthly \_\_\_ Quarterly \_\_\_ Periodically
- Vendor Payment      \_\_\_ Daily \_\_\_ Weekly \_\_\_ Bi weekly \_\_\_ Semi monthly \_\_\_ Monthly \_\_\_ Quarterly \_\_\_ Periodically
- Net Pay Impound      \_\_\_ Daily \_\_\_ Weekly \_\_\_ Bi weekly \_\_\_ Semi monthly \_\_\_ Monthly \_\_\_ Quarterly \_\_\_ Periodically



## Company Authorization Agreement

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, among \_\_\_\_\_ (COMPANY) whose address is \_\_\_\_\_ (PHYSICAL ADDRESS), \_\_\_\_\_ Keystone Payroll, LLC \_\_\_\_\_ (PROCESSOR), and INTERCEPT CORPORATION (IC).

### I. Services Provided

- 1.0 Company has authorized Processor to create and transmit ACH files to IC for the purpose of transferring funds through the Automated Clearing House (ACH) pursuant to the terms of this Agreement, an Agreement with Processor, IC's Processing Policies, the rules of the National Automated Clearing House Association (NACHA), laws of the State of North Dakota, and applicable federal rules and regulations for various purposes including, but not limited to providing direct deposit of payroll for Company's employees (Transactees), transfers of funds for flexible benefits plans, tax impounding or any other reason Company may desire to transfer funds electronically through the ACH, which purposes have been approved by IC. Company stipulates that any action that IC takes hereunder is pursuant to the apparent authority of Processor and Company, its agents, assigns, officers, directors, and employees. Through a letter from IC outlining approval terms, Processor will be notified of the types of ACH activity that Processor and Company are approved to process. Processor and Company are specifically confined to processing only such approved types of ACH activity, or such other types of ACH activity that are specifically approved in writing by IC. Federal law prohibits the knowing acceptance of payments in connection with the participation of another person in unlawful Internet gambling. Company and Processor agree that they shall not, under any circumstances, submit for processing any transaction in connection with Internet gambling.
- 1.1 COMPANY UNDERSTANDS THAT IC PROVIDES ITS SERVICES ONLY TO PROCESSOR AND COMPANY TO FACILITATE THE MOVEMENT OF FUNDS THROUGH THE ACH. ALL FUNDS TO BE TRANSFERRED, WHETHER PAYROLL, FLEX BENEFITS, OR FOR ANY OTHER REASON, MUST BE PRE-FUNDED AND FULLY GUARANTEED BY PROCESSOR AND COMPANY. PROCESSOR AND COMPANY UNDERSTAND AND AGREE THAT IC HAS NO DIRECT FINANCIAL INTEREST IN THE DEBITS AND CREDITS PROVIDED PURSUANT TO THIS AGREEMENT, THAT IC IS ONLY PROVIDING A SERVICE FOR A FEE, AND THAT IC IS NOT A GUARANTOR OF FUNDS FOR SERVICES PERFORMED. ALL RISK OF LOSS AND LIABILITY TO ANY PERSON OR ORGANIZATION ARISING OUT OF THE SERVICES FURNISHED HEREUNDER SHALL BE THAT OF PROCESSOR AND COMPANY, AND NOT THAT OF IC.

### II. Automated Transfers

- 2.0 Company represents and warrants it will have sufficient funds on hand in the bank account disclosed herein to honor all transfer instructions received and processed by IC. In the event that transfer instructions are sent to IC and there are insufficient funds on hand to honor the transfer instructions, such transfer instructions shall be "in error". Company and Processor authorize IC to correct any transfer of funds if the transfer was not properly funded or honored by Company, Company's customers, Transactees, or Company's bank without any liability to IC. Processor and Company shall be liable to IC for all damages/losses incurred, including costs, attorney's fees, and other expenses, and Processor and Company hereby authorize IC to transfer funds from any account, including any reserve account, if available, to reimburse IC for all said losses upon notice to Company and Processor, as applicable. Moreover, if further collection attempts are required, all IC's collections costs including, but not limited to, attorney's fees, where permitted by law, will be charged to Processor and Company.
- 2.1 Company and Processor represent and warrant that all debit and credit entries have been and will be authorized and that a record of such authorization is of record. Company and Processor further represent and warrant that they will provide IC with a copy of any such authorization upon IC's request. Processor and Company will indemnify and hold IC harmless for any failure by Processor and Company to have or provide authorization agreements of record.
- 2.2 Company and/or Company's customer or Transactee shall have 60 days from the transaction date to notify Processor or IC, in writing, of any discrepancies, errors or problems with a processed transaction, including but not limited to, errors in amounts, erroneous transactions, or other transactions processed.
- 2.3 Company and Processor understand, agree, and acknowledge that as part of the ACH process, once Processor and/or Company instructs IC to cause funds to be debited from the accounts of Company or Company's Transactee, (i) such funds shall be placed in one or more IC accounts at IC's bank and (ii) IC shall be the only entity authorized on such accounts. Processor and Company further acknowledge that such IC accounts shall be subject to setoff by IC's bank.

### III. Liability and Indemnification

- 3.0 PROCESSOR AND COMPANY SHALL INDEMNIFY AND HOLD IC HARMLESS FROM ANY AND ALL CLAIMS, LIABILITY, LOSS, DAMAGES, COSTS OR EXPENSES, INCLUDING COURT COSTS AND REASONABLE ATTORNEY FEES, ARISING OUT OF: (a) A BREACH OF ANY AGREEMENT BETWEEN OR AMONG COMPANY, PROCESSOR AND IC, INCLUDING, BUT NOT LIMITED TO, ANY BREACH OF REPRESENTATIONS AND WARRANTIES; (b) A FAILURE BY COMPANY OR PROCESSOR TO COMPLY WITH ANY GOVERNING RULE, INCLUDING THE RULES OF THE NACHA SYSTEM, THE FISCA CODE OF CONDUCT IN OFFERING ACCESS TO CREDIT, AND OTHER SIMILAR RULES, REGULATION, OR LAW; (c) A FRAUDULENT, WRONGFUL, ILLEGAL OR NEGLIGENT ACT OR OMISSION OF COMPANY, PROCESSOR OR ANY OF THEIR OWNERS, EMPLOYEES, AGENTS, AFFILIATED ENTITIES OR INDEPENDENT CONTRACTORS; (d) ANY UNAUTHORIZED TRANSMISSION BY COMPANY OR PROCESSOR OF DATA, (e) ANY UNAUTHORIZED ENTRY BY COMPANY OR PROCESSOR OF INFORMATION INTO THE ACH NETWORK, (f) ANY USE BY COMPANY OR PROCESSOR OF THE SERVICES PROVIDED BY IC, (g) ANY SERVICES PROVIDED BY IC TO COMPANY OR PROCESSOR INCLUDING BUT NOT LIMITED TO CLAIMS OF PROCESSOR'S OR COMPANY'S CUSTOMERS, EMPLOYEES, OR OTHER TRANSACTEES THAT A TRANSFER WAS UNAUTHORIZED OR THAT AN ACCOUNT CONTAINED INSUFFICIENT FUNDS, OR RELATING TO THE ISSUANCE OF A STOP PAYMENT ORDER, AS WELL AS ANY CLAIM ASSERTED BY ANY TAXING AUTHORITY WHOSE CREDITS MAY HAVE BEEN REVERSED OR BY ANY BANK THAT MAY HAVE SUFFERED DAMAGE OR LOSS BECAUSE OF INSUFFICIENT FUNDS OF COMPANY, EXCEPT WHERE THE CLAIM, LOSS, DAMAGES, COSTS OR EXPENSES AROSE OUT OF IC'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; AND (h) ANY INQUIRY BY ANY LAW ENFORCEMENT, REGULATORY, OR ADMINISTRATIVE AGENCY, WHETHER, LOCAL, STATE, FEDERAL, FOREIGN OR SELF-REGULATORY





ORGANIZATION, INCLUDING, BUT NOT LIMITED TO, A CIVIL INVESTIGATIVE DEMAND, SUBPOENA, OR ANY OTHER FORMAL OR INFORMAL REQUEST FOR INFORMATION OR DOCUMENTS REFERRING OR RELATING TO PROCESSOR, COMPANY OR THEIR OWNERS, EMPLOYEES, AGENTS, AFFILIATED ENTITIES OR INDEPENDENT CONTRACTORS.

- 3.1 Processor and Company authorize IC to make withdrawals, at any time, from any Processor or Company account, including, if available, any reserve account, to cover any claims, liability, loss, damages, costs or expenses, including court costs and reasonable attorney fees as described above, incurred by IC. IC may indefinitely retain reserve or other funds in IC's possession following termination of the parties' contractual arrangement until IC determines, in its sole discretion, that IC has not presently incurred and does not anticipate incurring any claims, liability, damages, costs or expenses, including court costs and reasonable attorney's fees.
- 3.2 IC is not responsible for the actions of Processor, Company, or others with respect to the amount, accuracy, and timeliness of transmittals or authorization of entries received from Processor. The acts of any other person or organization including, without limitation, banks or other financial institutions, or transmission facilities, shall not be deemed the acts of IC. Processor and Company shall hold IC harmless from any transfers IC makes upon the direction of Processor or Company when such direction is without proper authority and/or in error. Processor and Company agree that they are responsible and liable for any failure to have authorization for any transfers contemplated hereunder.
- 3.3 IC's liability to Processor, Company, and any other person or entity, shall in no event exceed the charges obtained by IC for the effected transaction. In no event shall IC be liable for consequential, special or punitive damages or loss of profits.
- 3.4 To the extent that IC's ability to provide the equipment, facilities or personnel is delayed, reduced, or interrupted by a force beyond IC's control, including, but not limited to, acts of God, public enemy, inclement weather, interruption of communications systems, physical damage to IC's premises, labor disputes, orders or directives of any governmental or quasi-governmental authority, IC shall not be required to perform its obligations under this Agreement or be liable to Processor, Company or Company's Transactee for any failure to perform.
- 3.5 Confidentiality: Each party acknowledges and agrees that it may obtain certain confidential information from the others in the course hereof. Such information includes, but is not limited to, pricing and technical information, operating procedures, and other information pertaining to the business and customers of each party ("Confidential Information"). Such Confidential Information does not include: (a) information that is publicly available; (b) information received from a third party not in violation of any confidentiality obligation; (c) information already known by the receiving party at the time of the disclosure; (d) independently developed information and (e) information suggesting or indicating that a transfer of funds through IC has been returned, reversed, claimed to be unauthorized or otherwise contested. Each party agrees: (i) to maintain the confidentiality of the others' Confidential Information, using efforts no less protective than such party uses in the protection of its own information; (ii) not to disclose such information to any third party, except auditors and regulators, or as otherwise required by law; (iii) not to use such information for any purpose whatsoever other than for its performance hereunder; and (iv) to return all Confidential Information to the other parties upon request. Parties agree to comply with all applicable local, state, and federal laws, the NACHA rules, and, in addition, to comply with IC's settlement bank privacy policy.

#### IV. Fees

- 4.0 Processor, pursuant to the terms of the Processor Agreement, has authorized IC to electronically collect all sums of money due IC for services provided. In the event IC is unable to collect all sums of money due IC from the Processor and/or IC has discontinued processing transactions for Processor, and Company agrees to continue services from IC for any pending or future transactions, IC may contact Company to make arrangements to collect all sums of money due IC pursuant to the terms and conditions of this agreement.
- 4.1 In case of a correcting entry, or other costs, expenses, or losses that IC may incur in processing items for Processor or Company, the Processor and/or Company agree that IC may submit the item for payment and Processor and/or Company will be charged an amount including a late fee as provided herein and/or later supplemented. If further collection attempts are required, all IC's costs, expenses, losses, and collections costs, including attorney's fees, where permitted by law, will be charged to Processor and/or Company; further, IC is authorized to transfer all amounts from Processor and/or Company accounts, including reserve accounts, if available, to reimburse IC for all losses.
- 4.2 Processor and Company agree that any interest that may accrue on any funds transferred to IC's settlement account is the property of IC.

#### V. Miscellaneous

- 5.0 **Entire Agreement:** This agreement, whether executed as one instrument or in counterparts (including by pdf or facsimile), the current IC Processing Policies, the IC Processor Agreement, and the Authorization for Debit and Credit Electronic Funds Transfers constitute the entire Agreement between and among Processor, Company and IC, and correctly describe the parties' mutual understanding of this Agreement. Any and all oral or written agreements, representations or understandings between the parties entered into or made prior to or made contemporaneously with the effective date of this Agreement have been incorporated into this Agreement or were revoked, released or terminated before the effective date of this Agreement. No modifications, deletions, additions, or amendments to this Agreement shall be binding on IC unless the same are reduced to writing, and the writing is signed by IC. All of the terms of this Agreement are subject to the approval of IC and unless IC has executed this Agreement, such approval has neither been obtained nor granted. The parties to this Agreement agree to execute whatever documents are reasonably necessary to carry out the terms and effect of this Agreement.
- 5.1 **Relationship of Parties:** The parties' relationship hereunder is to be that of independent contractors. This Agreement is solely for the benefit of the undersigned and may not be relied upon or enforced by any third party. In no event shall IC be deemed an agent, employee, partner or joint venturer of Company or Processor, or have the power or authority to bind them in any way; nor shall Company or Processor be deemed an agent, employee, partner or joint venturer of IC, or have the power or authority to bind it in any way.
- 5.2 **Governing Law:** This Agreement shall be governed by the laws of the State of North Dakota; NACHA; and applicable state or federal law. Any dispute regarding this Agreement shall be tried and litigated exclusively in the United States Federal District Court for the Southeast Division of the State of North Dakota, Fargo, North Dakota or the District Court for Cass County, Fargo, North Dakota.
- 5.3 **Termination of Agreement:** Any party to this Agreement may terminate this Agreement upon fifteen (15) days' written notice, except that upon IC's sole determination that Company or Processor, or their employees, agents, independent contractors, owners, and affiliates (i) have failed to observe any term or condition of this Agreement, (ii) have not provided IC with honored funds, (iii) have violated any applicable rule, regulation or law, (iv) have engaged in a fraudulent, wrongful, illegal or negligent act or omission, (v) have been made the subject of an inquiry by any governmental or self-regulatory body, (vi) have misrepresented any fact to IC, (vii) have become a credit risk to IC, (viii) have failed to immediately alert IC of a credible basis for believing that they are under investigation, or (ix) have refused to provide information to enable IC to make a determination as to



(i) through (viii), IC may immediately terminate this Agreement by written notice to Company and Processor. Company and Processor also have an affirmative duty to inform IC immediately of any inquiry by any law enforcement, regulatory, or administrative agency once they have a credible basis for believing that such an inquiry has commenced. Consistent with this duty, Company and Processor must furnish to IC copies of any subpoenas, civil investigative demands, requests for information, as well as any reports of findings and cease and desist orders (or their equivalent), except where expressly prohibited by law. Failure to satisfy this duty to notify shall represent a separate basis for immediate termination. IC may immediately terminate this Agreement upon written notice sent to Company and Processor. Processor's and Company's representations, warranties, obligations and duties shall survive termination of this Agreement, and Company and Processor shall continue to indemnify and hold IC harmless and shall be liable to IC for all sums of monies due and payable hereunder to IC. Reserve and other Company or Processor funds in IC's possession following termination of the Agreement may be retained indefinitely by IC until such time as IC determines, in its sole discretion, that it has no present or anticipated claim for indemnification from Company or Processor. Provided, however, that a determination by IC that there is no present or anticipated claim for indemnification will in no way affect Processor or Company's continuing obligation to indemnify and hold IC harmless.

**5.4 Term of this Agreement:** The term of the Agreement will be for one (1) year from the date of this Agreement. Agreement will automatically renew for subsequent successive periods of one (1) year thereafter, unless either party provides the other parties with written notice of termination fifteen (15) days prior to the end of any succeeding term of this Agreement.

**5.5 Electronic Funds Transfer (15 U.S.C. § 1693):** Company represents and warrants that it has been fully advised by its financial institutions, and represents and warrants that all of the parties having funds debited and/or credited to or from their financial accounts, pursuant to this Agreement, are fully advised of and aware of (i) their rights, remedies and responsibilities pursuant to the Electronic Funds Transfer Act, as found at 15 U.S.C. § 1693, including, but not limited to, the right to receive documentation and the right to stop payment of preauthorized transfers, and (ii) any charges for electronic funds transfers. Further, Company and Processor represent and warrant that they are in full compliance with the Act.

**5.6 Compliance with OFAC:** Company and Processor agree to remain in compliance with the rules and requirements of the Office of Foreign Assets Control Department (OFAC), including verifying that Processor and Company shall not transact business with individuals appearing on the OFAC specifically designated individuals and corporate entities/nationals and blocked persons list (SDN). Processor/Company agrees to identify its customers in accordance with a customer identification program pursuant to the requirements of OFAC. For more information, please see the following sites:

- <http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

**5.7 Right To Audit:** Processor and Company agree that IC, its bank, and any regulatory authority with supervisory authority over IC's bank may at any time, at their individual discretion, audit Processor/Company's compliance with: (a) the terms of this Agreement; (b) the terms of the ACH agreement between IC and its bank (to the extent the terms of such agreement are applicable to Processor or Company); (c) the NACHA Operating Rules; and (d) applicable local, state, federal, and foreign regulations or law. Processor and Company agree that the cost of the audit will be paid by Processor and/or Company and that the audit report will be the property of IC, with a copy supplied to Processor and/or Company. Processor and Company agree that they will remedy all matters identified in the audit report within 21 days of the date of the audit report and provide to IC written verification of this remediation. IC may, at its sole discretion, permit an extension of this 21-day period.

**5.8 Account Authorization:** Company authorizes Processor and or IC to initiate electronic debit and or credit entries to and from the bank account disclosed below, and to/from any other bank accounts subsequently identified by Company in writing. Company understands that adjustment entries may be made to this account (and subsequently identified accounts) to ensure an accurate and balanced accounting of all transactions. This authorization will remain in effect until Company cancels the authorization in writing.

Name on Bank Account \_\_\_\_\_

Bank Name \_\_\_\_\_

Bank Routing Number (nine digits) \_\_\_\_\_

Bank Account Number \_\_\_\_\_

Account Type (checking or savings) \_\_\_\_\_

**5.9 Financial Reporting:** Processor/Company agree to provide IC, within 30 days of demand, with updated financial information regarding Processor/Company, including but not limited to Processor/Company's most recent and current balance sheet, income statement, bank statement, and, if requested, tax return.

**5.10 Change in Ownership:** Processor/Company agrees to provide IC with notice of any change in ownership, together with any information relating to change and the new owners as requested by IC, at least 10 days prior to change of ownership. If the change in ownership results in the creation of a new entity, Processor/Company shall provide IC with all applicable information regarding the new entity, including but not limited to its certificate of authority (or its equivalent) to transact business, taxpayer identification and related information.

**5.11 Notification:** All notices or other communications required or permitted hereunder shall be in writing and shall be effective upon the earliest of: (a) personal service, (b) upon receipt if mailed, (c) the next business day, if sent by overnight courier within the United States, or (d) upon confirmation (including electronic verification) of receipt of a facsimile message, addressed:

<b>If to IC, to:</b>	<b>If to Processor:</b>	<b>If to Company:</b>
Intercept Corporation Attention: Risk Department 1700 42nd Street S, Suite 2000 Fargo, ND 58103 Fax: (701) 499-5340	To the location/fax number/e-mail as set forth on its ACH Application.	To the location/fax number/e-mail as set forth on its Client Information Form.

Notice may be given at such other addresses, as may hereafter be furnished in writing by the respective parties, if given in the manner required above.



5.12 Processor and Company represent and warrant the following:

- a. **Authorization by Processor/Company:** The execution and delivery of this Agreement by Processor/Company and the performance by them of the transactions contemplated herein have been duly and validly authorized by all requisite corporate actions, and this Agreement has been duly executed and delivered by Processor/Company and constitutes the valid and binding obligation of Processor/Company, enforceable against Processor/Company in accordance with its terms. Processor/Company have full company power, capacity, and authority to execute and deliver this Agreement. In addition, Processor/Company possess all governmental approvals required to carry on their business as now conducted and all such approvals are in full force and effect.
- b. **Organization, Existence, and Good Standing of Processor/Company:** Processor/Company are duly organized, validly existing, and in good standing under the laws of the jurisdictions where they were created, with all requisite company power and authority to own, lease, and operate their properties, to carry on their business as now being conducted, and to execute, deliver, and perform their obligations under this Agreement and any other documents related thereto to which they are a party and to consummate the transactions contemplated hereby.
- c. **No Conflicts:** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not contravene, conflict with, or result in any violation of or default under any provision of the certificate of where Processor/Company were created, any resolution adopted by the Processor/Company, or any mortgage, indenture, lease, loan or credit agreement, or other contract, applicable law, or governmental approval applicable to Processor/Company or any of the properties of Processor/Company, or any order which affects or binds Processor/Company. No governmental approval, and no consent or approval of any other person, is required on the part of Processor/Company in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.
- d. **Litigation:** There is no actual pending litigation (i) that has been commenced by or against Processor/Company that relates to or affects Processor/Company's right to consummate the transactions contemplated by this Agreement, or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with this Agreement or the transactions contemplated hereby.
- e. **Compliance with Laws:** Processor/Company has complied with and is in compliance with all laws, regulations, and rules, whether state, local, federal, self-regulatory, or foreign, that are or were applicable to Processor/Company; Processor/Company further represent and warrant that they have not received any notice or other communication (whether written or oral) from any governmental authority or any other person regarding any actual, alleged, or potential violation of, or failure to comply with, any law, regulation or rule.
- f. **NACHA Rules:** Company and Processor represent, warrant and acknowledge that they are bound by the NACHA Operating Rules, that they are (and will remain) in compliance with such Rules, including, but not limited to, any maximum thresholds set by NACHA for Unauthorized Returns, Administrative Returns and Overall Returns, and that they assume the responsibilities of an Originator under such Rules.

**VI. Security Procedures**

- 6.0 **Acknowledgment of Security Procedures:** Unless Processor, Company and IC agree in writing to a different security procedure than is set forth in IC's Processing Policies or herein, Processor and Company acknowledge and agree that the authenticity of payment orders will be verified using the procedures set forth in IC's Processing Policies. Further, Processor and Company agrees that such security procedures are commercially reasonable.
- 6.1 **Internal Security Procedures:** Processor and Company agree to (i) adopt and implement commercially reasonable policies, procedures and systems to receive, store, transmit and destroy Consumer-Level ACH Data in a secure manner and to protect against data breaches; and (ii) implement commercially reasonable policies, procedures and systems to detect the occurrence of a data breach within its respective organization. The term "Consumer-Level ACH Data" means a bank account number together with a bank routing number, or a customer's name together with a customer's social security number. Processor and Company further agree to comply with any prevention, detection, investigation, and escalation (notification) requirements of any NACHA policies relating to ACH data breach notification requirements and any applicable state or federal laws.

COMPANY	PROCESSOR	INTERCEPT CORPORATION
_____ Signature of Authorized Agent	_____ Signature of Authorized Agent	_____ Signature of Authorized Agent
_____ Name Printed	_____ Name Printed	_____ Name Printed
_____ Title	_____ Title	_____ Title
_____ Telephone Number		
_____ Federal Tax ID Number		

Revised 12/15



355 C Colonnade Blvd.  
State College, PA 16803  
(814) 234-2272  
(814) 234-3304 fax  
<http://keystonepayroll.com>

## ACH Company Authorization Agreement Addendum

The following companies are secondary ACH processors for Keystone Payroll LLC. The same terms and conditions apply as specified in the primary Intercept EFT Company Authorization Agreement, except as listed in the exception items below.

1. PNC Bank, Pittsburgh, Pennsylvania
2. First National Bank, Hermitage, Pennsylvania

Authorization Agreement Addendum Exceptions:

The governing law of the agreement when applied to PNC Bank or First National Bank is the law of the State of Pennsylvania.

Notification Information:

PNC Bank  
ACH Processing Department  
877-824-5001

First National Bank  
ACH Processing Department  
866-750-5298

Company \_\_\_\_\_ Signature \_\_\_\_\_