



Payroll Processing Services Agreement

A. Client Information **Date:** _____

Client Legal Name: _____ Trade Name: _____

Corporate Officer/Responsible Person (please print name): _____ Position: _____

Street Address: _____ City: _____ State: _____ ZIP: _____

Has there been significant change in ownership or control in the last 12 months? Y N Non-Profit? Y N

B. Pricing Proposal

Tax Filing Options:

Pay & File Complete or
 Pay & File Pro or
 Basic Payroll Service
 1099 Only

Service selected per payroll run \$ _____

Number of employees _____ x _____ = \$ _____ per payroll run

Total Investment per payroll run \$ _____

Notes:

C. Miscellaneous

Number of Checks per payroll: _____ 1st Check Date: _____ Pay Cycle: W BW SM M Q A

First Run Date: _____ Employer State: _____

Type of Business (below): <input type="checkbox"/> Existing Business <input type="checkbox"/> New Business	Entity Type (below): <input type="checkbox"/> S-Corporation <input type="checkbox"/> Limited Liability Corporation (LLC) <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Partnership (LLP) <input type="checkbox"/> Non-Profit Corporation <input type="checkbox"/> C-Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Trust
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Federal ID # _____ State ID # _____

Employee Pay Method Preferred: Direct Deposit CheckMark Checks PDF Checks

Are there wages to be converted Year to Date? Y N Wages to be converted Quarter to Date? Y N

D. Additional Terms and Conditions

***Employer Type** 941 943 1099 Household Schedule H 944 945 Backup Withholding 945 IRA Retirement

**By checking the above "Tax Filing Option" and "Employer Type" I understand section "Tax Filing Options" on page 2 of this Agreement. The additional terms and conditions on the following pages of this Agreement are part of the Agreement and are incorporated herein by reference. This Agreement shall not become effective unless signed by an authorized representative of CheckMark, Inc.*

Authorized (Client Signature)	Date		
Print Name	Authorized CheckMark, Inc. Signature	Date	
Witnessed By (CheckMark, Inc.)	Date	Print Name	

**Payroll Processing Services
by CheckMark, Inc.**

323 W Drake Rd, Ste 100 Fort Collins, CO 80526 Phone: 970-225-0522 • Fax: 970-225-0611

ADDITIONAL TERMS AND CONDITIONS

In this Agreement, "Client" refers to the company for whom services are being provided and whose authorized representative's signature appears on this Agreement, "CheckMark" refers to CheckMark Payroll Services, a division of CheckMark, Inc. The Agreement will continue until terminated in accordance with its provisions. Client employs CheckMark to provide the services set forth above ("Services"). CheckMark will begin upon the effective date specified by Services ("Service Effective Date") and continue until terminated by Client or by CheckMark in accordance with the provisions contained in this Agreement. Services will not commence until CheckMark receives all documents necessary to begin each of the Services and notifies Client of the start date for each ("Service Effective Date"). Tax Filing Services affected through electronic funds transfer (EFT) are in compliance with the National Automated Clearing House Association operating rules (NACHA).

CheckMark assumes no responsibility for services until the Service Effective Date for each specific service.

Tax Filing Options (Choose 1 or 2)

1. Pay & File Complete and Pay & File Pro Service:

Client hereby employs and authorizes CheckMark to process payroll, perform the services selected on the set-up forms, and to assist with tax reporting for the limited purpose of filing payroll tax reports and returns regarding payroll taxes to the Federal, State, and local taxing authorities specified by Client and appearing on Client's set-up forms.

Client agrees that CheckMark has the option to direct that Electronic Funds Transfer (EFT) funds be drawn on Client's bank account to generate direct deposits, PDF checks, manual checks, electronic payment of all payroll taxes, and electronic filing of quarterly and annual reports. Client understands that CheckMark will not be responsible for penalties or interest due to missing, late, inaccurate, or incomplete information. Client agrees to provide CheckMark with payroll information at least three banking days before payroll check date or incur an additional processing fee.

2. Basic Payroll Service:

Client hereby, employs and authorizes CheckMark to complete payroll processing. CheckMark will supply Client ready-to-print PDF checks or printed checks, ready-to-sign PDF tax forms, payroll taxes due summary, and payroll reports. Client assumes responsibility for making timely deposits, including but not limited to "next day deposits" without regard to delivery date and receipt of the payroll. Client understands that CheckMark will not be responsible for penalties or interest due to missing, late, inaccurate, or incomplete information. Client agrees to provide CheckMark with payroll information at least three banking days before payroll check date or incur an additional processing fee.

All deposit notices and or payment checks are generated based on the next anticipated processing date as indicated by the Client's "Pay Cycle." Should a Client process a payroll or additional check earlier than the stated processing frequency, CheckMark shall not be liable for the accuracy or timeliness of such notices or checks. Payroll tax returns are prepared based on the assumption that checks are made available to employees according to check date.

Client agrees to remain responsible for any obligation imposed on Client by law to maintain records regarding Client's business or employees. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THERE ARE NO WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Client:

Client Contacts. Client will designate payroll contacts that will provide CheckMark with information and directives necessary for CheckMark to perform the Services (collectively "Client Information").

Client Information. Client will execute and/or provide all documentation that CheckMark requires to perform its responsibilities under the Agreement including, where necessary, taking all corporate action. Client acknowledges that CheckMark may be required to obtain documents necessary to verify the identity of Client pursuant to applicable federal and/or state statutes or regulations. Client will provide CheckMark with all necessary Client Information pertaining to Client's employees at least three banking days prior to a payroll check date. Failure to provide Client Information timely may result in delayed remittance of wages, taxes, and garnishments, and an additional processing fee. CheckMark shall not be required to obtain authorization from Client to act on Client Information.

Review Reports. Client will review all reports and documents provided by CheckMark and inform CheckMark of any inaccuracies within three (3) business days of receipt.

Client Confidential Information. "Client Confidential Information" will mean the name, social security number, address, bank, and wage information of Client and Client's employees provided to CheckMark by Client. CheckMark will use reasonable care to prevent the disclosure of such Client Confidential Information to any unauthorized person or entity. CheckMark may disclose Client Confidential Information to its employees, affiliates, subsidiaries, agents, and contractors to: (i) perform or offer Services; (ii) offer additional products or services; (iii) perform analysis to determine Client's qualification to receive future services; and (iv) collect Amounts Due and may disclose Client's payment experiences with CheckMark to credit reporting agencies and supply vendor references on behalf of Client. CheckMark may also disclose Client Confidential Information (i) to its attorneys, accountants, and auditors; and (ii) pursuant to federal, state, or local law, regulation, court order, legal process, or governmental investigation. The obligations set forth in this section will not apply to any Client Confidential Information that: (i) Client has agreed is free of any nondisclosure obligations; (ii) at the time of disclosure was free of any nondisclosure obligations; (iii) is independently developed by CheckMark or that CheckMark lawfully received, free of any nondisclosure obligations, from a third party having the right to furnish such Client Confidential Information; or (iv) is or becomes available to the public without any breach of this Agreement or unauthorized disclosure.

Payment of Fees. Client agrees to pay CheckMark fees for the Services, Reimbursement Amounts, and delivery charges (collectively "Amounts Due") which will be charged to Client's account through an Electronic Funds Transfer (EFT). CheckMark fees and delivery charges are subject to change on written notice. Bills will be due in full upon presentation. Overdue account will accrue interest at the highest Prime Rate listed under Money Rates in the *Wall Street Journal*. In the event the account is placed for collection, reasonable attorney's fees and costs will be added to the account balance. CheckMark reserves the right to withhold any payments provided pursuant to this Agreement and any or all work in process or records in its possession in the event of Client's failure to make any payments hereunder. Client understands that CheckMark has the use of funds held by CheckMark in a separate escrow or custodial account pending final payment of items to employees, taxing authorities, or others. Client waives any right to interest that may accrue on any amounts received by CheckMark.

Electronic Funds Transfer. CheckMark has the option to use EFT. All EFTs are performed in compliance with the National Automated Clearing House Association operating rules ("NACHA"). Client agrees (i) to follow NACHA, as they are amended from time to time; (ii) to assume the responsibilities of an initiator of EFTs; (iii) that it will not initiate any EFT that violates any law; and (iv) that CheckMark may identify Client to banks involved in the EFT. Client agrees to authorize the direct debit of an account by CheckMark through ACH and to maintain sufficient funds in the account to cover all Amounts Due or payable by CheckMark under this Agreement and that sufficient funds will be on deposit and immediately available at least one (1) business day prior to anticipated payment dates of employees, taxing authorities or others ("Funding Deadline"). CheckMark will transfer such funds from Client's account to a separate escrow or custodial account maintained by CheckMark for the purpose of making all payments hereunder including, without limitation, fees due CheckMark, tax payments, employee payments, and direct deposits. Client further agrees that it will notify CheckMark, pursuant to applicable NACHA and federal regulations, if funding for Client's payroll is received from a foreign financial agency and of any employees with non-US addresses.

Insufficient or Non-confirmed Funds. CheckMark will provide Client a "Funding Total" and "Funding Deadline" for each payroll processing. It is the Client's responsibility to have sufficient funds available on the Funding Deadline, and CheckMark will not confirm if funds are available for wages, garnishments, taxes, and other payments. Client agrees to pay CheckMark an insufficient funds fee for each EFT that needs to be re-submitted. Regarding services fees, CheckMark may take such action to collect "Service Amounts Due," including, but not limited to, re-issuance of the EFT. If CheckMark is unable to confirm receipt of funds prior to the "Funding Deadline," remittance of wages, garnishments, or taxes may be delayed.

CheckMark shall be responsible only to the extent of correcting errors which are due to the breach of this Agreement. CheckMark's liability with respect to this Agreement is limited to the remittance to appropriate payees of funds held on behalf of the Client or CheckMark to reimburse Client or its employees for any interest or penalties assessed as a direct result of CheckMark's breach of the Agreement. CheckMark shall not be responsible for any direct, indirect, incidental, special, punitive, or consequential damages, loss of profits or other economic loss. CheckMark shall not be liable for failure to provide the Services herein if due to causes or conditions beyond its control. Client agrees to provide complete, accurate and timely information as necessary to the performance by CheckMark of Services under this Agreement and to verify or correct such information as appropriate, on a timely basis. If the data submitted by the Client for processing is incorrect, incomplete or not in proper form, then the Client agrees to pay CheckMark its standard rate then in effect for any additional work performed to correct such data for processing.

Indemnification. Client agrees to indemnify CheckMark, its employees and agents, and to hold them harmless from all loss, damages and expenses (including reasonable attorneys fees) in connection with any claim which may arise out of or as a result of this Agreement or the performance of CheckMark, including, without limitation, any claim arising out of the use of information furnished by Client. CheckMark accepts both responsibility and liability for the timely report of Client payroll taxes but only based on information provided by the Client. If solely on account of negligent error or omission on the part of CheckMark with respect to timely reporting, Client incurs a penalty or interest charge, then CheckMark will pay whatever penalties and interest that result from the error. However, CheckMark does not assume liability for the improper payment of taxes due to incorrect claims of tax exemptions, deposit frequency, tax identification number(s) or rate(s), or deductions by the Clients or its employees. Client's failure to comply with the terms of this Agreement terminate this contract, at the election of CheckMark, and releases CheckMark of liability for its performance under this Agreement and Client will immediately become solely responsible for any tax or wage payments, penalties, or claims. The accuracy and the integrity of the service CheckMark can provide is limited by the nature of information the Client provides. Therefore, CheckMark cannot be held liable for Client errors, wage and hour violations, sex discrimination, or other employment policies, which may violate the law. It is the Client's obligation to check the payroll and related documents for accuracy immediately. CheckMark's responsibility to perform Services under this Agreement will also automatically terminate should Client funds be insufficient or otherwise to cover processing fees.

All specifications, stored data, and programs utilized or developed by CheckMark in connection with the Agreement (except those furnished by Client) are and shall remain the sole property of CheckMark, and the Client agrees to respect the confidentiality and proprietary nature of all such information.

This Agreement supersedes all prior agreements, proposals or understandings, whether written or oral. This Agreement shall be governed by the laws of the State of Colorado, and any action brought by either party arising out of the Agreement, shall be brought only in the State of Colorado. It is agreed that all disputes, claims, and controversies between CheckMark and Client arising from this Agreement or any related documents or instruments, or otherwise, including without limitation, contract, tort, and other claims, shall be determined by a single arbitrator pursuant to the Commercial Arbitration Rules, and under the auspices, of the American Arbitration Association in Colorado; provided, however, that no arbitrator shall have the power to enjoin or restrain any act of CheckMark or Client. The Agreement may be amended only in writing signed by both parties.

Termination. Except as otherwise provided, either party may terminate the Agreement upon thirty (30) days prior written notice. CheckMark may immediately terminate the Agreement, or a portion thereof, if: (i) Client becomes subject to receivership, bankruptcy, or is insolvent; (ii) CheckMark, in its sole discretion, determines that a material adverse change has occurred in the financial condition of Client; (iii) Client fails to have sufficient funds on the Funding Deadline; or (iv) CheckMark determines, in its sole discretion, that any federal, state, or local legislation, regulatory action, or judicial decision adversely affects its interests under the Agreement. Termination of the Agreement will not relieve Client of any obligations set forth herein this Agreement, including, but not limited to, its payment obligations.