

Payroll and Tax Processing Agreement



Client No. _____

Client Legal Name DBA _____

Years in Business _____

Address, City, State, Zip Code _____

E- Mail Address _____

Telephone Number _____
Pay Cycle Information

Fax Number _____

Contact Name _____

Pay Cycle W BW SM M Q A Sales Tax Code _____

First Check Date _____

First Run Date _____

Federal Reporting Information

Employer Type (941, Household, etc.) _____

EIN NUMBER _____

Partnership LLP Non-Profit S-Corp. LLC Sole Prop C-Corp. Trust

Fed Filing Frequency Semiweekly Monthly

Tax Options Full Direct Tax Federal Unemployment Tax (FUTA) Exempt Taxable

State Reporting Information (For additional states please attach addendum sheet)

State Withholding Identification Number _____

Exempt Taxable

Unemployment Identification Number _____

Client Will Apply (SIT) Client Will Apply (SUTA)

Total Rate % _____ Includes _____ % SDI _____ % Surcharge _____ % JDF

Local Reporting Information (For additional locals please attach addendum sheet)

Locality Name _____ Locality Name _____ Locality Name _____

Rate % _____ Rate % _____ Rate % _____

Miscellaneous Tax Information

Wages to be converted _____ YTD _____ QTD _____ NONE
(Attach conversion information)

CREDIT

This agreement may be considered as an application for credit and authorizes YPPCI to investigate the credit of the client or its principals including vendor references, bank account status and history .

Corporate Officer/Responsible Person _____

Position _____

Social Security Number _____

Home address, City, State, Zip Code _____

BANKING INFORMATION

Client hereby authorizes clients bank to pay and charge clients account for charges drawn on clients account and payable to the order of Your Payroll Processing Center, Inc. Client agrees that client's banks rights in respect to each charge shall be the same as it were drawn on it, and signed personally by or on behalf of client. This authority is to remain in effect until revoked by client in writing, and until bank receives such notice, that bank shall be fully protected in honoring these charges. Client further agrees that if any such charge is dishonored, whether with or without cause or whether intentionally or inadvertently, bank shall have no liability whatsoever.

Bank Name _____ Routing Number _____ Account Number _____

ADDITIONAL TERMS AND CONDITIONS

The additional terms and conditions of AGREEMENT are part of the AGREEMENT and are incorporated herein by reference. This AGREEMENT shall not become effective unless signed by and authorized representative of YPPCI and client.

Authorized Signature _____

Print Name _____

Date _____

Expedition Payroll, Inc. (authorized representative of Your Payroll Processing Center, Inc.)

Services

1. Tax Filing Selection

a. Full Tax – Client agrees that Your Payroll Processing Center, Inc (“YPPCI”) will act as the tax filing agent where required for Federal, State, and local payroll deposits, filings and correspondences on client’s behalf as it relates to payroll tax filings. *Client understands that YPPCI will not be responsible for penalties or interest due to missing, inaccurate, or incomplete information. YPPCI will assume interest charges and/or penalties which are the result of YPPCI negligence only. Client further understands that YPPCI is not responsible for taxes with respect to wages paid prior to its service.*

b. Direct Tax – Direct ACH transfer from Client’s bank account directly to the appropriate tax agencies. YPPCI agrees to provide services under this Agreement in accordance with industry standards. 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 EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Client agrees to provide YPPCI with the following information_3_ days prior to YPPCI. processing any payroll or writing any payroll checks for client:

- IRS deposit frequency letter. If unavailable, client agrees to contact IRS and secure that information
- Federal, State and Local tax deposit books
- State unemployment experience rate notice. If unavailable, client agrees to contact the State unemployment office for the account number and rate
- Copy of any payroll tax returns (Federal, State or Local) filed during the current year
- Copy of 941 and state tax deposits made by client or other services for the current year. Information will reflect date and amount for each deposit individually. Fed/FICA deposits must be split to show how much of the deposit was Fed W/H and how much was FICA.
- Local tax ID’s, rates and deposit frequencies. IF unavailable, the client agrees to contact the local government agencies and get the information.
- Employee conversion information, both active and terminated employees. Information will reflect total earnings, deductions, and taxes by quarter for each employee. Conversion information will also include company totals for each earnings, deduction and tax category.

In the event this information is not provided to YPPCI at conversion time, client agrees to be solely responsible for, and pay any and all penalties and interest assessed by any agency as a result of improper filings.

2. YPPCI agrees to hold in confidence all information relating to client’s assets, liabilities, business or affairs which is received by YPPCI in the course of rendering services except as provided by law.

3. Client agrees to maintain sufficient funds in account to cover all payroll tax deposits, current or past due and to collect all fees and charges. If client’s Federal Tax liability exceeds \$100,000, which is subject to the Federal \$100,000 one day rule, the client agrees to fund that liability via wire transfer at the request of YPPCI from the client’s bank account to YPPCI tax account. Client agrees that debits will be made no later than one day prior to the check date. In the event sufficient funds are not available to cover the above listed items, YPPCI will assess a NSF charge and reserve the right to immediately terminate the agreement without prior written notice. If YPPCI terminates this agreement, YPPCI shall not be responsible for making any further payroll taxes or filings, and shall retain tax deposits to offset any amounts owed by the client. 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. YPPCI reserves the right to withhold any payments provided pursuant to the 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.

4. To secure any obligations in the payment of sums hereafter owed to client by YPPCI, client grants YPPCI, the right of setoff, and a security interest under the Uniform Commercial Code and any funds of client which may now or hereafter be deposited into an escrow or custodial account used by YPPCI for the purpose of payment of taxes, payrolls, fees due YPPCI or other payments under this agreement. Client agrees to pay YPPCI per the agreed upon price schedule. Client understands that the service fees will be automatically debited from client’s bank account, as indicated by client. As additional consideration, YPPCI may invest funds as YPPCI deems appropriate and that any and all profits, accumulations, and any other form of gain resulting from such investments shall accrue for the benefit of and the sole property of YPPCI. YPPCI agrees to return client tax refunds in excess of actual tax liabilities and fees upon authorized written request from client.

5. YPPCI shall use due care in processing client’s work, but shall be responsible only to the extent of correcting errors which are due to the negligence of YPPCI employees, operations or agents. In any event, YPPCI liability with respect to this agreement is limited to the remittance to appropriate payees of funds held on behalf of the client or other correction of any error due to its own negligence and YPPCI shall not be responsible for any direct, indirect, incidental, special, punitive, or consequential damages, loss of profits or other economic loss. YPPCI 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 YPPCI 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 YPPCI the standard rate then in effect for any additional work performed to correct such data for processing.

6. Client agrees to indemnify YPPCI, its employees and agents, and to hold them harmless from all loss, damages and expenses (including reasonable attorney’s fees) in connection with any claim which may arise out of or as a result of this agreement or the performance of YPPCI, including, without limitation, any claim arising out of the use of information furnished by the client. YPPCI accepts both responsibility and liability for the timely payment and report of client payroll taxes but only based on information provided by the client and only to the extent of funds made available by client. If solely on account of negligent error or omission on the part of YPPCI with respect to timely payment of escrowed funds, client incurs a penalty or interest charge, then YPPCI will pay whatever penalties and interest that result from the error. However, YPPCI 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 client or its employees. Client failure to comply with the terms of this agreement terminate this contract, at the election of YPPCI and releases YPPCI of liability of its performance under this agreement and client will immediately become solely responsible for any tax or wage payments, penalties, or claims. Client hereby instructs all Federal, State, and local tax authorities to deliver tax forms, documents, and other related information to YPPCI. YPPCI is hereby given full authorization to represent and submit records on behalf of client before Federal, State, or local jurisdictions tax office with respect to employment taxes. Client hereby authorizes client’s payroll department, including any vendor or computer service to deliver to YPPCI all necessary documents and payroll information, including payroll tax registers, quarterly reports and summaries. Except as expressly provided in this Agreement, YPPCI shall not be liable for any incidental, economic, consequential or punitive damages sustained by Client, regardless of the cause.

7. This agreement shall be governed by the laws of the State of Minnesota, and any action brought by either party arising out of the agreement, shall be brought only in the State of Minnesota in the United States District Court in St Paul, Minnesota, and the client specifically consents to the jurisdiction and venue of each of such courts, for the purposes of enforcing this provision. This agreement constitutes the entire agreement between the parties and supersedes any prior agreement. The agreement may be amended only in writing signed by both parties. Any cause of action must be commenced within six (6) months after the claim or cause of action arises. With respect to all electronic communications, internet transmissions and voice mail, client agrees to maintain proper security privacy precautions with respect to payroll data transmitted. Client agrees to indemnify and hold harmless YPPCI with respect to any damages, taxes, penalty, interest, loss or expense (including court costs and attorney fees) incurred as a result of any delay or error in transmission, such as incomplete or incorrect data. YPPCI will provide access only to authorized personnel with respect to personally identifiable information provided by Client; however, YPPCI does not guarantee that unauthorized or inadvertent disclosure will never occur. YPPCI shall not be responsible for any delays or failures resulting from acts beyond its control. Such acts shall include, but not be limited to, Acts of God, acts of war, government regulations imposed subsequently, fire, communication line failures, power failures, or other disasters. YPPCI shall not be responsible for protection of Client’s data from third party sources beyond the control of YPPCI who may improperly gain access to Client’s confidential communications, despite reasonable security precautions by both parties to prevent unauthorized access or disclosure. Client agrees to indemnify and hold harmless YPPCI with respect to any claims, damages, expenses, penalties, liability, or losses (including attorney fees) resulting from the wrongful access or use of such information. This disclaimer specifically relates to, but is not limited to, damages to the computer system, software, or loss of data.

8. The agreement will be in effect from the date of acceptance by YPPCI. Upon termination of service, client agrees to thirty (30) days written notice of its intent to terminate the agreement or failing to do so pay a \$250.00 termination fee. All clients leaving the tax filing service shall pay a termination service continuance charge of \$150.00 to cover costs of required follow-up after the discontinuance of service. Should client leave YPPCI tax filing service owing tax balances and/or fees to YPPCI, the officers of said client agree to be held personally liable for the deficit amount.

9. This contract constitutes the entire and exclusive agreement between the parties and it supersedes all previous communications, representations, or agreements, either oral or written, between them. No representations are made except as directly expressed in writing in this Agreement.