



**PAYCHEX<sup>®</sup>**

*Major Market Solutions*

Proposal for

*Town of Allenstown, NH*

**Lisa Galarneau**

Client Service Manager

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978-276-0060, ext. 48461

**October 22, 2014**



Payroll • HR • Retirement • Insurance

October 22, 2014

Town of Allenstown  
Attn: Diane Demers  
16 School Street  
Allenstown, NH 03275

Re: Payroll Services, Electronic Timesheets, and Electronic Check Stubs

Dear Ms. Demers:

On behalf of Paychex, we are pleased to offer a proposal to the Town of Allenstown for professional and technical services that will provide an inclusive payroll, time and attendance, and human resources solution for your organization.

For the past 43 years, Paychex has delivered trusted payroll expertise to organizations at every stage of development. Our engagement with Town of Allenstown will begin with a consultative meeting wherein your representatives more fully articulate your challenges and goals, and Paychex representatives define our administrative services.

Paychex is a \$2.5 billion corporation with zero long-term debt. A leading provider of payroll, human resources, and benefits outsourcing solutions for America's businesses, Paychex serves approximately 580,000 businesses nationwide.

For your consideration, we have included information about the following topics in this proposal. For each topic, we describe the scope of proposed services and how we will support Town of Allenstown:

Time and Attendance	Training
Human Resources Information Systems	Application security
Payroll processing	Hosted services
Customization	History/recordkeeping
Service and support	Implementation
Reporting	Technical overview

Paychex offers comprehensive services, including payroll processing, payroll tax administration, and employee pay services, such as direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and many other administrative services for business. Paychex offers a benefits administration application, BeneTrac, to help manage benefits, and our Paychex Recruiting and Applicant Tracking Solution to assist our clients with recruiting and hiring. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex also offers ExpenseWire®, an expense management web solution.

We will manage the Town of Allenstown account from our Boston office at:

100 RiverPark Drive  
Suite 100  
North Reading, MA 01864

As your primary contact, I am fully authorized to commit Paychex to the attached proposal, which shall remain valid for a period of not fewer than ninety (90) days from the submission date.

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If you have questions during the review process, please contact Lisa Galarneau, Client Service Manager, at 978-276-0060, ext. 48461, or [lgalarneau@paychex.com](mailto:lgalarneau@paychex.com).

Thank you for your interest in Paychex. We are ready to work with you to implement an effective payroll and human resources solution that addresses the express needs of the Town of Allenstown.

Sincerely,



Lisa Galarneau  
Client Service Manager, Paychex

## Executive Summary For Town of Allenstown

Paychex is pleased to present this proposal for the Town of Allenstown. We are confident that Paychex is uniquely positioned to provide a payroll, time and attendance, and human resources solution that meets your objectives, delivers optimal business value, and offers flexible input functionality. With Paychex services, you can:

- **Save time and money** – Paychex empowers business owners to focus on and grow their business, instead of contending with the demands of payroll and benefits compliance. By combining our leading software-as-a-service technology and mobility platform with dedicated, personal service, Paychex offers solutions to meet the needs of businesses today and in the future.
- **Maintain control of your data** – Continue to manage payroll submission schedules and reporting while Paychex handles processing and transaction tasks. Our focus is to ensure that you are free to do what you do best – run your business.
- **Get the support you need, when you need it** – You will have a dedicated representative backed by a team of experts to assist you with any questions or concerns. Our customer service philosophy is to always correct any issues as soon as possible.
- **Ensure immediate and accurate compliance** – With Paychex tax administration technology, we are able to identify and resolve tax calculation inaccuracies on a per pay period basis.

Our proposed solution includes:

**The Paychex One-Source hosted payroll solution, Preview®**, supports processing based on both fiscal and calendar year. Preview maintains integrity to year-end processes such as Forms W-2 and includes all tax filings and payments. The Paychex One-Source payroll solution is extremely flexible. It enables you to configure organizational settings, including the setup of earning and deduction codes along with customized field names. With Preview, you can configure the solution to suit your operating needs.

**The Paychex One-Source HR solution** is a web-based solution that helps eliminate the inefficiencies and inaccuracies of updating and managing data in multiple places. Central data management, custom workflows, and screen displays add convenience and increase communication, and may reduce administrative labor costs. Supervisor and employee self-service options can further increase efficiencies and cost-saving advantages.

**The Paychex One-Source Time and Attendance solution, Time and Labor**, can save you time and reduce errors by automating time and labor management. This solution offers Fingerprint Biometric time entry.

Paychex also offers electronic timeclocks that use swipe cards with a magnetic swipe, bar code, or keypad entry. You can access time entry via the web; and the Paychex One-Source time and attendance solution is available across all business locations.

Founded in 1971, Paychex is a publicly traded \$2.5 billion corporation with zero long-term debt under the guidance of an outside Board of Directors and senior management staff. A leading provider of payroll, human resources, insurance, and benefits outsourcing solutions for America's businesses, Paychex serves approximately 580,000 businesses nationwide.

With 43 years of innovation, reliability, and service, Paychex has earned a reputation for excellence:

- Among "America's Most Admired Companies" – *Fortune* magazine
- Seven consecutive Alexander Hamilton Awards for excellence in treasury and financial management – *Treasury & Risk* magazine
- Preferred payroll and retirement services provider for the American Institute of Certified Public Accountants (AICPA)
- Top 125 training organizations in the world (13th straight year) – *Training* magazine
- One of the "World's Most Ethical Companies" for 2014 – The Ethisphere<sup>®</sup> Institute
- One of the "Best Investor Relations Companies" – *Institutional Investor* magazine
- *Computerworld's* "100 Best Places to Work in IT" – nine consecutive years
- Ranks as the largest 401(k) recordkeeper by number of plans for the fourth year in a row – *Plansponsor* magazine
- Number one among companies that manage defined contribution recordkeeping assets – 2012 survey by *Pensions & Investments (P&I)* magazine
- Paychex Insurance Agency, a wholly owned subsidiary of Paychex, Inc., ranks number 25 on *Business Insurance* magazine's 2013 list of the Top 100 Brokers of U.S. Business.
- Brandon Hall Group bronze award for excellence in the Best Advance in Talent Acquisition Technology for myStaffingPro, the Paychex software-as-a-service applicant tracking suite

Paychex will supply expertise and competency in providing services to the Town of Allenstown. Our engagement with the Town of Allenstown will begin with a consultative meeting wherein your representatives more fully articulate your challenges and goals, and Paychex representatives expressly define our administrative services. From this conversation, Paychex will develop a customized plan and delivery schedule for the Town of Allenstown.

A fee schedule is included with this RFP to provide clear itemization of each service offered.

We look forward to the opportunity to deliver the proposed payroll and HR services with accuracy and timeliness to the Town of Allenstown. This proposal summarizes the information requested to help the Town of Allenstown make a decision that supports your organization, your interests, and your employees.

## Company Background

Paychex, Inc. (NASDAQ: PAYX) is a leading provider of innovative and integrated technology solutions for payroll, HR, retirement, and insurance services. By partnering with small and medium-sized businesses, Paychex empowers business owners to focus on and grow their business, instead of contending with the demands of payroll and benefits compliance. By combining our leading software-as-a-service technology and mobility platform with dedicated, personal service, Paychex offers solutions to meet the needs of businesses today and in the future. Backed by more than 43 years of industry expertise, Paychex serves approximately 580,000 payroll clients as of May 31, 2013, across 100 locations and pays one out of every 15 American private sector employees. Learn more about Paychex by visiting [www.paychex.com](http://www.paychex.com), and stay connected on Twitter and LinkedIn.

Founded in 1971 by Tom Golisano, Paychex is a publicly traded \$2.5 billion corporation with zero long-term debt under the guidance of an outside Board of Directors and senior management staff.

Paychex has helped millions of business owners and managers focus on what they do best – run their companies. Today, our payroll, human resources, and benefits outsourcing solutions continue to meet the needs of any size organization, from the corner store to large groups with complex requirements.

Our solutions offer numerous technological advantages that many of our competitors' do not. With Paychex, you'll enjoy:

- A single, SaaS-based platform
- Single, secure sign-on to all online services
- A customizable user experience
- Payroll data consolidated in an online report center
- Permission-based employee access to online payroll data

Paychex is the only publicly traded payroll company to provide a truly integrated and complete pre-hire to post-termination solution. Our solution allows you to add and remove additional features as needed without interruption of your core payroll/ HRIS services. Paychex is also differentiated by the personal attention and commitment we give our clients. By listening to you, and understanding your challenges, we can provide the right products and services to meet your business goals.

Paychex offers comprehensive services, from hire to retire, including payroll processing, payroll tax administration, and employee pay services, such as direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and many other administrative services for business. Paychex offers a benefits administration application, BeneTrac, to help manage benefits, and our Paychex Recruiting and Applicant Tracking Solution to assist our clients with recruiting and hiring.

A variety of business insurance products, including group health and workers' compensation, and tools to assist with Health Care Reform, are made available through Paychex Insurance Agency, Inc. Paychex also offers ExpenseWire®, an expense management web solution.

Paychex One-Source Solutions have proactively helped our many clients reduce liability by ensuring their businesses are in line with the ever-changing regulatory and compliance landscape. Paychex stays ahead of the curve to be a leader in the industry by maintaining a strong positive relationship with the IRS as well as strategic relationships with regulatory industries to help our clients. By working closely with the IRS and other government agencies throughout the year, Paychex actively monitors regulatory and compliance-related issues.

Another way that Paychex is paving the way in our industry is our ability to offer an "end-to-end" solution to clients to automate the workforce management process, from hire to retire. We listen to our clients, and invest a substantial portion of money in research and development, exhaustively testing new solutions and their impact before rolling them out to our clients.

As Paychex moves into the future, we are focused on offering the most integrated, comprehensive solution in the market. We are moving forward with mobile technology, which allows employees to check in one place and manage work in another, whether it be 401(k) services, payroll, benefits, or time-off requests, Paychex will provide the means to handle it all as we continue to roll out new services during the next 6-18 months.

## **Proposed Solution**

### *Paychex One-Source Payroll Solution*

The Paychex One-Source Payroll Solution is extremely flexible. Offered to you as a hosted solution, it enables you to configure organizational settings, including the setup of earning and deduction codes along with customized field names. You can modify all customized fields; in addition, the payroll solution contains several menu options so that you can configure the solution to suit your operating needs.

Internet access is provided by an industry leader in communications services, and the site hosting is internally managed. We use 128-bit SSL encryption to secure connections.

With Paychex One-Source Payroll, users can:

- pre-edit reports based on self-defined parameters for gross-to-net pay calculations
- audit pay files, identifying pay entry errors and providing immediate notification if corrections are required
- run critical payroll processes with back-out and roll-back features should the process not execute fully
- engage utilities to run against corrupt data and index files

- process “what-if” capabilities based on user-chosen scenarios
- allocate costs to any level of detail
- future-date recurring earnings and deductions
- customize or define batch input screens for hours and earnings
- locally print manual checks or special payroll checks to integrate with the master payroll record
- import and export files with third-party programs like Microsoft® Word, Excel®, Access, and Project
- automatically track accrual hours for new hires and employees along with status changes according to client-defined rules

The One-Source Payroll Solution can incorporate processed data into your general ledger system to, for example, accommodate labor distribution reporting for employees who work in more than one cost center. The One-Source Payroll Solution can create a .csv or .txt file to export GL information based on the chart of accounts set up in the system for payroll-related items. Since each client uses GL software differently, an analysis of the export needed should be conducted. Allocation by location is available for all earnings, deductions, and taxes processed through payroll. This can be allocated based on the organization structure setup of the departments.

Non-critical payroll processing requires two business days. You would enter employee changes and payroll and then transmit this information to the Paychex office at least two days prior to the check date. Payroll is processed, printed, and delivered the following day. Funds would be collected either the day prior to the check date or on the check date. For critical payroll processing or on-demand check processing, you can use One-Source Payroll to calculate the check by entering it as a regular check and sending the file for processing as either hard copy or direct deposit. All payroll checks would be sent to you for distribution. You can also create and print a check in house, and provide the payroll information in your next payroll.

As a client, you have online access to current and historical data so you can make payroll adjustments at any time. If there are changes in the law, Paychex will inform you of these changes through a variety of media, including online message board and hard copy. Paychex offers direct deposit via the electronic deposit of payroll using the Automated Clearing House (ACH) system. Each pay period, the net direct deposit payroll would be transferred from your bank account. Employees receive automatic credit of their net pay directly into their checking or savings accounts.

You can pay your employees in four ways through the Paychex Payroll Solution:

- **Direct Deposit** – monies deposited directly to employees' bank account(s) via electronic deposit using ACH
- **Readychex**® – signed, ready-to-deliver checks through a single debit to your bank account for net payroll
- **Manual** – paper checks created for you to sign and distribute (Paychex can also add your electronic signature if you prefer.)
- **Skylight**® **PayOptions**™ **Pay Card** - An employee's pay can be loaded directly on to the card, which can be used to make purchases anywhere the MasterCard Logo is displayed. Employees that sign up for this pay option can use the card to withdraw their cash at any Allpoint® ATM at no charge.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that states gather and report information about newly hired or rehired employees. The information must be reported by the deadline required to the states via a state-mandated medium (magnetic tape, paper, or electronic media). Paychex offers this reporting as part of the payroll service. Clients must notify Paychex if they do not want their new hires reported through our service.

#### *Garnishments*

The Paychex Garnishment Payment Service deducts the stipulated amount from the user's bank account and payments are automatically generated to the payee. Your client service representative will assist you with the interpretation of new garnishment orders and setup of deductions; however, per the service agreement, you would remain ultimately responsible for this interpretation and setup. One-Source Payroll does not calculate garnishments on state/federal rulings.

#### *Reports*

Paychex One-Source Payroll includes many standard reports, and you can configure the system to display some or all of the reports. Each pay period, you will have access to multiple reports that show taxes by type, department, and other options. Paychex provides all quarterly and annual tax reports, including employee Forms W-2 and contractor Forms 1099. Paychex will provide copies of all tax filings and will file zero returns, if needed, on your behalf. In addition, through the payroll solution, prior year adjustments can be made as necessary.

Paychex also provides Report Writer, an ad hoc reporting tool available to our One-Source Solution clients.

There are several client-friendly features in the new Report Writer tool:

- Users can create, modify, and run custom designed reports.
- Custom reports can be shared with other reporting users in the company.
- Reports can be created for clients requesting complex, ad hoc reporting needs, or clients with a need to run specific reports on a weekly or monthly basis.
- Reports can be saved in a variety of file formats (PDF, XLS, tab-delimited, and CSV).
- Pre-defined Paychex templates provide additional reporting capabilities. Templates can be run as defined or customized and saved as new templates.
- Paychex Samples folder contains sample reports with tutorials describing how to use the basic functionality to customize reports and use the software.
- Intuitive subject areas contain the data elements and descriptions needed to create and maintain custom reports.

The ad hoc reporting tool is available with all the Paychex One-Source solution modules for Payroll, HR, and Time and Attendance.

#### *Paychex Taxpay® Solution*

The Paychex Taxpay® service calculates, deposits, and files your payroll taxes for you. The system can set aside funds as you incur liabilities. Paychex deducts funds on payroll check dates and can withdraw funds from multiple bank accounts according to your designation. The Paychex Taxpay solution includes automatic enrollment in the Electronic Federal Tax Payment System (EFTPS). This meets IRS requirements for businesses that must file Forms 941, 943, and 944 payroll taxes electronically, and therefore helps clients remain in compliance with IRS and state electronic filing requirements.

The Paychex Compliance Risk Management department monitors legislative and regulatory developments that may impact Paychex products and services. If modifications to systems are needed, processes are in place to code the systems to implement the changes.

Each deposit period, Paychex deposits:

- Federal withholding
- FICA
- FUTA
- State withholding
- SUI
- Disability and local payroll taxes (where applicable)

Quarterly and annually, Paychex:

- files all appropriate returns,
- gives you a detailed list of tax liabilities, and
- supplies you copies of returns for your records.

All issues involving penalties and/or interest charges are investigated to determine cause; after review, the appropriate steps are taken to solve the issues.

#### *Year-End*

Paychex provides year-end services and will file all payroll taxes and process and file your Forms W-2 and 1099 on your behalf. You would be responsible to maintain accurate employee information in the system, make the information available to Paychex at year-end, and notify Paychex that the final payroll has run. There are no constraints related to paying year-end bonuses. Paychex provides all annual tax reports, including employee Forms W-2 and contractor Forms 1099 in hard copy or online. As Paychex does not purge information at year-end, you would have no responsibilities for deciding which information is necessary to save. When a new year begins, all active employees are automatically moved to the new calendar year. You may also move any inactive employees.

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#### *Paychex One-Source HR Solution*

The Paychex One-Source HR solution is a web-based solution that helps eliminate the inefficiencies and inaccuracies of updating and managing data in multiple places. Central data management, custom workflows, and screen displays add convenience and increase communication, and may reduce administrative labor costs. Supervisor and employee self-service options can further increase efficiencies and cost-saving advantages.

The One-Source HR Solution offers multiple benefits:

- seamless payroll integration
- more than 70 standard reports
- custom data export
- convenient employee/employer self-service
- tracking of key information such as EEO-1, workers' compensation, and OSHA forms

Paychex strives to provide products and services that meet the evolving needs of our clients as they expand their businesses. The HR solution was custom-designed to meet the demand for better online human resources service. It interfaces with payroll via an XML-based application. Data Sync Integration provides automatic synchronization of changes made in One-Source Payroll, HR, and Time and Attendance Solutions.

Data Sync Integration provides for the synchronization of all fields shared between the applications without intervention by the client user.

You can add new hires by using an Employee Entry interface at any time, and you can view data in real time. Status records for rehired employees are stored and displayed through a separate field that designates the employee as a re-hire, and the data becomes accessible through database files.

### *Benefits Administration*

One-Source HR integrates with benefits information. Employees have access to a Benefits Summary screen showing their elections and employee and employer costs. One-Source HR does not have a specific "Benefits Statement" that is printable to be sent to employees; however, the system does give access to a Total Compensation summary that includes the same benefit information along with salary information, tax information, and other miscellaneous items you choose to add. This can be made available to employee electronically or printed.

Employees can enroll online for benefits, and the system can handle calendar/fiscal benefit plans. One-Source HR also includes benefit premium reports. Enrollment applications can be submitted via the web, fax, or email. All benefit election changes update payroll deductions. You have the option of attaching deduction codes to plans that enable employee deductions to feed to One-Source Payroll, or leaving the codes off, which would necessitate that One-Source Payroll be updated manually.

It can track COBRA eligibility based on the qualifying event and COBRA start date. Qualifying event information received from the employer determines when the employee is first eligible for COBRA, but the eligibility end date is tracked thereafter. Benefit plans can also be set up for only a specific group of eligible employees. For complete COBRA services, we offer the Paychex COBRA Administrative Service.

In addition, benefit cost changes can be future-dated through a "Tickler" file that holds any changes until the appropriate pay period. Premiums can be automatically updated. You can automatically enroll a group of people in a benefit plan with an enrollment application. One-Source HR supports reporting on current elections as well as employee and employer costs. Employee deductions can be reconciled with the One-Source Payroll Solution. With One-Source HR, you can also:

- set up 10 different accrual rates based on the length of time an employee is employed.
- calculate hourly rates when salary increases are made.
- see an online view of the employee's total compensation package.
- view current employee history, which is available at any given time.

- make corrections to historical, current, and future records.
- accommodate effective dating for future and past dates.
- process multiple transactions for an employee with the same effective date.
- store scanned documents or picture images.
- review data that is available for active employees and inactive employees; information for inactive employees can be maintained in One-Source HR even if the employee is removed from One-Source Payroll.
- determine which user(s) have made changes to employee records.

One Source HR currently supports electronic approvals for PTO, benefits, and direct deposit. In addition, it allows electronic signatures to be captured for employee handbooks and performance reviews. With this functionality, users can track and monitor the acknowledgment of a company handbook and/or performance review for both new and existing employees.

### *Reports*

Social security numbers (SSNs) can be masked, as well as direct deposit account information on reports. The system provides flexibility for defining selection criteria, data ranges, sorting and grouping options, and report output, enabling users to tailor information to their specific needs. Also, the HR solution features custom fields for users to enter date filters on salary/status history and manipulate fields as needed for the type of report and information required. The system can also provide the ability to set up and run batch reports. Paychex also provides Report Writer, an ad hoc reporting tool available to our One-Source Solution clients.

There are several client-friendly features in the new Report Writer tool:

- Users can create, modify, and run custom designed reports.
- Custom reports can be shared with other reporting users in the company.
- Reports can be created for clients requesting complex, ad hoc reporting needs, or clients with a need to run specific reports on a weekly or monthly basis.
- Reports can be saved in a variety of file formats (PDF, XLS, tab-delimited, and CSV).
- Pre-defined Paychex templates provide additional reporting capabilities. Templates can be run as defined or customized and saved as a new template.
- Paychex Samples folder contains sample reports with tutorials describing how to use the basic functionality to customize reports and use the software.
- Intuitive subject areas contain the data elements and descriptions needed to create and maintain custom reports.

The ad hoc reporting tool is available with all our One-Source solution modules for Payroll, HR, and Time and Attendance.

Compliance standard reports are available for OSHA accident and illness reporting and the EEO-1 report. There is no additional employee setup required once the information is entered into the system.

The One-Source HR Solution also has the capacity to provide complete tracking of time-off accruals, including multiple policies and history reports. The system tracks the absence reason designated for the time away from work; it does not automatically track the time. An administrator can manually add the time taken as FMLA. If the time has been added, the system can run reports on time taken as FMLA. History is tracked on the Leave and Time-Off fields. FMLA forms and/or leave of absence request forms can be added. The system tracks workers' compensation information. It also maintains OSHA logs. OSHA accident and illness tracking can be completed by the user within the HR application. As accident information is entered, the system enables you to view and print OSHA forms 300, 300A, and 301.

#### *Employee and Manager Self-Service*

The Paychex self-service solution integrates with the HR and payroll applications in real time. With self-service capabilities, you can decentralize many HR tasks: for example, viewing and printing check stubs and Forms W-2, conducting what-if scenarios, and updating demographic data. This feature is completely customizable and can be configured to allow as much or as little self-service functionality as you like.

#### Employees can:

- view pay stubs within the system.
- check vacation and leave balances.
- manage dependent data for benefit tracking.
- view their master file information via access granted by the client administrator.
- change their Form W-4.
- complete what-if scenarios or calculate their checks.
- manage direct deposit data.

The self-service product tracks some data in a point-in-time model. Changes applied to HR Online while payroll is processing will be applied to HR immediately and then to the payroll application after the payroll run is completed.

Your IT staff will not have to support the self-service environment. An assigned HRIS advisor will help you set up the application and provide training materials for rolling out the product. Employees will be able to access self-service remotely through the Internet. The One-Source HR Solution can assist with benefits administration as well. Employees can view current and historical benefits data and access third parties through links. Also, they can complete open enrollment online.

After an employee completes his elections, he will be able to view a summary to confirm before sending information to the administrator for approval. The system supports benefit tiers and will perform an eligibility check, prompting the employee to complete an EOI form if the benefit election is above the guarantee issue amount and confirming insurability is needed. The application will prompt employees to elect dependents or beneficiaries when applicable; however, the system does not track beneficiary information.

Managers have limited access to self-service. Given access by the client administrator according to their reporting structure, they can view and edit employee information and hire new employees through self-service as long as they have access to the designated screens in the hiring workflow.

Managers can also:

- track employee status changes.
- track employee job information online.
- run reports on the information to which they have access.

Managers and administrators can approve time-off requests, benefits, and direct deposits submitted by employees. The system uses email to communicate information to employees.

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#### *Paychex One-Source Time and Attendance Solution*

Paychex offers the Proximity 2000 and Biometric 2500 series time clocks. The clocks offer:

- 7-inch LCD touch screen
- Windows CE operating system
- No required clock agent software
- Proximity badges
- Punch-N-Go option
- Ability to view schedules at the clock
- Ability to view punch detail at the clock
- A precise capacitive biometric reader
- Battery backup of up to six hours
- Larger employee capacity

The Paychex One-Source Time and Attendance Solution can save you time and reduce errors by automating time and labor management. Major benefits include:

- **time savings** – can substantially reduce time spent preparing time sheets, audits, and reports.
- **increased payroll accuracy** – can minimize or eliminate costly human error in time-sheet preparation.
- **lower labor costs** – can help increase awareness of critical labor information, allowing you to proactively control your most valuable and expensive resource.

- **improved compliance** – help comply with federal and state wage and hour requirements and overtime pay regulations
- **access from anywhere** – One-Source Time and Attendance is online-based and available 24/7 from anywhere with Internet access. Users need not install software onsite for online applications, and Paychex handles all upgrades Paychex.

The Paychex One-Source Time and Attendance Solution is available across all business locations, including a Fingerprint Biometric time entry option at the time clock and time entry via the web. Managers can track attendance incidents and information and can enter details for report output. Users can tailor information to their specific needs. Paychex works with clients to set up the system's time rules based on each company's payroll policies so that company-specific rules are applied uniformly. Security measures limit access to the data according to specifications the user chooses. An onsite company administrator will be granted access to the entire application. Supervisors can be set up to access the employee data of their own direct reports, and employees can be given self-service access to their own information.

One-Source Time and Attendance incorporates a leave management feature. Employees can enter hours using online timesheets. Also, employees can web punch for start and stop times, breaks, and lunches. They can also punch in and out and make position changes online, for example, from technician to driver.

We have four types of time punch systems to monitor One-Source Time & Attendance. They are:

- **Online Time Recording (Web Punch)** - Employees can punch in and out quickly and conveniently using their Internet Explorer® browser.
- **Proximity Time Clock** - The proximity badge allows the user to punch in by stepping close enough for the clock to beep, and allows employees to record times in and out.
- **Biometric Time Clock** - Employees place their finger on the clock's reader to clock in or out with increased security and accuracy, eliminating "buddy punching."
- **Time Sheet Express** – Employees enter their time either in real time or retroactively and they can choose the department and/or job codes from drop down menus applicable to the different jobs they are doing or have done that day/week/pay period. Multiple lines can be selected for each day to accommodate working in multiple jobs/locations in a single day.

Paychex can provide date effective recording of all timesheet and employee-related data. One-Source Time and Attendance provides a comprehensive audit trail of all changes made to the timekeeping records.

With One-Source Time and Attendance, users can:

- include multiple rounding rules and multiple grace periods by pay group;
- define and apply complex pay rules based on timesheet details;
- maintain and modify complex pay rules without vendor intervention;
- modify common elements in a group of employee timesheets;
- view overtime by employee(s) by time period;
- include various types of payroll lockdown dates to freeze timesheet edits for payroll processing (e.g., supervisor lockout date, hands-off date, etc.);
- capture and maintain fully reconciled payroll, labor, and job activity information captured and maintained within the application;
- track labor metrics (includes project, job, department, and dockets);
- access activities and related costing information in real time;
- validate absence codes against associated leave balances;
- track employee attendance data for a given period;
- allow employees to request time off and track status with dynamic validation against time off business rules;
- generate standard reports via a web-based interface;
- schedule reports to run automatically and be distributed to specific users/distribution lists via email or other means of distribution;
- build, modify, and maintain custom reports, even by non-technical employees;
- report hours worked/dollars earned by employee by selected date range as well as employee leave balances totals; and
- create reports by copying and modifying an existing report.

**Coming Soon!** Extended mobility options for smartphone and tablet entry will be offered in the coming months; more functionality – with multiple levels of approval, multilingual capacity, flexible options for viewing information, customizable interactive charts, advanced accrual tracking, geolocation technology, and visual scheduling will provide a new and improved time and attendance solution.

#### *Support*

Paychex is differentiated by the personal attention and commitment we give each one of our clients. Each client has their own designated client service representative for each of the solutions we provide, whom they can call about their account. As a Paychex client, you will have the direct phone number and email for your client service representative as well as their backup's contact's information and manager's contact information.



TOWN OF ALLENSTOWN REQUEST  
FOR PROPOSALS FOR  
Payroll Services, Electronic Timesheets, and Electronic Check Stubs

Issued: September 22,  
2014 Finance Director  
Town of Allenstown  
16 School Street  
Allenstown, NH 03275

**TOWN OF ALLENSTOWN, NH  
REQUEST FOR PROPOSALS FOR  
Payroll Services, Electronic Timesheets, and Electronic Check Stubs**

**I. REQUEST FOR PROPOSALS**

The Town of Allenstown, NH is soliciting proposals for Payroll, Electronic Timesheets, and Electronic Check Stub Services. Proposals shall be based on a bi-weekly payroll which imports the timesheet data directly. The system needs to allow for multiple payroll policies(categories) such as police special detail paid at an overtime rate. Overtime occurs at different times depending on the department such as over 40 hours for town hall staff, over 43 hours for the Police Officers and 53 hours for the Firemen.

The Town will enter into a contract with the successful bidder after approval by the Board of Selectmen.

**II. BACKGROUND**

The Town of Allenstown uses a third party vendor to process payroll, electronic timesheets and electronic check stubs. The Town of Allenstown has approximately 34 bi-weekly employees. These employees use the electronic timesheets. Approximately 25 call firemen and 10 stipend employees who are entered manually and paid monthly. All employees have direct deposit except for two monthly call firemen. The payroll service will process all taxes, and new hire filings. The Town of Allenstown will file worker's compensation.

**III. TERMINATION/RESIGNATION**

Nothing in the Agreement shall prevent, limit or otherwise interfere with the rights of either party to terminate the Agreement subject to the terminating party giving thirty (30) days written notice to the other party, prior to the effective date of separation.

The Town of Allenstown may terminate the Contract at any time, by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished and unfinished work product shall become the property of the Town. If the contract is terminated by the Town, as provided herein, the Contractor will be paid an amount, which bears the same ratio to the total compensation as the services actually performed bear to the total services covered by the Contract, less payment of compensation previously made. Termination of the Contract or the retention of funds by the municipality shall not preclude the Town or the Contractor from bringing an action against either party for damages or exercising any other legal, equitable, or contractual rights by the Town or Contractor may possess in the event of the Contractor's failure to perform.

The Town of Allenstown may void all contracts(s) at any time if the Contractor has materially misrepresented any offering or defaults on any contract with a New Hampshire municipality.

In the event that any Contract person or employee assigned to the Town of Allentown is convicted of any act resulting in personal gain in the execution of services provided through this agreement, then the Town shall have no obligation of prior notice, and may immediately terminate all contracts.

#### **IV. TRANSFER, ASSIGNMENT, SUB-LETTING**

The Contractor will not assign any part of this agreement without express written permission by the Town of Allentown.

#### **V. PERFORMANCE REQUIREMENTS**

Perform all normal and routine tasks, including but not limited to the following:

- Provide software/web service for the Town of Allentown's employees to enter timesheets.
- Provide software/web service that allows employees to request time off.
- Provide software/web service that imports timesheet data to process payroll.
- Provide multiple payroll policies (categories) to process payroll.
- Provide direct deposit services for each employee.
- Provide software/web access that allows employees to access check stubs and W-2's for tax purposes.
- Track vacation, personal and sick time for each employees based on the Town of Allentown's Personnel Policy.
- Provide third party electronic payments such as State of NH child support.
- File and pay federal income, social security and Medicare taxes for the Town of Allentown.
- File New Hire Reports to the State of NH Department of Labor.
- Provide Quarterly Reports to the Town of Allentown.
- Create an export file that can be imported into our accounting software (BMSI) each pay period.
- Provide support staff to assist Town of Allentown employees as needed.

#### **VI. ADDITIONAL REQUIREMENTS**

- 1). The Contractor shall be compensated as an independent contractor and shall be responsible for providing FICA, Workmen's Compensation, Unemployment Compensation & Liability to all employees assigned to the Town of Allentown.
- 2). The Contractor shall not compensate, in any way, a town officer, employee, or any member of the family of such officer or employee in the performance of any work under this contract.

#### **VII. INSURANCE SPECIFICATIONS**

Certificates of insurance, identifying the Municipality as co-insured, will be submitted to the Municipality no more than thirty (30) days after the signing of the contract. The Municipality will be notified within 15 days in the event of loss or change in coverage or conditions or amounts of coverage. A financially secure insurer, duly licensed to do business in the State of New Hampshire, shall issue each policy of insurance.

- 1). **Worker's Compensation – Statutory requirements and benefits if utilizing any additional employees.**
- 2). **Commercial General Liability - \$1,000,000 combined single limit. The Town of Allenstown is to be named as an additional insured with respect to the services being procured. This coverage is to include Independent Contractor's Liability, Personal Injury Liability, Blanket Contractual Insurance, Broad Form Property Damage, and Premises, Operations and Completed Operations.**
- 3). **Errors and Omissions Insurance with no less than \$1,000,000 combined single limit.**

Paychex has sufficient insurance coverage on its business activities and its employees, including but not limited to: general liability, professional liability, workers' compensation, and fidelity. Please refer to the attached insurance certificate.

#### **VIII. EVALUATION OF PROPOSALS**

Evaluation of the responses will be based on the extent to which the response meets the requirements of the solicitation and the town's determination as to the extent to which the respondent is likely to be able to achieve the desired results and fulfill the purposes of the solicitation. Proposers are welcome to submit supporting information or references, demonstrating how they have shown their performance to be in terms of quality and timeliness in tasks performed for other clients or the Town of Allenstown and how responsive they will be in terms of cost efficiency to the Town of Allenstown.

#### **IX. PROPOSAL DEADLINE**

**Proposals are due by 5:00 p.m., Wednesday, October 22, 2014, at the Town Hall, 16 School Street, Allenstown NH 03275. Proposals received after the deadline will be rejected.**

#### **X. SELECTION PROCESS**

The town may engage in individual discussions with bidders deemed fully qualified, responsible and suitable based on initial responses and with emphasis on professional competence, to provide the required service. These bidders may be requested to make an oral presentation to explain their proposal and answer questions.

#### **XI. PROPOSAL REQUIREMENTS**

The Town of Allenstown reserves the right to reject all proposals and to make a selection in the best interests of the Town.

To be deemed qualified, the Proposer(s) must demonstrate the requisite experience, skills, and resources necessary to successfully perform services requested in the Request for Proposals. All questions about this Request for Proposals should be submitted to:

Diane Demers  
Finance Director  
Town of Allenstown  
16 School Street, Allenstown, NH 03275  
Tel: (603) 485-4276 x 120  
ddemers@allenstownnh.gov

**Proposal Preparation:** In order to facilitate evaluation of the proposals, the proposer is instructed to be concise and to follow the outline below in responding. Proposals that do not follow the outline, or do not contain the required information, may be considered as invalid proposals. Additional detailed information may be annexed to the proposal.

**Format of Proposal:** Proposers are instructed to be concise and proposals should include, in order, the following:

1. Letter of Transmittal;
2. Executive Summary to include understanding of the project and scope of work;
3. Brief organization profile, including background and experience of the firm;
4. Previous project summaries, including reference contact information for a minimum of three (3) projects, which are similar in scope to the project described herein that demonstrate pertinent corporate and key personnel experience; listing of the pertinent projects may be included (the Town reserves the right to contact any references provided by the proposer or otherwise obtained);

References will be provided during the selection process.

5. Approach to work – a detailed outline of the proposed services for executing the requirements of the Proposed Scope of Services and availability to the Town as needed;

6. Proposed schedule to meet the needs outlined in the RFP;

A Paychex support representative can meet with you to review your account.

7. Contract cost to municipality given the scope of work described in the RFP.

Please refer to the separate pricing proposal.

**Bids must be in a sealed envelope clearly marked: "PAYROLL SERVICES PROPOSAL".**

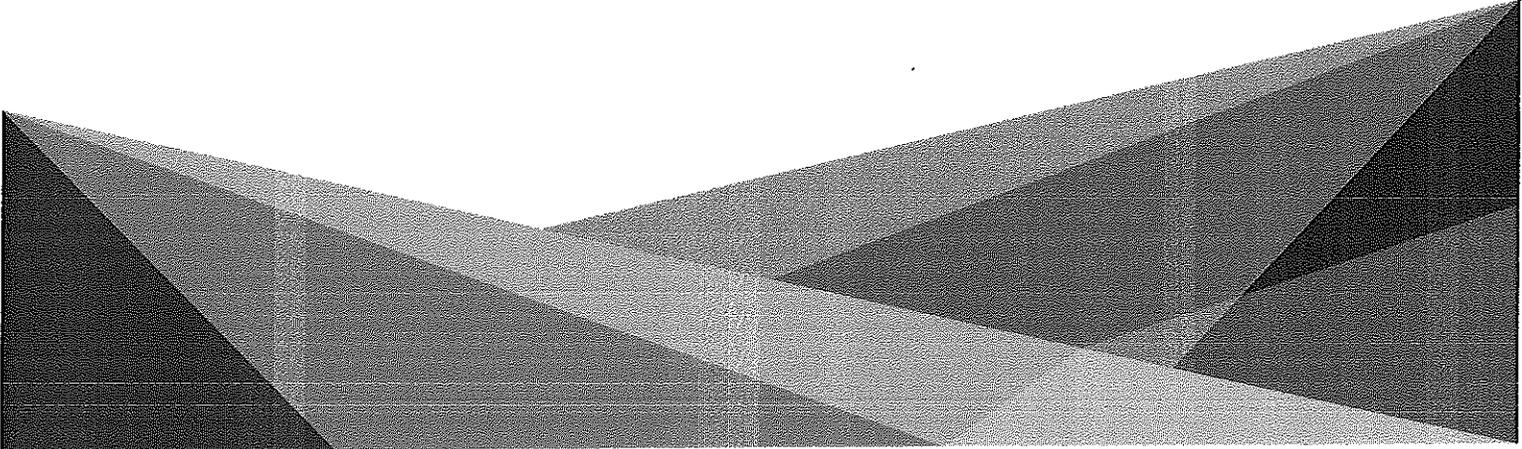
**Signature/Certification:** An official authorized to bind the offer shall sign the proposal and shall contain a statement to the effect that the proposal is a firm offer for a ninety (90) day period from opening. The proposal shall also provide the following information: name, title, address and telephone number of the individual(s) with authority to contractually bind the company and who may be contacted during the period of proposal evaluation for clarifying submitted information.

Please refer to the attached transmittal letter.

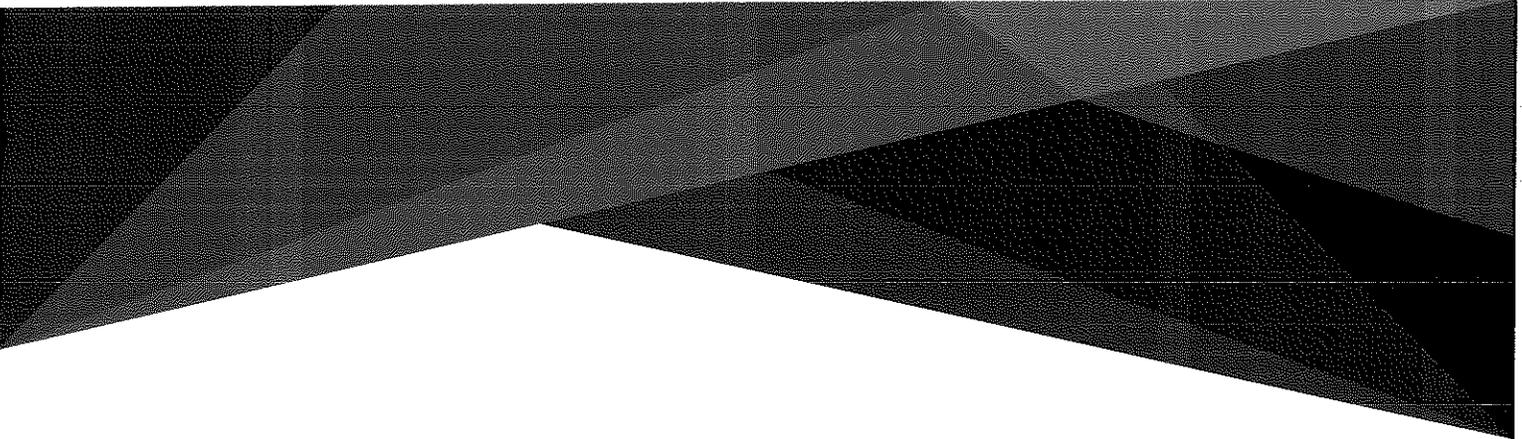
**Proposal Withdrawal:** the determination of whether a proposal may be withdrawn is solely at the discretion of the Town of Allentown. However, in no event shall a proposal be withdrawn unless the request for withdrawal is filed within five (5) days of the date of the opening and proposer establishes that the proposal contains a material mistake and the mistake occurred despite the exercise of reasonable care.

*Services will be performed only in accordance with mutually agreed contract terms and conditions, and Paychex reserves the right to refuse contract terms provided by Town of Allentown. A copy of our standard service agreement is included for your reference.*

Town of Allentown



*Service Level Agreement*



**PAYCHEX<sup>®</sup>**

*Payroll • HR • Retirement • Insurance*



**Step 1: Read and complete this form.**

**Paychex Major Market Services Agreement**

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

Office/Client Number \_\_\_\_\_

Federal ID Number \_\_\_\_\_

This Paychex Major Market Services Agreement ("Agreement") is entered into between Paychex, Inc. ("Paychex"), located in Rochester, New York and the Company identified above ("Client"). The Agreement will continue until terminated in accordance with its provisions.

1. **Services.** Client employs Paychex to provide the services selected by Client below ("Services"). Services are described in the Product Terms and Conditions section of this Agreement. Paychex will not commence any of the Services until Paychex receives all documents necessary to begin each of the Services and notifies Client of the date Paychex will commence each of the Services ("Service Effective Date"). Client acknowledges that each of the Services may have separate Service Effective Dates and Paychex may commence performance for one (1) or more Services without obligating itself to commence all Services selected by Client. **Until the Service Effective Date, Client will provide for itself, the Services requested of Paychex. Paychex assumes no responsibility for Services prior to the Service Effective Date.**

\_\_\_\_\_  
(INITIALS) **Payroll Services**

\_\_\_\_\_  
(INITIALS) **Preview® Hosting Service**

\_\_\_\_\_  
(INITIALS) **Taxpay® (Includes SUI Support Service)**

\_\_\_\_\_  
(INITIALS) **Taxpay® (without SUI Support Service)**

\_\_\_\_\_  
(INITIALS) **State Unemployment Insurance Service (SUIS)**

\_\_\_\_\_  
(INITIALS) **Direct Deposit**

\_\_\_\_\_  
(INITIALS) **Readychex®**

\_\_\_\_\_  
(INITIALS) **Check Signing**

\_\_\_\_\_  
(INITIALS) **Check Insertion**

\_\_\_\_\_  
(INITIALS) **Logo Service**

\_\_\_\_\_  
(INITIALS) **New Hire Reporting**

\_\_\_\_\_  
(INITIALS) **Paychex® HR Online**

\_\_\_\_\_  
(INITIALS) **Paychex® Time and Labor Online**

\_\_\_\_\_  
(INITIALS) **Points Tracking Module\***  
\*Time and Labor Online required

\_\_\_\_\_  
(INITIALS) **ExpenseWire**

\_\_\_\_\_  
(INITIALS) **Employee Access Online (EAO)**

\_\_\_\_\_  
(INITIALS) **Paychex® Online W-2 Service**

\_\_\_\_\_  
(INITIALS) **Paperless Payroll**

\_\_\_\_\_  
(INITIALS) **Paychex® Employee Screening Services**

\_\_\_\_\_  
(INITIALS) **Recruiting and Applicant Tracking**

\_\_\_\_\_  
(INITIALS) **COBRA Administration**

\_\_\_\_\_  
(INITIALS) **Premium Only Plan (POP)**

\_\_\_\_\_  
(INITIALS) **Garnishment Payment Service**

Client agrees that Paychex is not rendering legal, tax, accounting, or investment advice in connection with the Services to be performed, nor will Paychex be deemed a fiduciary of Client, a fiduciary of any Client benefit plan offered for the benefit of Client's employees, or the employer or joint employer of Client's employees. Paychex will not be responsible for Client's compliance with, nor will Paychex provide legal or other financial advice to Client with respect to federal, state, and local statutes, regulations, or ordinances including, but not limited to, the Fair Labor Standards Act or any state equivalent. Client agrees to comply with any and all applicable federal, state, and local laws or ordinances.

Client understands that this Agreement (Rev. 12/13) may be considered an application for credit and hereby authorizes Paychex to investigate the credit of the Client and/or its principals, including vendor references, bank account status, and history (collectively "Client's Credit"). Paychex' performance of the Services under this Agreement is subject to approval of Client's Credit. Client warrants that it possesses full power and authority to enter into this Agreement, and has read and agrees to the terms and conditions set forth in sections 1-25 of this Agreement.

Authorized Officer's Name \_\_\_\_\_ Title \_\_\_\_\_  
PRINT

Authorized Officer's Signature \_\_\_\_\_ Date \_\_\_\_\_

## 2. Product Terms and Conditions.

**Payroll Services.** Paychex will process Client's payroll based solely on Client Information provided by Client, prepare payroll checks drawn on Client's bank account or as otherwise directed by Client in this Agreement, prepare payroll reports for each payroll processed by Client, and provide the payroll reports and checks and/or payroll check stubs to Client for review and distribution. Paychex will prepare payroll tax returns for taxes identified on the Payroll Cover letter and deliver to Client for the Client to review, sign, and file. Paychex will not be responsible for the remittance of payroll taxes or other taxes or for the filing of tax returns for Clients who elect not to receive the Taxpay® service.

**Preview® Hosting Service.** Paychex will provide a hosting environment for Client to access the Paychex Preview software application ("Preview") through the Internet using a third party application as an alternative to installing Preview on Client's computer. Upon termination of the Preview Hosting Service or the Agreement, (i) Paychex will provide Client a copy of Client's payroll data stored in the hosted environment and a copy of the then current Preview software; and (ii) Client will continue to have access to Preview and Client's payroll data for fourteen (14) days. Use of Preview following termination will be subject to the then current Preview software licensing agreement.

**Taxpay® (includes SUI Support Service).** On or before Client's check date, Paychex will (i) process Electronic Funds Transfer (EFT) transactions for such amounts as are necessary to pay the payroll taxes that are specifically identified in the Payroll Cover Letter Report; (ii) hold such amounts in a separate Paychex account until such time as these amounts are due to the appropriate taxing authorities; and (iii) prepare, sign, and file with proper taxing authorities all returns for such taxes on an ongoing basis. Paychex is not responsible for the payment of taxes or the filing of returns prior to the Taxpay Service Effective Date or for payroll taxes that Paychex did not collect from Client. **SUI Support Service:** Paychex will provide Client with telephone support with state unemployment insurance claims, benefit charge questions, and pre-hearing preparation.

**Taxpay® (without SUI Support Service).** On or before Client's check date, Paychex will (i) process EFT transactions for such amounts as are necessary to pay the payroll taxes that are specifically identified in the Payroll Cover Letter Report; (ii) hold such amounts in a separate Paychex account until such time as these amounts are due to the appropriate taxing authorities; and (iii) prepare, sign, and file with proper taxing authorities all returns for such taxes on an ongoing basis. Paychex is not responsible for the payment of taxes or the filing of returns prior to the Taxpay Service Effective Date or for payroll taxes that Paychex did not collect from Client.

**State Unemployment Insurance Service (SUIS).** Paychex will provide the following services relating to unemployment insurance: claim and appeal processing, pre-hearing preparation, analytical review of voluntary contributions, and charge statement balancing. Client agrees to complete applicable Power of Attorney and Record of Address forms where needed. For an additional Fee, Client can request and authorize Paychex to appear and represent Client by telephone at any unemployment insurance hearing for a specified employee ("SUI Representation Service"), provided the state in which the hearing is being held will allow such representation. The SUI Representation Service will be performed only for any unemployment insurance hearing regarding the specified employee. By representing Client at any unemployment insurance hearing for the specified employee, Paychex is not acting as Client's attorney nor will Paychex provide Client legal advice. Paychex does not guarantee the outcome of the hearing. Paychex expressly reserves the right to decline the Client's request to represent Client at the unemployment insurance hearing. Client expressly agrees that the SUI Representation Service will be performed pursuant, and subject to, the terms of the Agreement.

**Direct Deposit.** Paychex will process EFT transactions, one or more banking days prior to Client's check date, for such amounts as are necessary to pay Client's employees. Such amounts are to be held in an account established by Paychex until Client's check date, when funds shall be deposited to employee accounts as specified. Certain accounts may have restrictions on deposits and withdrawals. Client's employees are solely responsible for determining whether their account is suitable for direct deposit of requested EFT transactions.

**Readychex®.** Paychex will (i) process EFT transactions, one or more banking days prior to Client's check date, for such amounts as are necessary

to pay Client's employees; (ii) hold such amounts in an account established by Paychex until Client's check date; and (iii) draw checks payable to Client's employees on Client's check date and provide those checks to Client. Client shall distribute checks on check date or thereafter. Checks distributed to employees before check date will not be honored and it will be Client's responsibility to pay the employees. If Client's employee fails to present a check for payment within six (6) months of check date ("Stale Check"), Paychex will refund the amount debited for the Stale Check back to Client minus any balances owed by Client and charge a Fee for the transfer of the Stale Check funds back to Client. Client shall be solely responsible for remitting to its employee, or former employee, any amounts due and following any state unclaimed property laws in regards to outstanding employee funds. In the event that a Readychex check is lost, stolen, destroyed, or otherwise not able to be cashed ("Voidable Readychex") Client agrees to notify Paychex immediately and request the check to be voided. Client agrees to return any Voidable Readychex checks for which a refund has been requested or issued if it should be ultimately found or discovered. If the voided check is cashed, negotiated, or otherwise presented for payment, and the financial institution that the Readychex check is drawn upon requires a lost/stolen check affidavit, Client agrees that Client is responsible for producing the affidavit.

**Check Signing.** Paychex will use Client's signature to create a computer-generated facsimile that will display on each of Client's payroll checks each payday.

**Check Insertion.** Paychex will insert Client's signed checks into individual employee envelopes that will be sealed and returned to Client.

**Logo Service.** Paychex will use Client's logo to create a computer-generated facsimile that will display on each of Client's payroll checks. Client warrants that Client is the owner of any logo it authorizes Paychex to use, has full right and authority to use it on its payroll checks, and that such use does not violate any other party's rights.

**New Hire Reporting.** Paychex will report all new/rehired employee information that is mandated by federal and state regulations. Client is required to provide accurate and complete information for each new/rehired employee and Client acknowledges that failure to provide such information may result in delay in reporting.

**Paychex® HR Online.** Paychex will provide Paychex HR Online, an Internet-based human resource information system, and a program that enables the transfer of information between Paychex eServices products and Paychex' Preview payroll software. Paychex grants Client a royalty-free, nonexclusive, nontransferable license ("HR Online License") to use all computer programs and related documentation (collectively "Paychex HR Online Software") from the Web server location of Paychex' choice. Client agrees and acknowledges that the Paychex HR Online Software and its contents are not intended, and should not be construed, as providing legal or financial advice and that Paychex is not acting in a fiduciary capacity on behalf of Client or Client's employees. Client further authorizes Paychex to access Client's HR Online account to perform administrative functions as necessary to provide this service.

**Paychex Time and Labor Online (TLO).** Paychex will provide Paychex Time and Labor Online services, an Internet-based time and attendance system used for collecting time and earnings, and for clients using Payroll Services under this Agreement, importing into payroll software. This section of the Agreement shall cover the provision of electronic data collection terminal(s) ("Time Clock") leased or purchased from Paychex, and all installed Paychex time and attendance software ("Time Clock Software"), and performance of support services described below (collectively "TLO Services"). Paychex may require access to Client's computer systems and/or Client's TLO account to assist in configuration, provide ongoing support, and perform administrative functions necessary to provide the TLO Service and Client consents to and authorizes such access. The TLO Services under this Agreement are only required when the Time Clock and Time Clock Software are installed and operated by Client according to the User Manual and in an environment that meets the minimum requirements. The support provided by Paychex consists of the following:

1. **Hardware.** Covered equipment includes the Leased Equipment from Paychex, but *excludes* the accessories purchased by Client. In the case of covered hardware failure, Client must notify Paychex. If replacement of Leased Equipment is required, replacement equipment will be shipped.

All service, labor, and ground shipping charges are covered by Client's monthly payments. Upon receipt of replacement equipment, the Client is required to ship all faulty items to Paychex within five (5) business days of receipt of the replacement equipment. In the event of damage to any of Paychex' Leased Equipment as a result of Client's, its employees', or its agents' acts or omissions, or if Client fails to return Paychex' Leased Equipment as provided above, Client agrees to pay for all necessary repairs or replacement. For an additional fee, Paychex will provide support of purchased equipment as set forth in the Paychex® Time and Labor Online Maintenance Agreement. Client must execute the separate Time and Labor Online Maintenance Agreement in order to receive the support services for purchased equipment.

2. **Telephone Support.** Unlimited telephone calls will be accepted Monday through Friday from 8:00 a.m. to 8:00 p.m. ET.

A. **TLO License and Software.** Paychex grants Client a royalty-free, nonexclusive, nontransferable license ("TLO License") to use all computer programs and related documentation (collectively "TLO Software") from the Web server location chosen by Paychex. Client may only use the TLO Software in accordance with the terms of this Agreement. Access to the TLO Software will end upon termination of this Agreement, and Client agrees that all TLO Software rights remain the sole and exclusive property of Paychex.

B. **TLO Leased Equipment.** In the event that Client leases Time Clocks and/or other equipment from Paychex ("Leased Equipment") Client agrees that (i) Leased Equipment is the sole and exclusive property of Paychex; (ii) Client has no right, title, or interest in any Leased Equipment except as stated in this Agreement, (iii) Client cannot transfer, sell, or in any way encumber Leased Equipment; (iv) Leased Equipment is not a fixture, and (v) Client will not allow any other party to file any lien or security interest on Leased Equipment. Upon demand by Paychex, Client agrees to deliver to Paychex any and all financing statements under the Uniform Commercial Code and any other documents Paychex demands to protect or record Paychex' interest in the Leased Equipment. If permitted by applicable law, Paychex may file any such documents or instruments signed only by Paychex.

Client agrees (i) not to damage the Leased Equipment, (ii) to return it in the original condition, normal wear and tear excepted, within ten (10) business days of termination of this Agreement, and (iii) complete termination paperwork provided by Paychex. Client is in default of this Agreement if it allows damage to, or fails to return Paychex' Leased Equipment. If Client fails to return the Leased Equipment in the time required, or damages the Leased Equipment beyond normal wear and tear, Client will be charged a Fee of \$750 per terminal.

C. **Fees.** Pursuant to the Time and Labor Online Order Form, the terms of which are incorporated herein, Client agrees to make Fee payments for (i) the TLO Services; and (ii) any Leased Equipment. The Fee for the Leased Equipment includes support and maintenance services. Following Client's receipt of the Time Clock(s) and Time Clock Software, Paychex will invoice Client monthly for the Monthly Package Fee shown on the Time and Labor Online Order Form.

D. **Compliance with Applicable Law.** Client agrees that it shall be solely responsible for compliance with all applicable laws and regulations in connection with the use of TLO (TLO Services, TLO Software, and any Leased Equipment or equipment purchased from Paychex) including, without limitation, state and federal wage and hour laws and regulations and laws relating to collection, storage and use of biometric information. Paychex will not be held liable for Client's use of any equipment or TLO Services to be provided by Paychex hereunder. Client agrees that the TLO Services and TLO Software are not intended, and should not be construed, as providing legal or financial advice and that Paychex is not acting in a fiduciary capacity on behalf of Client or Client's employees.

E. **Disclaimer of Warranty.** With regard to any Leased Equipment and Time Clock Software rented, leased, or sold, and all TLO Services provided, Paychex hereby disclaims any and all warranties, and makes no representation or warranty of any kind, whether express or implied, including any warranties as to the condition, quality, value, suitability, durability, operability, or any other matter. Without limiting the general nature of this disclaimer, Paychex disclaims any and all warranties concerning the merchantability or fitness for a particular purpose of any equipment leased or sold and all equipment is expressly provided "as is".

F. **TLO Refund.** No refunds will be given after the Service Effective Date, except that Paychex may issue a refund to Client if Client requests the refund in writing within thirty (30) days of receiving their purchased equipment.

**Points Tracking Module (TLO required).** Paychex will provide Client with a module which allows a point value to be associated to commonly tracked time and attendance events, such as arriving late for a shift. Additionally, the module will allow for tracking of Client custom events. Clients will be able to export their employee static, punch and schedule data into the points tracking module on-demand. Once the data is imported, Client can view employee balances, create reports detailing those balances, as well as export the information through creation of a CSV file.

**ExpenseWire.** Paychex will provide Client with a hosted employee expense reimbursement system which allows Client to manage the reimbursement of employee expenses. Paychex may utilize a third party vendor to host the application. Client understands that reimbursements may be paid, at Client's election, via one or both of the following options: (i) through Client's payroll, or (ii) separate from payroll, through an EFT. Clients electing to reimburse through EFT, separate from payroll, acknowledge that there is an additional fee for each EFT. Client acknowledges that there is no reconciliation of reimbursement data between Preview and ExpenseWire.

**Employee Access Online (EAO).** Paychex will provide Client with a self-service, Internet-based Web site ("EAO Site") that gives Client's employees the ability to view and print their payroll check stubs, Forms W-2 and 1099-MISC, and gives them access to their payroll information. Client acknowledges that it has full control over the level of access granted to its employees. Paychex will provide paycheck calculators on the EAO Site for use by Client's employees. Client agrees and acknowledges that the EAO Site and its contents are not intended, and should not be construed, as providing legal or financial advice and that Paychex is not acting in a fiduciary capacity on behalf of Client or Client's employees. Client further acknowledges and agrees that it is responsible for the accuracy and incorporation of any changes made to Client's data by or on behalf of Client's employees, including advising Paychex of any changes in taxability that may result. Client further authorizes Paychex to access Client's EAO Site to perform administrative functions as necessary to provide this service.

**Paychex® Online W-2 Service.** Paychex will place Client's employees' Forms W-2 and 1099-MISC on a secure Web site for viewing and printing by Client.

**Paperless Payroll.** Paychex will suppress Client's employees' direct deposit check stubs and/or Client's payroll reports from printing. The Paperless Payroll service requires that Client have either Paychex HR Online or Employee Access Online. Client acknowledges that each state has separate laws and regulations governing Client's obligation to distribute payroll check stubs to its employees and/or to retain copies of payroll check stubs or the information on the payroll check stubs. Paychex shall not be responsible for Client's compliance with, nor shall it provide legal or other financial advice to Client with respect to federal, state, and local laws or ordinances governing the distribution or retention of payroll check stubs. Client is solely obligated to comply with any and all applicable federal, state, and local laws or ordinances governing the distribution or retention of payroll check stubs.

**Paychex Employee Screening Services.** Client acknowledges that the Paychex Employee Screening Services are performed by a third-party vendor of Paychex. Client agrees to remit payment directly to Paychex. Client will be eligible for such program so long as: (i) Client remains a Client of Paychex; (ii) Client complies with the terms of this Agreement (iii) Client executes and complies with the terms of any agreement the third-party vendor shall require; and (iv) the third-party agreement is not terminated for any reason. Fees for the Employee Screening Services will be as set forth in the product setup form and consist of a (i) set up fee; (ii) inspection fee and either a; (iii) monthly subscription fee (if a product type package is ordered); or (iv) monthly à la carte fees (if Client paying per screen). If Client elects the product type package plan and the Employee Screening Service is terminated prior to the completion of the product type package plan, Client agrees to pay the remaining amount due on the contract after a prorating of the screens ordered has been completed. Client agrees to pay for all screens ordered through the third-party vendor.

**Recruiting and Applicant Tracking.** Paychex will provide Client with an Internet-based recruiting and applicant tracking Service that provides technology to facilitate the recruiting, qualifying and tracking of applicants ("Recruiting and Applicant Tracking"). The Recruiting and Applicant Tracking Service may provide links to third-party Web sites. Paychex makes

no representations concerning and is not responsible for, the accuracy or content of, or the ability of Client to access, Web sites of third parties. Providing a link to third-party Web sites shall not be deemed an endorsement of the linked site or of the content, products or services offered or referenced on such site. Links to third-party Web sites are provided as a convenience only, and Paychex shall have no liability in connection with any third-party Web sites or the provided links to such Web sites. Client authorizes Paychex to access Client's Recruiting and Applicant Tracking account to perform administrative functions as necessary to provide this Service.

**COBRA Administration.** Paychex will perform certain federal COBRA and state continuation administrative functions for medical, dental, vision, or prescription drug coverage plans ("Eligible Plans") on Client's behalf ("COBRA Administration"). Client will notify Paychex when an employee is (i) no longer on its payroll; (ii) terminated from coverage under the Eligible Plan; or (iii) receiving a reduced level of health care coverage under the Eligible Plan; and Client will identify Eligible Plan of the employee to Paychex ("Required Notifications"). Client is solely responsible for determining if a matter is a qualifying event. Paychex will assist Client in determining if a matter is a qualifying event once Client provides Paychex with the Required Notifications. Paychex will begin COBRA Administration on Client's behalf, if required. If the qualified beneficiary subsequently elects COBRA coverage, Client will be solely responsible for submitting the premium for the qualified beneficiary directly to the Eligible Plan insurance carrier. The qualified beneficiary will be required to pay the monthly premium directly to Paychex and Paychex will reimburse Client the premium collected from the qualified beneficiary less an administrative fee. Paychex receives bank credits and/or earnings ("Earnings") from the premiums received. The amount of Earnings received by Paychex will fluctuate based on the average monthly balance of the premiums multiplied by the thirty (30)-day British London Interbank Offered Rate minus forty (40) basis points. Client acknowledges that Paychex may retain such Earnings as additional compensation for COBRA Administration under this Agreement. In the absence of Earnings, Client acknowledges that the other Fees paid to Paychex under this Agreement would be greater. In the event that Paychex receives an appeal of a denial of coverage from a potential beneficiary ("COBRA Appeal") (i) Paychex will provide Client with a copy of the COBRA Appeal; and (ii) Client agrees that it has sole responsibility to review and provide Paychex written direction on how to respond to the COBRA Appeal.

**Premium Only Plan (POP).** Paychex will act as Plan Service Provider for Client's Premium Only Plan. Paychex will provide Client with the following Plan installation documentation: (i) Basic Plan Document; (ii) Adoption Agreement; and (iii) Summary Plan Description. Client acknowledges that Client is responsible for (i) reviewing and signing the Adoption Agreement setting forth the terms and conditions of the Plan; and (ii) distributing the Summary Plan Description to Plan participants. Paychex will perform the calculations for the Key Employee Concentration Test. Client is solely responsible for all other testing. If Client has a Health Savings Account (HSA), the pretax salary reductions for Client's HSA will not be incorporated into the compliance testing results. Client will be solely responsible for any aggregate testing. Client acknowledges that if the Plan fails the testing as outlined above, the Client is responsible for correcting the failure and bringing the Plan into compliance with the applicable requirements as defined in section 125 of the Internal Revenue Code.

**Garnishment Payment Service.** Paychex will process EFT transactions, one banking day prior to Client's check date, for Client's employees' garnished wages as are necessary to remit to the appropriate entities. Client will provide Paychex with a garnishment order for each employee for whom wages are to be garnished. Paychex will hold garnished wages in a separate account established by Paychex until such time as the amounts are due. Client remains solely responsible for the correct calculation of the amount to garnish from its employees' wages.

#### Additional Terms and Conditions.

- 3. Client Contacts.** Client will designate payroll contacts that will provide Paychex with information and directives necessary for Paychex to perform the Services (collectively "Client Information"). Client is responsible for the accuracy of Client Information provided by payroll contacts and/or Client.
- 4. Client Information.** Client will execute and/or provide all documentation that Paychex requires to perform its responsibilities under the Agreement including, where necessary, taking all corporate action. Client acknowledges

that Paychex 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 Paychex with all necessary Client Information pertaining to Client's employees at least two (2) banking days prior to payroll check date. Client acknowledges that Client is responsible for any delayed remittance of wages, taxes, garnishments, and additional processing Fees incurred as a result of its failure to provide Client Information timely. Paychex shall not be required to obtain authorization from Client to act on Client Information.

- 5. Reliance on Client Information.** Paychex will not be responsible for errors that result from Paychex' reliance on Client Information.
- 6. Review Reports.** Client will review all reports and documents provided or made available by Paychex and inform Paychex of any inaccuracies within three (3) business days of receipt or availability.
- 7. Software Licenses.** Client has received, or may receive, certain computer software relating to Services selected by Client, including, but not limited to, the Paychex HR Online Software and Paychex Time and Labor Online Software (collectively "Software"). Client agrees that in the event that it does not accept all of the terms and conditions of any and all Paychex Software, and/or third-party Software, and any and all applicable license agreements provided to Client now or in the future, that Paychex will not be obligated to perform Services dependent upon the Software.
- 8. Remit Reimbursement Amount.** Client agrees to remit funds to Paychex representing the amount due to pay Client's employees, remit taxes, or pay garnishments ("Reimbursement Amounts") through an EFT, or such other payment method as required by Paychex.
- 9. Payment of Fees.** Client will pay all fees, including, but not limited to, fees for all Paychex Services each pay period and the setup fees (collectively "Fees") through an EFT or such other method as required by Paychex when due. Minimum monthly Fees are due in the event Client fails to process a payroll or whose payroll fails to meet the minimum monthly charge during the month. Fees include minimum monthly, insufficient funds, late fees and premium processing fees. Paychex' Fees are subject to change upon thirty (30) days written notification to Client. Paychex may, in its sole discretion, require a security deposit from Client, and Client waives any right to interest that may accrue on any amounts, including but not limited to, Reimbursement amounts, Fees, and security deposits received by Paychex.
- 10. Electronic Funds Transfer.** If Paychex requires payment of Fees or Reimbursement Amounts (collectively "Amounts Due") through an EFT, Client (i) will execute all documentation needed by Paychex to originate EFT transactions and to verify availability of funds in Client's bank account; (ii) agrees that the funds representing the Amounts Due will be on deposit in Client's bank account in collectible form and in sufficient amount on the day Paychex' EFT is to be presented ("Funding Deadline"); and (iii) authorizes Paychex to collect all Amounts Due from Client's bank account on the Funding Deadline. 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 and assumes the responsibilities of an initiator of EFTs; (ii) that it will not initiate any EFT that violates any law; and (iii) that Paychex may identify Client to banks involved in the EFT. Client further agrees that it will notify Paychex, 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.
- 11. Payment by Wire Transfer or Other Method.** If Paychex requires payment of Amounts Due by a wire transfer or other method, Client agrees to provide Paychex with all information necessary to confirm receipt of the payment prior to the Funding Deadline.
- 12. Insufficient or Nonconfirmed Funds.** If sufficient funds are not available on the Funding Deadline, Paychex may take such action to collect Amounts Due, including, but not limited to, reissuance of the EFT and assessing insufficient funds Fees. Client acknowledges that Client is responsible for any delay in remittance of wages, garnishments, or taxes, if Paychex is unable to confirm receipt of funds prior to the Funding Deadline.
- 13. Client's Default.** In the event of a Client default, Paychex may, at its sole option, terminate the Agreement, or a portion thereof, without notice and declare all Amounts Due immediately due and payable. Client agrees to

promptly reimburse Paychex for all advances or overpayments made by Paychex and to pay interest on the advances at the rate of one and one-half percent (1½%) per month, or the maximum allowable by applicable law, until paid. Client agrees that Paychex may initiate an EFT to Client's bank account for any past due Amounts Due. Client will be responsible for the costs of collection of Amounts Due, including, but not limited to, attorneys' fees and court costs. Paychex may, in its sole discretion, commence an action within the County of Monroe, State of New York, or in any other court of competent jurisdiction for any monies due and owing from Client to Paychex.

agrees that Client, its employees, and its agents will not, directly or indirectly: (i) sell, lease, assign, sublicense, or otherwise transfer; (ii) duplicate, reproduce, or copy; (iii) disclose, divulge, or otherwise make available to any third party; (iv) use, except as authorized by this Agreement; or (v) decompile, disassemble, or otherwise analyze for reverse engineering purposes the Software or Confidential Information. Client will take appropriate action with Client's employees and agents to satisfy its obligations under this Agreement with respect to the use, protection, and security of Confidential Information. Client will notify Paychex immediately of any unauthorized use or disclosure of Confidential Information and will cooperate in remedying such unauthorized use or disclosure.

**14. Refund/Adjustment/Overpayment.** Client agrees that Paychex may apply any balances it is holding for Client to Amounts Due owed to Paychex or its affiliates. In the event Paychex remits an overpayment of payroll taxes, Paychex may, at its sole discretion, advance funds to Client. In the event Paychex advances overpayment funds to Client, Client agrees that it will reimburse Paychex for the overpayment within the sooner of five (5) days of (i) receiving the overpayment amount from the taxing authority; or (ii) being notified that the overpayment amount would be applied to an outstanding tax liability of Client; or (iii) the Agreement being terminated by either party.

**20. Client Confidential Information.** "Client Confidential Information" will mean all information disclosed or otherwise made available by Client to Paychex that is marked confidential or is of the nature that a reasonable person would identify it as being confidential, and the name, social security number, date of birth, address, bank, and/or wage information of Client and Client's employees provided to Paychex by Client. Paychex will use reasonable care to prevent the disclosure of such Client Confidential Information to any unauthorized person or entity. Paychex 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 Paychex to credit reporting agencies and supply vendor references of Client's behalf. Paychex 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 Paychex or that Paychex 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.

**15. Termination.** Except as otherwise provided, either party may terminate the Agreement upon thirty (30) days prior written notice. Paychex may immediately terminate the Agreement, or a portion thereof, if (i) Client becomes subject to receivership, bankruptcy, or is insolvent; (ii) Paychex, 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) Paychex 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, including, but not limited to, its payment obligations.

**16. Limit of Liability.** Paychex' sole liability and Client's sole remedy for Paychex' breach of the Agreement will be: (i) for Paychex to remit to the appropriate payee the funds received from Client; and/or (ii) for Paychex to reimburse Client or its employees for any interest or penalties assessed by taxing authorities as a direct result of Paychex' breach of the Agreement. Paychex can only be held liable for breach of the Agreement and will not be held liable for: (i) any negligent act or omission by Paychex; (ii) the negligence of any other person or entity, including, but not limited to, Client and its employees or agents, or any person or entity that provides services in connection with or as a result of Paychex' performance of its obligations under the Agreement; (iii) any loss, claim, or expense arising from any information provided or modified by Client; or (iv) Client's breach of NACHA. Paychex will, under no circumstances, be liable for any special, indirect, incidental, or consequential or punitive damages, including lost profits incurred by Client pursuant to this Agreement or by the transactions contemplated by it, however caused, on any theory of liability (including contract, tort, or warranty), or as a result of Paychex' exercise of its rights under the Agreement, even if Paychex has been advised of the possibility of such damages.

**21. Client Online Account.** In the event Client accesses Services online or through any mobile or other electronic devices ("Client Online Account"), Client is solely responsible for (i) designating who is authorized to have access to Client's Online Account; (ii) safeguarding all of Client's passwords, usernames, logins or other security features used to access Client's Online Account ("Client Online Account Access"); (iii) Client's use of Client's Online Account under any usernames, logins or passwords; (iv) ensuring that use of Client's Online Account complies fully with the provisions of this Agreement; and (v) any unauthorized access, or use, of Client's Online Account caused by Client's actions or inactions, including, without limitation, its failure to safeguard Client Online Account or Client Online Account Access. Client is solely responsible for the maintenance and routine review of computing and electronic system usage records (i.e. log files) and the security of its own data, data storage, computing device(s), other electronic systems, and network connectivity. Client acknowledges and agrees that Paychex is not liable to Client, Client's employees or any other third-party for any consequences, losses, or damages resulting from unauthorized access or use of Client Online Account as set forth in this section.

**17. Indemnification.** Client will indemnify, defend, and hold Paychex and its respective officers, directors, and employees harmless from any and all claims, costs, attorneys' fees (including in-house counsel fees), and expenses resulting from or arising in connection with: (i) a Client default; (ii) the use, misuse, reproduction, modification, or unauthorized distribution of Software; (iii) Client's breach of NACHA; or (iv) Client's breach of any warranty set forth in the Agreement.

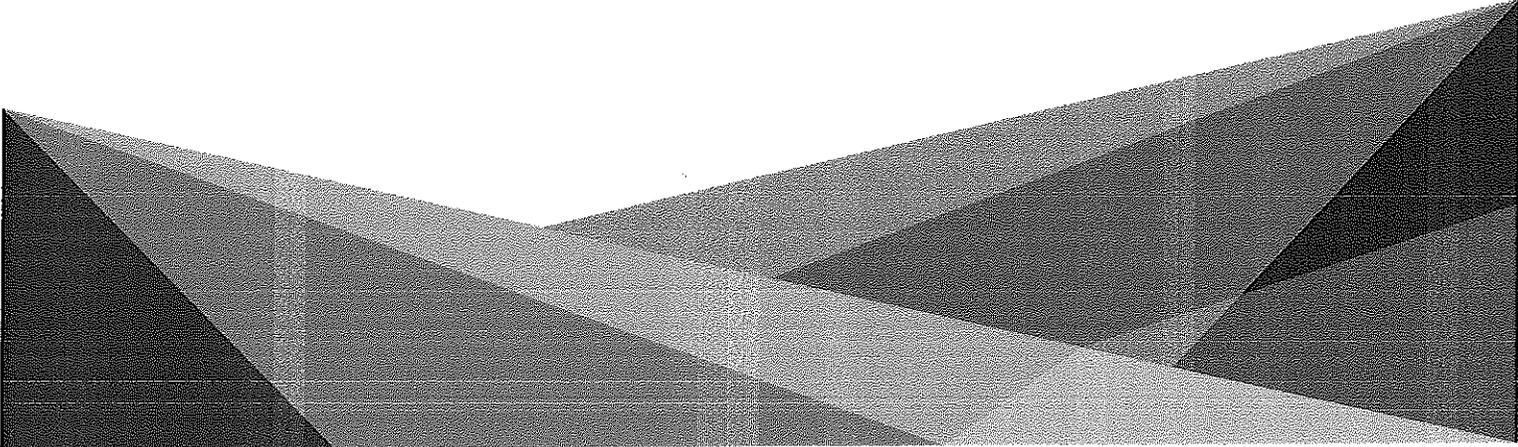
**22. Governing Law and Arbitration.** The Agreement and all aspects of the relationship between Paychex and Client shall be governed exclusively by the laws of the State of New York without regard to, or application of, its conflict of laws, rules, and principles, except for the arbitration agreement contained herein which shall be governed exclusively by the Federal Arbitration Act, 9 U.S.C. section 1 et seq. (the "FAA"). **Except as provided herein, any dispute arising out of, or in connection with the Agreement will be determined only by binding arbitration in Rochester, New York, in accordance with the commercial rules of the American Arbitration Association.** Arbitrable disputes include, without limitation, disputes about the formation, interpretation, applicability, or enforceability of this Agreement. A separate neutral arbitrator must be selected and appointed for each dispute. Any dispute arising under the Agreement will be brought within two (2) years of when the claim accrued. The arbitrator will not be authorized to award exemplary or punitive damages, or any damages excluded in the Limit of Liability provision. The parties agree that the prevailing party in arbitration, and any subsequent judicial proceeding to enforce an arbitration award, will be awarded costs and attorneys' fees (including in-house counsel fees) and that an arbitration award may be entered as a judgment in any court having jurisdiction over either party to the

**18. Copyright.** Paychex owns all rights, title, and interest, including, but not limited to, copyright, patent, trade secret, and all other intellectual property rights, in the Software and any changes, modifications, or corrections to the Software. If Client is ever held or deemed to be the owner of any copyright rights in the Software or any changes, modifications, or corrections to the Software, Client hereby irrevocably assigns to Paychex all such rights, title, and interest. Client agrees to execute all documents necessary to implement and confirm the letter and intent of this section. Client warrants to Paychex that it (i) has title or is authorized to use any symbol, logo, or mark uploaded by Client or Client's agents or printed on Client's handbooks and checks (collectively "Client Material"); and (ii) has full right and authority to use Client Material, and such use does not violate any other party's rights.

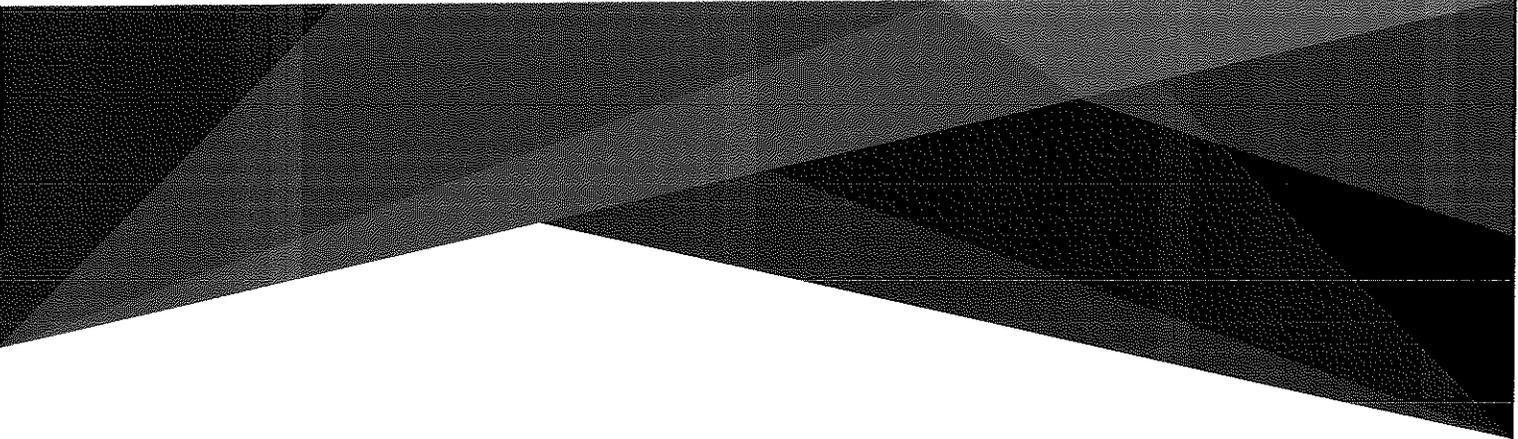
**19. Confidentiality of Software.** Client acknowledges that the Software contains valuable trade secrets and confidential information owned by Paychex or third parties (collectively "Confidential Information"). Client

Agreement. The parties will not be permitted to bring, or participate in, and the arbitrator will not have any authority or jurisdiction to hear or decide, any claims brought as any type of purported class action, coordinated action, aggregated action, or similar action or proceeding. Each party must only bring claims against each other in their individual capacity.

23. **Assignability.** Neither party may assign the Agreement to any third parties, other than successors, without the prior written consent of the other party. Any assignment made without such consent will be null and void.
24. **Signature.** The parties agree that Client's signature on this Agreement may be transmitted to Paychex electronically or by facsimile. The parties further agree that such signature will have the same force and effect as if the original signature had been provided and received.
25. **Miscellaneous.** The Agreement, along with any exhibits, addendums, schedules, and amendments, contains the entire understanding of the parties and supersedes all previous understandings and agreements between the parties for the Services provided, whether oral or written, including, without limitation, any confidentiality or nondisclosure agreement(s) entered into by and between Client and Paychex prior to the date hereof. Neither party will be responsible for any delay or failure to perform obligations specified in the Agreement due to causes beyond the party's reasonable control. Client acknowledges that there have been no representations or warranties made by Paychex or Client that are not set forth in the Agreement. Paychex may modify any term of the Agreement upon thirty (30) days written notice to Client of such change and the effective date thereof. Client will be deemed to have accepted and agreed to such changes unless Client elects to terminate the Agreement by written notice to Paychex prior to the effective date of the change and pursuant to the Termination provisions. If any provision of the Agreement or any portion thereof is held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remainder of the Agreement will not in any way be affected or impaired. Sections 1-25 will survive the termination of the Agreement.

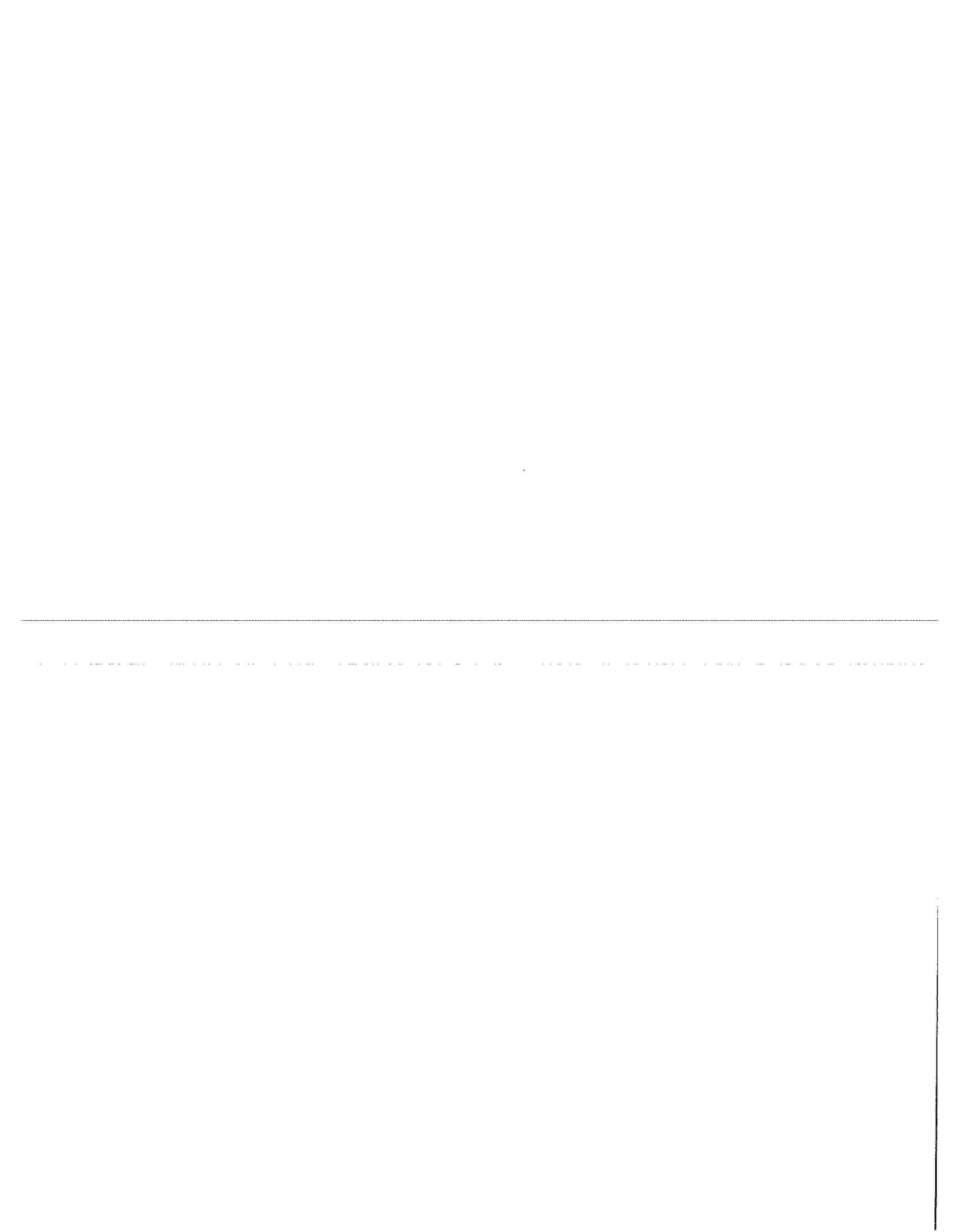


*Proof of Insurance*



**PAYCHEX<sup>®</sup>**

*Payroll • HR • Retirement • Insurance*





# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
11/04/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	<b>CONTACT NAME:</b> PHONE (A/C No. Ext): (866) 283-7127      FAX (A/C No.): (800) 363-0105	
	<b>E-MAIL ADDRESS:</b>	
<b>INSURED</b> Paychex Inc. and its Subsidiaries Paychex Insurance Agency, Inc. 911 Panorama Trail South Rochester NY 14625 USA	<b>INSURER(S) AFFORDING COVERAGE</b>	
	INSURER A: Lloyd's Syndicate No. 2623	NAIC # AA1128623
	INSURER B: Federal Insurance Company	20281
	INSURER C:	
	INSURER D:	
	INSURER E:	

Holder Identifier :

COVERAGES      CERTIFICATE NUMBER: 570051878321      REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.      Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	STRTN WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			35322736 Commercial Package - GL,	11/01/2013	11/01/2014	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$1,000,000
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			73212511 Auto	11/01/2013	11/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB        CLAIMS-MADE DED    RETENTION			79715229 Umbrella	11/01/2013	11/01/2014	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NY) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> W/C <input type="checkbox"/> STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LMIT
A	E&O-PL-Primary			0X1304384 E&O Professional Liab	05/01/2013	05/01/2014	Limit (2) \$10,000,000 SIR/Deductible (2) \$250,000

Certificate No : 570051878321

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Evidence of Insurance. The E&O Professional Liability includes Professional Services Liability, Technology Products Liability, Information Security & Privacy Liability, Regulatory Defense & Penalties, Multimedia and Advertising Liability, Crisis Management & Public Relations and PCI Fines and Costs, including but not limited to insurance agents broker services and third party administration services.

<b>CERTIFICATE HOLDER</b>  Paychex Inc. and its Subsidiaries Paychex Insurance Agency, Inc. 911 Panorama Trail South Rochester NY 14625 USA	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  <i>Aon Risk Services Northeast, Inc.</i>
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# CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)  
11/04/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

<b>PRODUCER</b> Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	<b>CONTACT NAME:</b> PHONE (A/C. No. Ext): (866) 283-7122      FAX (A/C. No.): (800) 363-0105	
	<b>E-MAIL ADDRESS:</b> PRODUCER CUSTOMER ID #: 570000043036	
<b>INSURED</b> Paychex Inc. and its Subsidiaries 911 Panorama Trail South Rochester NY 14625 USA	<b>INSURER(S) AFFORDING COVERAGE</b> NAIC #	
	INSURER A: St Paul Fire & Marine Insurance Co.      24767	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

Holder Identifier:

**COVERAGES**      **CERTIFICATE NUMBER:** 570051878317      **REVISION NUMBER:**
**LOCATION OF PREMISES/DESCRIPTION OF PROPERTY** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
	PROPERTY	CAUSES OF LOSS					
	<input type="checkbox"/> PROPERTY <input type="checkbox"/> CAUSES OF LOSS <input type="checkbox"/> DEDUCTIBLES <input type="checkbox"/> BASIC BUILDING <input type="checkbox"/> BROAD CONTENTS <input type="checkbox"/> SPECIAL <input type="checkbox"/> EARTHQUAKE <input type="checkbox"/> WIND <input type="checkbox"/> FLOOD					BUILDING PERSONAL PROPERTY BUSINESS INCOME w/o Extra Expense EXTRA EXPENSE RENTAL VALUE BLANKET BUILDING BLANKET PERS PROP BLANKET BLDG & PP	
	<input type="checkbox"/> INLAND MARINE <input type="checkbox"/> CAUSES OF LOSS <input type="checkbox"/> NAMED PERILS	TYPE OF POLICY POLICY NUMBER					
A	<input checked="" type="checkbox"/> CRIME TYPE OF POLICY Crime - Primary		ZPP15R29R5113N1	11/01/2013	11/01/2014	<input checked="" type="checkbox"/> Aggregate Limit	\$25,000,000
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN						

CERTIFICATE NUMBER: 570051878317

**SPECIAL CONDITIONS / OTHER COVERAGES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Evidence of Insurance.

<b>CERTIFICATE HOLDER</b> Paychex Inc. and its Subsidiaries 911 Panorama Trail South Rochester NY 14625 USA	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast Inc</i>
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# Paychex Security

Policies and Procedures

Town of Allenstown, NH

**PAYCHEX<sup>®</sup>**

*Payroll • HR • Retirement • Insurance*

A leading provider of payroll and human resource solutions for small- to medium-sized businesses, Paychex takes the security of data very seriously. We are committed to protecting the confidentiality, integrity, and availability of data for our clients, their employees, and our partners. We apply best practices in information security, proven technology, and effective policies and procedures and maintain a comprehensive program to monitor and safeguard information from unauthorized access or destruction. This paper describes the **Paychex Information Protection Program**.

The Paychex Information Protection Program follows an industry-recognized security policy framework, *Code of Practice for Information Security Management (ISO/IEC 27002:2005)*, from the International Standards Organization (ISO). Our security policy and standards, which have been ratified and are enforced by executive management, are built upon the 13 policy sections within the ISO-27002 framework.

The Paychex Enterprise Data Security organization includes seven groups, each focused on information protection and uniquely assigned an aspect of the Information Protection Program:

**1. Risk Management**

- monitor external regulatory changes
- modify security policy and standards to reflect significant regulatory changes
- maintain a risk assessment capability for significant infrastructure changes and new technologies

**2. Compliance Management**

- conduct employee training and foster awareness
- enforce security policy
- improve in-production systems

**3. Security Administration and Architecture**

- monitor the health and welfare of the security infrastructure
- administer logical access
- develop security management tools for internal use

**4. Vulnerability Assessment**

- scan, analyze, and report changes to the security posture of networks and systems

**5. Network Security Engineering**

- design and implement network-based security controls

**6. Data Transfer Security**

- transmit sensitive data between business partners and clients securely

**7. Security Investigations Unit (SIU)**

- keep systems ready
- respond to cyber anomalies and events

These seven groups of the Enterprise Data Security department collaborate to provide a consistent and interconnected security infrastructure across the company. The department coordinates program oversight at the executive and senior management levels and sets the

direction for implementing security technologies and protective mechanisms for the company. Driving this consistent delivery of the security program are repeatable processes from the risk management section of the Paychex security policy.

## **Control Environment**

The control environment at Paychex provides employees with the company's philosophy on professional conduct and operating style and a framework for other aspects of internal control.

### ***Code of Business Ethics and Conduct***

Paychex publishes a set of standards for acceptable business conduct so that employees, clients, and suppliers can understand the way Paychex wants to conduct business. Paychex has been included on the "World's Most Ethical Companies" list by the Ethisphere Institute, which is dedicated to the research and promotion of profitable best practices in global governance, business ethics, compliance, and corporate responsibility.

### ***Privacy Statement***

Clients provide Paychex with financial and personal information about themselves and their employees; therefore, we use reasonable care and maintain appropriate policies and procedures to protect data from loss, misuse, unauthorized access, disclosure, alteration, or destruction. To review our full privacy statement, please go to <http://www.paychex.com/corporate/privacy.aspx>.

### ***Security Statement***

Paychex is committed to protecting the security and integrity of client information through procedures and technologies designed for this purpose. Specifically, we:

- maintain policies and procedures covering the physical security of our workplaces, systems, and records;
- apply physical, electronic, and procedural safeguards built on industry-recognized best practices;
- use technology such as backup files, virus detection and prevention, firewalls, and other computer hardware and software to protect against unauthorized access or alteration to customer data;
- encrypt sensitive information transmitted over the Internet;
- through formal approval processes, access controls, and internal auditing limit employee access to customer information to those who have a business reason to know;
- require employees to take information security awareness training and apply this training to their jobs every day;
- use advanced technologies for the backup and recovery of customer information; and

- monitor compliance with established policies through ongoing security risk assessments and internal audits.

### ***Auditing and Compliance of Control Practices***

Periodically, Paychex internal auditors and external accounting and auditing firms review our operations and business practices for compliance with corporate policies and procedures that govern the controls and safeguards related to the confidentiality of information.

The Internal Audit department acts as an independent appraiser of the Paychex internal control system, assessing internal control design and operating effectiveness and recommending enhancements to internal controls. Reporting directly to the Paychex Audit Committee, which oversees the company's internal control structure, the Internal Audit department has the authority to examine Paychex records, reports, and documentation and to use whatever audit procedures deemed necessary to accomplish its objectives. The department has unrestricted access to the Audit Committee of the Board of Directors and to senior management.

### ***Vendor Risk Management***

Paychex maintains a risk management program designed to assess and manage risk with third parties (e.g., business partners, contractors, consultants, suppliers, and other business associates) that may have access to confidential data in the course of providing services. This program includes an evaluation of the vendor's information security program and a written contract that stipulates how information must be protected.

### ***Insurance Coverage***

Paychex maintains an insurance policy that includes cyber liability coverage for: technology products, information security and privacy, regulatory defense and penalties, and PCI fines and costs.

### ***Breach Notification***

Paychex has established policies and procedures to comply in a timely fashion with applicable legal requirements related to privacy, data security, and notification.

### ***Regulatory Compliance***

Paychex has processes in place that are intended to comply with local, state, and federal requirements regarding the security of client data. These processes include comprehensive security procedures that are regularly reviewed and revised as appropriate to reflect regulatory changes.

## **Client Data Protection**

### ***Client Services Security***

Security policies and procedures for Paychex client-facing services and applications are specifically designed to protect the confidentiality of the sensitive information in clients' electronic communications and transactions. Paychex stands behind its commitment to keep client data protected through the following best practices and technologies:

- multi-layered firewall technologies
- real time monitoring for suspicious or unusual activity
- secured transmission of communications using SSL 128-bit encryption
- comprehensive access controls
- logical patch management procedures and processes
- regular vulnerability assessments

### ***Secure E-mail Communications***

An important component of safeguarding the privacy and security of client, company, and employee information is the Paychex Secure E-mail Message Center. A protected e-mail environment designed to keep sensitive and confidential information safe, the Secure E-mail Message Center provides a vehicle for Paychex to send notifications to regular e-mail accounts with links to our secure e-mail server, where recipients can access confidential e-mails.

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### ***Retention and Destruction of Hard Copy and Electronic Information***

The Paychex records management program is supported by policies, procedures, and processes to safely retain hard copy and electronic records and dispose of them securely.

## **Personnel Security**

### ***Employee Background and Drug Screening***

Paychex performs criminal background checks and drug screening on all employees when an offer of employment is made.

### ***Employee Non-disclosure and Confidentiality Policies***

Employees are required to abide by confidentiality and non-disclosure policies.

### ***Employee Training***

Paychex is committed to training as an essential part of employee success. Every year the company's in-house Training and Development Center provides more than one million hours of instruction to employees across the country. Employees are required to complete training to

gain the product knowledge and professional skills necessary to maintain the Paychex standard of service and excellence. Also, they must complete a yearly security awareness training session and apply what they have learned to their jobs every day.

Paychex was ranked on *Training* magazine's Training Top 125 list of outstanding international training organizations for the eleventh straight year.

#### ***Employee Communication Regarding Changes to the Paychex Security Policy***

All relevant changes to the security policy are communicated through news bulletins as soon as they have been approved by Paychex senior management.

#### ***Reporting Perceived Misconduct***

Employees can contact a direct access hotline to report financial or accounting concerns. Anonymous reporting is established and coordinated by a confidential and independent third-party service.

### **Physical Security**

#### ***General Site/Building Information***

Physical access to the corporate data processing centers is limited to employees with a business need to access the centers and is controlled by an electronic key, a personal identification number (PIN), and biometric technologies.

#### ***Visitor Access***

All persons visiting any Paychex location must have a business justification to do so. Visitors in any Rochester Paychex location are required to sign in and are issued a numbered visitor's badge. Visitors are not allowed in any area of the building without being accompanied by an authorized employee. Under no circumstances are visitors allowed in confidential or unauthorized areas.

### **System Security, Access Control, and Monitoring**

#### ***Formal Approval Process***

Paychex employees' access to systems must pass a formal approval process. Employees are granted access only to information required to perform their daily jobs.

#### ***Unique Access***

Employees are given a unique username and password to gain access to Paychex systems to ensure that all transactions and logging of activity are monitored regularly.

### ***Separation of Duties***

Paychex internal controls include policies and procedures to promote strong business practices and establish clear roles and responsibilities, including the segregation of duties. Segregating duties helps ensure that transactions are valid and properly recorded.

### ***Logical Access Controls***

Logical access controls are designed so that only authorized users are permitted access to systems and applications. Formal processes and procedures guide system access requests for changes and removals.

### ***Audit and Monitoring***

Proactive and detective monitoring of system audit logs and alert notices directs the use of Paychex systems in accordance with published policies. System audit logs are activated and monitored to help detect unauthorized activity and maintain the integrity of key data elements. Information Technology (IT) monitors and logs security activity and reports security violations to management.

### ***Employee System Termination Procedures***

Paychex uses formal termination procedures to revoke computer, network, and data access privileges.

## **System Development and Maintenance**

### ***Change Management***

A formal Change Management Process governs all changes to the production application infrastructure. This process covers review and approval of project-size initiatives as well as minor changes like enhancements, infrastructure changes, bug fixes, and regulatory changes. All significant modifications to the application infrastructure are managed within a project using a defined project lifecycle.

### ***Enterprise Business Solutions***

Enterprise Development designs, develops, and tests software applications that support Paychex business units. A defined software development process (SDP) provides guidelines for creating and testing program changes and allows for customization based on project requirements.

### ***Quality Assurance (QA)***

The purpose of quality assurance is to verify that all new functionality is working as documented in the requirements and that design documents and defects are identified and addressed.

### **Data Backup/Business Continuity/Disaster Recovery**

#### ***Formal Written Business Continuity Policy***

Paychex is dedicated to providing seamless business operations in spite of unexpected events. These sudden, uncontrollable scenarios can vary from inclement weather to intentionally damaging acts. The impact of each scenario, depending on its severity, can range from minimal to critical. The company is committed to identifying and evaluating potential risks and their impacts – before they occur – to determine appropriate measures to take. Paychex has developed a combination of technological solutions and comprehensive recovery planning strategies for a rapid response to potentially harmful situations. These include:

- daily backup of client and client employee master files and tax files at the Corporate Data Centers and each processing location;
- ongoing backup of payroll transaction files throughout each processing day;
- weekly backups of payroll history;
- electronic transmission of business-critical application transaction files throughout each processing day; and
- offsite storage of backup tapes and other critical supplies needed to process payrolls.

The Corporate Data Centers have appropriate geographic separation for local and regional disasters. They are equipped with heat and smoke detection, fire suppression systems, redundant uninterruptible power systems (UPS), and redundant generator power. In addition, the branch offices are equipped with heat, smoke, and fire detection systems. Certain branches have a UPS and generator to protect computers, phones, and alarm systems from power surges or failures. Each year, Paychex performs power failure tests in each Corporate Data Center and at each branch. Data centers operate independently, and each is designed to handle the full load of both centers. Paychex maintains documented recovery strategies for all critical components including services, systems, buildings, and workforce reduction scenarios.

The Paychex Business Continuity Plan (BCP) includes corporate and business unit components. Reviewed, updated, and tested annually, at a minimum, the BCP includes, but is not limited to:

- notification/communication pathways and call lists
- alternate site information
- critical vendor/third-party information
- recovery procedures
- manual workarounds, if available

- restoration of normal service plans

Changes to the Paychex BCP impacting vendors and/or partners are communicated through normal business unit/vendor communication channels.

Essential personnel are identified, documented, and trained on the BCP plan; these personnel are included in the Paychex testing strategy. Business continuity training for all Paychex staff is provided within the first year of employment and periodically thereafter.

The BCP plan is tested according to a program that specifies test dates and addresses mission-critical products, services, and technology. Test results are communicated internally and audited periodically; in addition, any remediation plans are completed. Vendor/partner participation in BCP testing is solicited as required.

Contact information for the BCP team is available upon request.

### ***Business Impact Analysis***

The Business Impact Analysis (BIA) process determines the maximum acceptable downtime in the event of a site or multi-system disaster. All systems that provide client services are identified as Tier 1 systems — the highest recovery protection — and meet legal and regulatory requirements and established service level agreements (SLAs).

### ***Backup Strategies***

Computer operations controls include job scheduling, tape management, program and data file backup, and problem management. The Computer Operations department is responsible for ensuring that critical applications and data sets are regularly backed up to tapes and kept offsite. This is accomplished using the combination of a documented strategy for cyclical backup of data and programs, automated backup tools and schedules, and automated tape inventories. Automated restores and periodic manual recoveries from tape ensure the quality of the backup tapes on a regular basis.

### ***Data Retention***

Retention policies are in place for data; they vary based on product or service requirements.

### ***Proper Destruction of Disposed Media***

Backups are protected from unauthorized access and tampering. Controls have been created to keep customer data highly secure from outside tampering and to guide the proper disposal of media at the end of its useful life.

### ***Testing of Archived Data***

Paychex infrastructure support personnel practice recovery techniques every month within a test environment. The test measures the thoroughness of Paychex strategies and minimizes

problems before they occur in a real situation. Testing not only addresses data integrity, but also keeps personnel current with recovery procedures.

## **Vulnerability/Intrusion Detection/Anti-Virus**

### ***General Network Security and Intrusion Detection Information***

Paychex uses many technologies to help identify and protect information assets against attacks and malicious software. Its defense-in-depth strategy includes:

- multiple firewall layers
- intrusion detection/intrusion prevention systems
- virus, malware, and spyware scanning
- host integrity assessments
- security event and incident management systems
- quarterly penetration testing

All components of this strategic plan are vital in helping protect Paychex and its clients.

### ***Patch Management***

Operating system (OS) and database patches are applied to systems at Paychex to address issues or potential issues in the production processing and control environment. A system configuration tool and/or vendor alerts are used to identify available patches. The system configuration tools compare the current system patch configuration with the Paychex minimum security baseline and patch release list from vendors. The results of that comparison are analyzed to determine the patches to be installed on Paychex systems. Security patches are evaluated to ensure that relevant security vulnerabilities are mitigated as quickly as possible.

### ***Levels of Network Security Testing***

- **Vulnerability scanning** – To validate that Paychex is using and applying the best possible technical configuration, ongoing network vulnerability scans are performed. These scans are scheduled and executed as part of established schedule-of-work tasks, and the results are shared with the appropriate IT teams inside Paychex to help identify the best mitigation plans and solve any identified vulnerabilities. These reviews are critical in measuring progress against patch levels, code reviews, and product deployments. When applicable and possible, our external hardware/software vendors are integrated into our scanning results.
- **Penetration testing** – Quarterly external penetration testing is performed. After management reviews these reports, remediation is performed if necessary.

***Paychex Security Investigations Unit (SIU)***

Paychex SIU, the investigative arm of Enterprise Data Security, is responsible for collecting and analyzing information about potential system security violations and data breaches. SIU works closely with human resources, corporate counsel, internal audit, risk management, and other groups to record, report, and mitigate computer-related incidents.

Town of Allenstown, NH

# Proposal

## PRICING

Town of Allendstown, NH ZM26  
16 School Street

Allendstown, NH 03275

Diane Demers  
Finance Director  
ddemers@allendstownnh.gov  
603.485-4276 x120

Proposal date 10/20/2014  
Valid until 01/18/2015  
Pay frequency 26  
Employees 46

Lisa Galarneau  
Customer Service Manager  
lgalarneau@paychex.com  
978.276.0060 x48461

### Notations:

Totals displayed do not include sales tax where applicable.  
Prices are subject to change with advance notice.

Please initial to indicate your understanding and agreement with this proposal: \_\_\_\_\_.

PER PAY PERIOD CHARGES	Minimum	Base	Units	Rate/Unit	Total	Discount	Net Total
<b>One-Source Solutions Package I</b>		\$ 184.00	46	\$ 2.71	\$ 308.66	35%	\$ 200.63
<b>Includes:</b>							
Payroll Processing							
Taxpay Service							
SUI Support							
New Hire Reporting							
Benefit Accrual							
Report Writer/Report Library							
General Ledger							
Preview Hosting							
Direct Deposit							
Check Insertion							
Check Signing							
Readychex/Reconciliation							
Garnishment Payments							
Additional State/Local Returns			1	\$ 3.00	\$ 3.00		\$ 3.00
Additional Reports				\$ 10.00	\$ -		\$ -
Payroll Delivery			1	\$ 9.85	\$ 9.85		\$ 9.85
Split Delivery					\$ -		\$ -
HR Module (all employees)	\$ 10.00			\$ 0.25	\$ -		\$ -
Human Resources Online (all employees)	\$ 13.80		65	\$ 1.03	\$ 80.75		\$ 80.75
<b>Per pay period total</b>					\$ 402.26		\$ 294.23

MONTHLY CHARGES	Minimum	Base	Units	Rate/Unit	Total	Discount	Net Total
Employee Access Online			46	\$ 0.30	\$ -		\$ -
SUI Administration (over 25 emps)	\$ 66.00		21	\$ 0.50	\$ -		\$ -
Screening Criminal Database	\$ 18.00		0 to 12		\$ -		\$ -
COBRA	\$ 30.00			\$ 25.00	\$ -		\$ -
Recruiting and Applicant Tracking							
First HR/Recruiter and/or Admin User				\$ 200.00	\$ -		\$ -
Premium Only Plan	\$ 40.00				\$ -		\$ -
COBRA/Premium Only Plan	\$ 60.00			\$ 25.00	\$ -		\$ -
ExpenseWire	\$ -			\$ -	\$ -		\$ -
ESR Analysis & Monitoring Service	\$ 40.00		46	\$ 0.25	\$ -		\$ -
Time & Labor Online	\$ 70.00		46	\$ 3.00	\$ 138.00	35%	\$ 89.70
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -

# Proposal

## PRICING

Lease Biometric Clock **WIFI Enabled**	4	\$ 140.00	\$ -	\$ -
Lease Biometric Clock (w/HID Reader)	4	\$ 160.00	\$ -	\$ -
Lease Proximity/Barcode Clock	4	\$ 100.00	\$ -	\$ -
Lease Proximity Clock (w/HID Reader)	4	\$ 120.00	\$ -	\$ -
<b>Monthly total</b>			<b>\$ 138.00</b>	<b>\$ 89.70</b>

ANNUAL CHARGES	Minimum	Base	Units	Rate/Unit	Total	Discount	Net Total
Quarter/Year End Report Delivery			4	\$ 15.50	\$ 62.00	\$ -	\$ 62.00
W-2 Delivery			1	\$ -	\$ -	\$ -	\$ -
Forms W-2 or 1099	\$ 60.00		65	\$ 5.75	\$ 433.75	\$ -	\$ 433.75
Online W-2 Service	\$ 25.00			\$ 0.35	\$ -	\$ -	\$ -
Time Clock Maintenance				\$ -	\$ -	\$ -	\$ -
<b>Annual total</b>					<b>\$ 495.75</b>		<b>\$ 495.75</b>

ONE-TIME CHARGES	Minimum	Base	Units	Rate/Unit	Total	Discount	Net Total
<b>Time Clock Hardware &amp; Accessories</b>							
Purchase Biometric Clock				\$ 2,400.00	\$ -	\$ -	\$ -
Purchase Biometric Clock (w/HID Reader)				\$ 2,600.00	\$ -	\$ -	\$ -
Purchase Proximity/Barcode Clock				\$ 2,000.00	\$ -	\$ -	\$ -
Purchase Proximity Clock (w/HID Reader)				\$ 2,200.00	\$ -	\$ -	\$ -
Battery/Charger board				\$ 110.00	\$ -	\$ -	\$ -
Power over Ethernet Board				\$ 250.00	\$ -	\$ -	\$ -
Bell Relay				\$ 175.00	\$ -	\$ -	\$ -
2Gb SD Card				\$ 20.00	\$ -	\$ -	\$ -
Proximity Cards/Badges 50 per pack				\$ 125.00	\$ -	\$ -	\$ -
External Battery Backup				\$ 100.00	\$ -	\$ -	\$ -
Delivery Ground			1	\$ 25.00	\$ -	\$ -	\$ -
<b>Implementation</b>							
Implementation, Customization & Training						\$ -	\$ -
Payroll						\$ -	\$ -
Training						\$ -	\$ -
Enter Custom Fee or Promotional Discount Here						\$ -	\$ -
HR Online History Import						\$ -	\$ -
Human Resources Online					\$ 500.00	100%	\$ -
Recruiting & Applicant Tracking - Implementation and Modules					\$ -	\$ -	\$ -
Background Check Integration					\$ -	\$ -	\$ -
Ad Feed to submit job openings to paid Job Boards					\$ -	\$ -	\$ -
Additional Career Sites				\$ 500.00	\$ -	\$ -	\$ -
Employee Screening						\$ -	\$ -
Site Verification				\$ 99.00	\$ -	\$ -	\$ -
ESR Analysis & Monitoring Service				\$ 200.00	\$ -	\$ -	\$ -
ExpenseWire					\$ -	\$ -	\$ -
Time and Labor					\$ 500.00	100%	\$ -
stratustime					\$ -	\$ -	\$ -
<b>One-time total</b>					<b>\$ 1,000.00</b>		<b>\$ -</b>
<b>Annualized charge</b>					<b>\$ 12,610.51</b>		<b>\$ 9,222.13</b>

**ADDITIONAL SERVICES (proposed separate cover)**  
 Flexible Spending Account (FSA)  
 Workers Compensation Insurance and Administration