



AGREEMENT TO PROVIDE WORKFORCE MANAGEMENT SOLUTIONS

Between

Checkmate Workforce Management Solutions (Checkmate)

and

Business name: **Town of Allenstown**

Payday: **Wednesday**

Frequency of Pay: **Bi-Weekly**

You (sometimes also referred to as "Client") agree to submit the payroll online, fax a completed worksheet, or phone in employee's hours by: **Monday at 11:00am.**

Checkmate Services Include (check all that apply):

Payroll Services

Checkmate will provide solutions that streamline all tasks associated with payroll processing. Your payroll will be customized to accommodate your unique management needs. Specifically we will produce a payroll based on your pay frequency and pay date including any and all pre and post tax deductions, generate third party payments as required for payroll deductions, garnishments, and payroll tax liabilities. We will provide you with reports either paper or electronic that clearly shows the pertinent data for your payroll.

It is our expectation that clients review their payroll and payroll reports provided with each payroll. All changes made at your request should be reviewed, starting with the payroll in which the change is to be effective. Any errors identified must be immediately brought to our attention, but in no event later than thirty (30) days after the date of the payroll for which the change was effective.

As long as payroll is submitted by Client three days prior to pay day, Checkmate will guarantee the timely processing of the payroll, such that the employees of the client will be paid on the scheduled pay day. Checkmate agrees to indemnify and hold Client harmless for losses resulting from its failure to do so. Checkmate also guarantees the accuracy of the payroll that is processed, according to the specific payroll details submitted by the client online, or provided to Checkmate by the client via email, phone or any other method. To the extent that the data processed by Checkmate deviates from the specific details provided by the Client, Checkmate will indemnify and hold Client harmless for losses resulting from its failure to provide accurate payroll services.

Payroll Setup

Checkmate takes full responsibility for setting up your account in our system and if we start your payroll at any time other than the beginning of the year we will enter the payroll amounts for payrolls processed during the year so that the employee W-2's and other annual tax returns accurately reflect each employees compensation for the year.

Payroll Tax Services

Checkmate will provide complete payroll tax compliance services including; payroll tax deposits, New Hire reporting, and preparation of all required Federal and State monthly, quarterly, and annual tax returns. In order to provide this service Checkmate (or it's designee) will withdraw from your designated bank account on the day before pay day the entire amount of the payroll tax liabilities for the payroll. If your federal 941 tax deposit liability exceeds \$99,999 at any time, you will be required to wire the amount of the liability on the day before payday. Wire instructions will be provided.

If, at the end of any quarter or at the end of the year, we have not processed any payrolls on your behalf, there will be an additional charge of \$100.00 to prepare any required returns.

Direct Deposit

Checkmate will transfer funds using the Automated Clearinghouse (ACH) to pay client employees who elect to receive their pay via direct deposit. Under this Agreement, Checkmate's *Preauthorization for the Transfer of Funds* attached hereto as Addendum A must be signed and returned prior to the first transaction being processed. Client must abide by the rules of the National Automated Clearinghouse Association, as well as the laws of the State of New Hampshire, Checkmate's *Policy Regarding Impounding of Funds* attached hereto as Addendum B and all other applicable rules and regulations.

If we reasonably believe that there are insufficient funds in your account to cover any transfers or payments to or for the people you identify, or if we reasonably believe that you will return, reverse or dishonor the transfer of funds to us to cover the transfers and payments we make on your behalf, we may refuse to authorize the Paying Bank to transfer such funds, or we may reverse the transfer from the Paying Bank to the payroll accounts without any liability to us.

If any transfer or payment of funds for or on your behalf is dishonored or returned for any reason, including, but not limited to, insufficient funds in your accounts to cover the transfer, the closing of your account, the inability to locate your accounts, an unauthorized transfer, a reversal by you of a transfer, or any other reason, we will:

- a. Require that you or your Bank wire the appropriate funds, including any fees and expenses, to the Paying Bank (currently First Colebrook Bank) by no later than 2:00 PM Eastern Time on the day we notify you of the dishonor or return;
- b. Assess a \$100.00 fee to cover our costs associated with the dishonored direct deposit transaction, and;
- c. Hold you responsible for all costs of collection, including reasonable attorney's fees (whether or not suit is brought) and you agree to reimburse Checkmate -- upon demand -- for any and all such costs and fees.

Employee Services Features

Checkmate will provide Client access to a self-service, web based system for providing employers and their employees with online access to personnel information, pay statements, time off accruals and other features in accordance with the details of these services described in the accompanying literature and subject to the conditions noted in Addendum C.

Time and Labor Management System

Checkmate will provide Client access to a self-service time and labor management system in accordance with the details of that system described in the accompanying literature and subject to the conditions noted in Addendum D.

Human Resources Information System (HRIS)

Checkmate will provide Client access to a self-service HRIS system in accordance with the details of that system described in the accompanying literature and subject to the conditions noted in Addendum E.

Security and Privacy of Information

Checkmate is responsible for the security, confidentiality and privacy of the information provided to them by the Client. Checkmate will use acceptable methods for protecting such data, given the nature of the information involved (names, social security numbers, income information, etc). Checkmate will not disclose company confidential or personally identifiable information on the employees of the Client to any third party, for any reason, outside of the conditions set forth in this agreement, without obtaining prior consent from the Client. Checkmate consents that it is legally obligated to

protecting the confidential data that it receives from the Client. Checkmate agrees to keep in force Cyber Liability insurance to ensure that it has the resources required such that the client and its employees are protected in the event of a security breach. Checkmate also agrees to comply with the information security laws of the State of Massachusetts relative to data security, security breaches, and personally identifiable information.

Fees

Checkmate's fees, unless modified by Addendum F, for standard and optional services selected above are based on the fee schedule currently in effect and supplied separately to you. To obtain payment for our services, we will directly debit your account for each payroll. We will provide you with an invoice identifying such payments, including an appropriate breakdown of the fee.

Miscellaneous

To ensure that personal and private information is kept confidential, Client agrees to transmit any and all employee information (required by Checkmate to provide services to Client hereunder) either by facsimile or through the encrypted, secure file upload service provided by Checkmate.

Checkmate cannot guarantee timely delivery of your payroll if the information is inaccurate or not transmitted by the agreed upon day and time.

If we sustain any losses or damages because of your failure to comply with this Agreement, you will be responsible for such losses or damages, including all costs, expenses and attorney's fees.

You agree to indemnify and hold us harmless (as and to the extent set forth in the following paragraph) from the claims of:

- a. People whom you pay if they claim that the transfer was not authorized, a stop payment order was issued, or your account contained insufficient funds;
- b. Taxing authorities, if their credit was reversed due to insufficient funds in your account; or
- c. Other banks if they suffered damages or loss due to insufficient funds in your account.

Default

1. You. If you fail to adhere to the terms and conditions of this agreement, or do not maintain sufficient funds in your paying account, we may terminate this agreement. We will notify you in writing of such default. In the event of a monetary default by Client (e.g., insufficient funds to cover payroll), Checkmate may terminate this agreement immediately without any liability. In the event of a non-monetary default (e.g., late submission of payroll), Checkmate may terminate this agreement five (5) days after providing written notice.
2. Us. If we fail to adhere to the terms and conditions of this agreement, you may terminate this agreement. If this happens, you must notify us in writing at least five (5) days prior to the date of such termination.

No-fault termination of agreement

You or we may terminate this agreement at any time, but must provide a written notice of termination at least fifteen (15) days before the termination.

Indemnification

Each party agrees to indemnify, defend, and hold harmless the other party and its shareholders, members, directors, officers, employees, agents, and contractors, from and against any claim, and any associated losses, arising from: (i) violation of any patent, trade secret, or other intellectual property or proprietary right due to indemnifying party's provision of the services under this agreement; and (ii) bodily injury, death, personal injury, tangible property damage and theft, resulting from the acts and omissions of the indemnifying party, its shareholders, members, directors, officers, employees, agents, and contractors or any person for whom the indemnifying party is legally liable.

Independent Contractor; Subcontracting

The parties are acting in performance of this Agreement as independent contractors. Except as specifically stated herein, a party, including, without limitation, any of a party's respective employees or agents, shall not have the power or authority to bind or obligate the other party. Nothing in this Agreement shall be construed to constitute either party as the partner, joint venturer, agent, employee or affiliate of the other, it being intended that the parties shall remain independent contractors and neither party shall be liable for the obligations, liabilities or representatives of the other. A party and its employees are not employees or agents of the other party, and are not entitled to any of the other party's employee benefits. Each party is exclusively responsible for all obligations imposed upon employers by any applicable statute or regulation related to the services rendered by its respective personnel hereunder, including, without

limitation, all employment verification, work authorization, compensation, taxation, insurance and levy responsibilities.

No Third Party Beneficiaries

No third party is a beneficiary of this Agreement.

Entire Agreement

This Contract between Client and Checkmate contains the entire agreement of the parties as to the contents contained herein, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Contract. This Contract supersedes any prior written or oral agreements between the parties only as to the subject herein. The parties recognize and acknowledge that the parties have entered into other agreements with each other, such as a Non-Disclosure Agreement and a Tripartite Agreement with clients, which shall be stand alone agreements and not replaced by this Agreement.

Severability

If any provision of this Contract is held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

Amendment

This Contract may only be modified or amended in writing by mutual agreement of both parties.

Governing Law

This Contract shall be construed in accordance with the laws of the State of New Hampshire without reference to its conflict of laws principles. The parties submit to the exclusive jurisdiction of the state and federal courts situated in New Hampshire.

Notice

Any notice or communication required or permitted under this Contract shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such other address as one party may have furnished to the other in writing.

Assignment

Neither party may assign or transfer this Contract without the prior written consent of the non-assigning party.

Counterparts

This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

COMPANY NAME: Town of Allenstown

Signature: _____

By: _____
(Print Name) (Title)
Duly authorized

Date: _____

CHECKMATE PAYROLL SERVICES, INC.

Signature:  _____

By: Joshua Robinson President
(Print Name) (Title)
Duly authorized

Date: 10/23/14

ADDENDUM A
Pre-Authorization for Transfer of Funds

Date: _____

I, _____ hereby authorize my/our bank to pay upon demand a pre-authorized electronic fund transfer prepared by Checkmate, and payable through our processing bank for the total of my employee's payroll deposits to various financial institutions participating in the EFT banking system of the New England Automated Clearing House (ACH transactions).

The transfer of funds from your account will be made two days prior to the effective date in which the funds will be deposited into the employee accounts.

If we reasonably believe that there are insufficient funds in your account to cover any transfers or payments to or for the people you identify, or if we reasonably believe that you will return, reverse or dishonor the transfer of funds to us to cover the transfers and payments we make on your behalf, we may refuse to authorize the Paying Bank to transfer such funds, or we may reverse the transfer from the Paying Bank to the payroll accounts without any liability to us.

If any transfer or payment of funds for or on your behalf is dishonored or returned for any reason, including, but not limited to, insufficient funds in your accounts to cover the transfer, the closing of your account, the inability to locate your accounts, an unauthorized transfer, a reversal by you of a transfer, or any other reason, we will:

- a. Require that you or your Bank wire the appropriate funds, including any fees and expenses, to the processing bank (currently First Colebrook Bank) by no later than 2:00 PM Eastern Time on the day we notify you of the dishonor or return; and
- b. Assess a \$100.00 fee to cover our costs associated with the dishonored direct deposit transaction.

You acknowledge that in order to put into effect the services which include ACH transactions, you will be the originator of the ACH transactions and you will follow and be bound by the rules for ACH originators as adopted from time to time by the National Automated Clearing House Association ("NACHA"). You agree that you have assumed the responsibilities of an Originator under the ACH rules and acknowledge that entries may not be initiated in violation of the laws of the United States. You must retain and provide upon request copies of each employees authorization form for two years after they expire.

This authorization is to remain in full force and effect until Checkmate has received written notification from me of its termination in such time and in such manner as to afford Checkmate and our processing bank a reasonable opportunity to act on it.

For the purpose of the above, my bank transit number and account number are listed below:

Depository Name:

Transit # _____

Account # _____

Signature: _____

By: _____
(Print Name) **(Title)**

ADDENDUM B
Policy Regarding Impounding of Funds

To facilitate the timely and prompt payment of Client's employee direct deposit transactions, employee live check transactions and payroll tax liabilities that Checkmate has been engaged to manage, Client understands, acknowledges and agrees to the following terms and conditions:

1. Checkmate will withdraw funds to cover employee direct deposits from your account forty-eight (48) hours prior to the pay date and deposit said funds into a trust account maintained by Checkmate. Said funds will be deposited into employee accounts from the trust account on payday.
2. Payroll Tax Management will withdraw funds to cover all payroll tax liabilities from your account twenty-four (24) hours prior to payday and deposit said funds into a trust account in Checkmate's name maintained by Payroll Tax Management.
3. At or before the time of such withdrawal, Client shall have in its account, good, sufficient and immediate funds to satisfy all of Client's then due direct deposit and payroll tax liabilities to be paid by Checkmate on Client's behalf.
4. If, for any reason, Client should fail to provide good and sufficient funds for Checkmate's access to meet Client's payroll obligations, then Client hereby authorizes Checkmate to apply any unremitted payroll tax funds then held by Checkmate towards any payroll deficiency and/or other financial obligation that Client may have to Checkmate hereunder. Checkmate agrees that the only situation that could exist where it would use Client's payroll tax funds for any reason other than the timely payment of Client's payroll tax obligations is in the situation where the client has failed to meet its financial obligations to Checkmate as specified in the Payroll Service Agreement or this addendum.

Client's Initials: _____
Checkmate's Initials: *ML*

ADDENDUM C

Policy Regarding Use of Employee Services Features

Client understands, acknowledges and agrees to the following terms and conditions relative to Checkmate's provision of "Employee Services" (as defined below):

1. Employee Services include the ability of employees/agents to access their pay statements and W-2 forms online; the ability of employees/agents to change their demographic information online; W-4 elections and such other Employee Service features Client (in its discretion) may add, delete or make available to Client employees.
2. Checkmate is a conduit for all information relative to employee services and relies solely upon Client for valid and accurate information.
3. Client must and shall ensure that all employee information is current and updated and shall continually convey accurate and current information to Checkmate.
4. All employee information will be encrypted and password protected.
5. Any and all employee changes must be reported by any of Client's employees first to Client and then from Client to Checkmate.
6. Client is responsible for the management of their employee's/agent's access to the payroll records and for ensuring privacy. This includes: (a) managing how Client's employees/agents use and access Checkmate's system; (b) monitoring and approving changes made by the employee/agent to their records; and (c) removing employee/agent access upon termination (employees will continue to have access to Checkmate's system unless and until removed by Client).
7. Client is responsible for securely transmitting its employee's/agents personal data to Checkmate. Confidential personal data should not be transmitted via e-mail or voice mail.

Client's Initials: _____
Checkmate's Initials: *ML*

ADDENDUM D

Policy Regarding Use of Time & Labor Management System

Client understands, acknowledges and agrees to the following terms and conditions relative to Checkmate's provision of "time & labor management":

- a. Checkmate is a conduit for all information relative to time & labor management and relies solely upon Client for valid and accurate information.
- b. Client must ensure that all information is current and updated and shall continually convey accurate and current information to Checkmate.
- c. Any and all Client employee changes to records or data must be reported by any of Client's employees first to Client and then from Client to Checkmate.
- d. All employee information will be password protected.
- e. Client agrees to hold Checkmate harmless and to indemnify Checkmate from any and all claims (made by Client or any of Client's agents or employees) on account of Checkmate's display, reporting, or retention of any inaccurate information relative to employee time and attendance.
- f. Checkmate will provide training at no additional cost for the first 30 days. Beyond this, training will be provided according to the hourly rate reflected on the fee schedule currently in effect.

Client's Initials: _____

Checkmate's Initials: MC