

ACTION DATA SERVICES

17 Sherwood Lane
Fairfield, NJ 07004
Phone: (973) 244-8989
Fax: (973) 244-1330

October 14, 2014

The Borough of Alpha
1001 East Boulevard
Alpha, NJ 08865
Attn: Lorraine Rossetti

Dear Lorraine,

I appreciate the opportunity to submit this proposal to continue to provide Payroll and Accounting services to your Town. Please allow this letter to amortize the agreement between Action Data Services, Inc. and the Borough of Alpha to our providing these services to you. Included herewith is our price schedule.

ADS is a payroll/tax specialist, with over 33 years of experience in the Municipal, Educational and Utility payroll fields. Our staff is dedicated to servicing our customers, providing them with prompt, accurate answers to payroll and tax questions. Our software is state of the art with the most recent tax and pension requirements issued from Trenton. We give you services that many of our competitors, including the larger ones, are unable to offer.

We furnish payroll services for approximately 35,000 employees, of which 20,000 are PERS, P&F or TPAF employees. ADS also offers an unlimited number of payroll reports designed for payroll reporting.

We propose a one year contract with a commencement date of November 1, 2014, ending on October 31, 2015. We further propose a one (1) year extension to the contract beginning on November 1, 2015 ending on October 31, 2016. We will maintain your current pricing structure on all services for the two (2) year contract period.

ADS handles all correspondence or discrepancies, which may arise as well. We are not just your payroll service; we are your employees. We work for YOU! Our staff wants to make the business of processing your payroll and handling your Accounting needs as easy as possible for you. Service is as important to us as it is to our customers!

We at Action Data are looking forward to continue to provide your organization with as complete a payroll, as you require. Please do not hesitate to contact me if there is anything you wish to discuss further.

Very truly yours,

Nicholas A. DeScetto
Sales Manager
Action Data Services

Price Menu

PAY PERIOD CHARGES:

Payroll

Base Charge	39.00	each per pay date
Check Charge	0.80	per check
Payroll Pre-test	0.12	per employee
Chg/Adj/Term	0.35	each
Labor Cost Analysis	13.26	
Group Life Update	10.16	per pay date
Tax Service	16.95	per pay
Delivery	18.00	normal pkg. size

Agency

Agency Service	23.22	per pay date
Postage (Client Copies)	1.32	per pay date
Agency Checks	3.00	each
Agency Postage	0.49	per check
Pension Service	18.65	per pay date

MONTHLY CHARGES:

Trial Balance Sheet	31.50	per month
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QUARTERLY CHARGES:

State Wage Report	42.00	
Taxable Report	44.00	
Tax Filing	157.00	one State
GIT Transmission	158.00	
Payment History	42.00	
Delivery	18.00	normal pkg. size
Pension Filing	240.00	per quarter

ANNUAL CHARGES:

Taxable Report	95.00	
Tax Filing	488.00	
Payment History	163.00	
GTL Program Update	187.00	

YEAR END CHARGES:

W2 Base Charge	175.00	
Price per Form	5.80	
Optional Data on W-2's	1.00	per employee
W2 Update Base Charge	96.00	
W2 Pension Update	128.00	
W2 Employee Code Changes	75.00	
W2 File Maintenance	96.00	
W-2 Proof Report	117.00	

Please allow this letter to amortize the agreement between Action Data Services, Inc., and The Borough of Alpha to our providing services to you.

Because Action Data Services (ADS), as a service, transmits a file to the client's depository containing the direct deposit information of the client's employees, ADS must maintain compliancy to Section 2.2.1.2 of the NACHA Rule. Prior to ADS transmitting the above mentioned direct deposit NACHA file to the client's depository, a "ACH Initiation Agreement" between the ADS and the client must be signed and on file with ADS. Additionally, any client that will utilize the direct debit service as a means of paying any payroll related obligation must sign a "Direct Debit Authorization Agreement", granting Action Data Services debit access to the appropriate client account(s).

By signing this contract, you the client warrant to ADS that you will comply with and be bound by the rules of the National Automated Clearing House Association (NACHA). You agree not to originate entries that violate the laws of the United States. **Ex. knowingly and willfully entering falsified payroll data into ADS's data entry system.** You offer the right of the ODFI/TPS to audit the Originator's compliance with the Origination Agreement and the NACHA Rules.

Contract Term: The term of this Contract shall be for (1) year commencing on November 1, 2014 and ending on October 31, 2015 with a one year extension beginning November 1, 2015, ending on October 31, 2016. We will maintain your current pricing structure on all services for the two (2) year contract period.

If the information contained in this proposal is acceptable, please sign and return a copy for our files along with a copy of the approved resolution.

The Borough of Alpha

Edward Hanics
Officer's Name

Mayor
Title

10/28/14
Date

Action Data Services

Michael A. DeMatteo
Officer's Name

Sales Mgr.
Title

11/6/14
Date

Why Choose ADS?

- As a tax specialist we literally sign your returns as your accountant. ADS staff in our Fairfield office prepares your taxes. Our competitors either assign this responsibility to a third party, or have the work performed out of state.
- ADS is the only service bureau in New Jersey recognized by the State to physically perform a pension filing and payment service.
- Our Third Party Agency Service truly identifies us as the only Payroll/Accounting service in the market today! We have offered this service to Municipalities, Boards and Utilities for more than fifteen years. We are constantly revising and introducing new ideas to keep abreast of your auditor's requirements. To conclude, we enter all payments into our EXCLUSIVE Trial Balance Sheet allowing an automatic audit trail of all activities in an easy to read format.
- As accountants, we perform a complete Bank Reconciliation, which includes a review of the complexity of what is required regarding the accomplishment of full reconciliation of all pertinent bank records. We reconcile the payroll against the actual payroll records, and then compare the results to your bank statements.

Here are several other good reasons to choose ADS.

- The government payroll market (Municipalities, Boards and Utilities) makes up our mainstream clientele. Unlike any of our competitors, these clients represent over 85% of our total.
- We offer the flexibility in developing solutions to your problems. You will not have to settle to be the square peg that must fit into the round hole!
- We truly offer "old fashioned" Customer Service. All aspects of interfacing with our customers are accomplished on a personalized level. If there is a problem, we will be there to help!

When all is totaled, Payroll, Pensions, Taxes, Agency, and Customer Service, we believe that it becomes abundantly clear why we call ourselves **SPECIALISTS**.

The true value of who Action Data is and what we can do is generally best recognized by those Administrators and CFO's who have the experience and knowledge to challenge their objectives and demand more from what they are currently receiving. If you are looking for just another Payroll Company, we can mimic what our competitors do, but you would be missing out in discovering why we have no equals in our market. When we deal with intelligent people who have the ability to recognize who we are and what we can do, we end up with a new client, as well as a new friend.