

If you choose to offer Settlement Solutions in connection with tax compliance software licensed from Universal Tax Systems, Inc. d/b/a CCH Small Firm Services ("CCH SFS") then you must agree to and comply with the terms of this ERO Settlement Solutions Enrollment Agreement (this "Agreement"). This Agreement can be viewed at CCH SFS' web site (www.cchsfs.com/legal/) and from the Customer Support Site. By enrolling with a Settlement Solutions Provider and offering Settlement Solutions in connection with CCH SFS tax compliance software Customer certifies agreement to all terms set forth below.

1. DEFINITIONS. Capitalized terms used but not defined elsewhere in this Agreement shall have the meanings set forth below:

- 1.1. **"Central Office Manager"** means the back-office CCH SFS utility application that is made available to Main Offices for use in the management of Sub-Offices.
- 1.2. **"Customer"** means the person or entity identified as the customer on the Order Confirmation(s) and all affiliates, agents and related parties of such customer. If Customer is an entity, the person enrolling Customer represents that he or she is authorized to accept agreements on behalf of Customer.
- 1.3. **"Enrollment Notification"** means the electronic record that is created by Customer to communicate Customer's enrollment information (including, the contact information for Customer's company, company owner information and EFIN owner information) and Customer's intent to enroll with the Provider.
- 1.4. **"Main Office"** means the head office of a business organization that legally or contractually controls, operates or otherwise manages one or more Sub-Offices.
- 1.5. **"Provider"** means a third-party financial services institution authorized to provide tax refund settlement and disbursement products in connection with CCH SFS' tax compliance software.
- 1.6. **"Settlement Solutions"** means all products and services that involve the settlement of a tax refund product, including, Refund Transfer Products, FeeCollect and tax refund-related credit products (e.g., advance products) that anticipate (even if they do not necessarily require) loan repayment from future tax refund proceeds.
 - 1.6.1. **"Refund Transfer Product"** means a type of Settlement Solution that includes all products commonly referred to as refund transfers (RT), refund anticipation checks (RAC), electronic refund checks (ERC), deduct fee from refund (DFFR), debit card deposits, or refund electronic transfers (RET)).
 - 1.6.2. **"FeeCollect™"** means CCH SFS' branded service for the collection of an ERO's tax return preparation fee; such service may also include tax refund settlement services.
- 1.7. **"Settlement Solution Application"** means the application that is generated at the time that

the taxpayer selects a Settlement Solution and which must be completed by the ERO and taxpayer and submitted to the Provider in order to obtain a Settlement Solution.

- 1.8. **"Sub-Office"** means another tax preparation office or entity that is legally or contractually controlled, operated or otherwise managed by a Main Office.

The use of the word "including" means "including without limitation."

2. ENROLLMENT AND PROVIDERS

2.1. PROVIDER ENROLLMENT

- 2.1.1. **Provider Agreements.** Customer is required to enter into a binding agreement with its selected Provider. Each Provider has applicable policies and procedures that Customer must follow. Customer will need to communicate with the Provider to obtain the applicable guidelines for completing Settlement Solution Applications and other applicable legal forms.
- 2.1.2. **Provider Selection.** Customer acknowledges that it has had an opportunity to research and review the marketing materials and offerings of the various Providers and has chosen a Provider in its sole discretion based on such research and review.

2.2. ENROLLMENT WITH CCH SFS

- 2.2.1. **Enrollment.** Except as stated in [subsection 2.2.2](#), if Customer chooses to offer Settlement Solutions he may initiate enrollment with a Provider by creating and submitting an Enrollment Notification from the CCH SFS customer support site. The Provider will contact Customer directly to finalize enrollment with the Provider. Customer must also verify the CCH SFS fees, check printing method and check print EFIN associated with Customer's office(s) prior to the start of the tax season via the CCH SFS customer support site (under the "My Office" section or through the Central Office Manager link for Main Offices).
- 2.2.2. **Automatic Enrollment for Returning Customers.** Customers who offered Settlement Solutions through CCH SFS software last year will automatically be reenrolled with CCH SFS to offer Settlement Solutions during the upcoming filing season. Customer's prior year information will automatically be rolled over for the new tax season. Customer must also verify the CCH SFS fees, check printing method and check print EFIN associated with Customer's office(s) prior to the start of the tax season via the CCH SFS customer support site (under the "My Office" section or through the Central Office Manager link for Main Offices). Renewing Customers will still need to communicate with their selected Provider(s) to complete the reenrollment process.

2.3. MULTI-OFFICE ENROLLMENT

- 2.3.1. **Main Office Enrollment.** Customers who operate as the owner/operator of a "Main Office" must first enroll the Main Office with the chosen Provider before any Sub-Office's Enrollment Notification can be created and transmitted. Customer must create the same Main Office and Sub-Office relationship in both the Provider records and CCH SFS' records.

- 2.3.2. **Sub-Office Enrollment Notification.** After the Enrollment Notification for the Main Office has been transmitted, the Main Office Customer will then need to create and submit an Enrollment Notification for each Sub-Office. The Customer must complete all information, including fees, check print EFIN and check printing method. It is Customer's responsibility to select and specify the Service Bureau Fee under "ERO Settlement Solutions" in Central Office Manager or in the Fee Section on the support site (if applicable).
- 2.3.3. **Provider Selection.** Customer may only have one active Provider at a time. Sub-Offices do not have to use the same Provider as the Main Office. However, if a Sub-Office uses a different Provider, the Main Office must also be approved with that Provider.
- 2.3.4. **Credits on Account for Main Offices.** The entity owning the Main Office EFIN will receive any and all Settlement Solution credits. The "Main Office EFIN" is the EFIN associated with the main office of the entity that is legally and financially responsible for the Settlement Solutions operation. To ensure that the Sub-Office accounts are linked with the Main Office, any record sent to the Provider for a Sub-Office will have the Main Office EFIN record in it.

3. GUIDELINES AND REQUIREMENTS

- 3.1. **General Best Practices.** The following practices, together with more particular guidelines provided by the Provider, should be strictly adhered to:
 - 3.1.1. Ensure that Settlement Solution Applications are filled out completely and precisely to the best of Customer's knowledge.
 - 3.1.2. Encourage taxpayers to ask any questions he or she may have before applying for a Settlement Solution or paying any fees.
 - 3.1.3. Obtain and verify the identification required by the Settlement Solution Application.
 - 3.1.4. Keep a photocopy of the taxpayer identification with Customer's office copy of the Settlement Solution Application.
 - 3.1.5. Validate the social security number and name against the social security card.
 - 3.1.6. Take responsibility and have strict control of check stock and debit cards.
 - 3.1.7. Follow the IRS rules for electronic filing as specified in Publication 1345 (Handbook for Electronic Filers).
- 3.2. **Representations and Warranties.** Customer represents and warrants that:
 - 3.2.1. Customer shall not engage in any unfair, deceptive, abusive or otherwise unacceptable acts or practices in connection with offering or promoting any Settlement Solutions.
 - 3.2.2. Customer has never been subject to federal, state or regulatory enforcement proceedings, including enforcement actions, criminal or civil legal proceedings or cease and desist orders, relating to Settlement Solutions.
- 3.3. **Documentation.**
 - 3.3.1. **7216 Consent Forms.** Customer is responsible for obtaining the taxpayer's written consent, as required under IRS Code Section 7216, prior to using and/or disclosing the taxpayer's personal information for purposes of issuing Settlement Solutions. The CCH SFS software provides 7216 consent forms for this purpose.
 - 3.3.2. **Fee Notices.** Customer must provide taxpayers with a statement of the inclusive price of the Settlement Solution (including all fees incurred to receive the Settlement Solution), and a separate statement of the fees related to tax preparation and/or other services.

- 3.3.3. **Recordkeeping.** Customer may be asked at any time by the Provider or CCH SFS to produce all documentation for any particular Settlement Solution(s) that Customer has issued. If such documentation cannot be delivered within 48 hours of the request, Settlement Solution privileges may be suspended until the documentation is produced.

3.4. Advertising and Posted Notices.

- 3.4.1. **Advertisements.** If Customer creates any advertising for Settlement Solutions, Customer must ensure that i) Customer's materials state that the Settlement Solution is a price-based product, and ii) the materials otherwise comply with applicable federal and state law and regulations.
- 3.4.2. **Posted Notices.** Certain states require the posting of specifically worded notices at offices that offer Settlement Solutions. Customer must review and comply with the advertising and notice laws applicable to Customer's location(s).

3.5. Check Printing.

- 3.5.1. Customer is accountable for all check stock assigned to Customer's office. This includes issued, voided, or unused checks. Customer is also responsible for following the Provider guidelines for any voided or unused checks.
- 3.5.2. Check printing activity is carefully monitored. If there are an excessive number of voids, reprints, or check number mismatches, CCH SFS or the Provider reserves the right to suspend check-printing privileges. CCH SFS will help Customer identify and correct check-printing problems. However, reinstatement of check printing privileges is at the sole discretion of CCH SFS or the Provider. Customer will bear all check printing and delivery charges as specified by the Provider or CCH SFS.
- 3.5.3. Customer must keep photocopies of all printed checks.
- 3.5.4. Customer must verify that the information printed on the check matches the taxpayer's tax return and Settlement Solution Application. Customer is also responsible for ensuring that printed checks do not duplicate any previously printed checks. If Customer releases a check with an incorrect refund amount, or a duplicate check to a taxpayer, Customer will be held financially responsible for any difference in the amount of the check(s) and the actual total refund.

- 3.6. **Error Reporting.** In the event that a Settlement Solution or associated information has been improperly issued, Customer must notify CCH SFS within 72 hours of such information becoming available to Customer. CCH SFS waives none of its rights, contractual or otherwise, related to such Settlement Solution or associated information.

- 3.7. **Applicable Law.** In addition to the practices set forth in this [Section 3](#), Customer is responsible for understanding and complying with all federal, state and local laws and regulations regarding the offering of Settlement Solutions, including, but not limited to regulations involving the charging of fees and providing fee notification.

4. RESTRICTIONS

- 4.1. **Prohibited Contract Clauses.** Customer is prohibited from including any of the following types of legal clauses in any agreement between Customer and a taxpayer in connection with the sale of a Settlement Solution:
 - 4.1.1. A hold harmless clause to protect Customer's company;
 - 4.1.2. A confession of judgment clause to protect Customer's company;
 - 4.1.3. An assignment of or order for payment of wages or other compensation for services to protect Customer's company;
 - 4.1.4. A waiver of the statute of limitations;

- 4.1.5. A provision in which the taxpayer agrees not to assert any claim or defense arising out of the applicable agreement; and
- 4.1.6. A waiver of any provision of applicable legislation.
- 4.2. **Referring Taxpayers to CCH SFS.** Customer must not instruct individual taxpayers to contact CCH SFS regarding the status of their return or Settlement Solution.
- 4.3. **Non-authorized Providers.** Customer is prohibited from offering Settlement Solutions or any similar products from any financial institutions not currently working with CCH SFS. Unauthorized financial institutions are not integrated into the CCH SFS software and therefore returns generated by the software will not properly designate the return as having a Settlement Solution as required by IRS regulations.
- 4.4. **Restricted Fees.**
 - 4.4.1. Customer may not impose higher fees for tax preparation based on whether or not a taxpayer chooses a Settlement Solution.
 - 4.4.2. As proscribed by law, Customers in Arkansas, Illinois, Maine, Maryland and New York must not create or charge any additional fees (including requesting an increase in the standard CCH SFS Transmission Fee) to the taxpayer for the issuance of a Settlement Solution.

5. FEES AND CREDITS

- 5.1. **CCH SFS FEES.** Certain fees apply in connection with the issuance of Settlement Solutions. Customer will authorize and direct the Provider to deduct and transmit certain CCH SFS fees to CCH SFS via ACH on a per return basis. The charging and collecting of fees is subject to applicable state and federal laws and regulations. CCH SFS reserves the right to lock or amend (including eliminate) fees for certain states as it deems necessary. The following are the possible fees that could be charged (not all fees will apply in every situation):
 - 5.1.1. **Tax Preparation Fee:** This is the fee charged by the ERO for preparing the tax return, including any electronic filing fee. This fee is set by the ERO and will be taken out of the taxpayer's refund. The Provider will deposit this fee into the bank account specified by Customer.
 - 5.1.2. **Bank Fee:** This is the fee charged by the Provider for the Settlement Solution. This fee will be taken out of the taxpayer's refund and will be retained by the Provider.
 - 5.1.3. **Transmission Fee:** This is the fee charged by CCH SFS for each approved federal Settlement Solution Application transmitted through the CCH SFS software. This fee will be taken out of the taxpayer's check and will be sent to CCH SFS.
 - 5.1.4. **Technology Fee:** This is the fee charged by CCH SFS for enabling the Settlement Solutions offered by certain Providers, including the cost of programming specific bank software and communication protocols, as well as mandated testing of the security of the process. This fee will be taken out of the taxpayer's refund and will be sent to CCH SFS.
 - 5.1.5. **Service Bureau Fee:** This is the fee charged and set by Service Bureau customers of CCH SFS, if applicable. This fee will be taken out of the taxpayer's refund and will be deposited into the Service Bureau's bank account.
 - 5.1.6. **PS Solutions Fee:** This is the fee charged by CCH SFS to Customer per unique SSN/TIN e-filed through a "PS" package. See [Section 5.2](#) for more details.
 - 5.1.7. **Protection Plus Fee (if applicable):** This is the fee paid by the taxpayer for the optional Protection Plus Audit Assistance. This fee will be taken out of the taxpayer's refund and will be sent to CCH SFS.
- 5.2. **PS Solutions Fee.**

- 5.2.1. While available to all customers, customers with offices in Illinois, Maine and/or New York who wish to offer Settlement Solutions at those locations must use the PS software package. For each set of returns per unique SSN/TIN e-filed through a PS package, CCH SFS will collect the Solutions Fee from Customer. THE SOLUTION FEE IS DUE REGARDLESS OF WHETHER A FEECOLLECT PS PRODUCT WAS USED IN CONNECTION WITH SUCH SSN/TIN.
- 5.2.2. **Collection Method for Solutions Fee.** When a return is e-filed with a FeeCollect PS product, the Solutions Fee will be deducted by the Provider directly from the ERO's tax preparation fee that is collected during the settlement process. For returns without a FeeCollect PS product, CCH SFS will collect the Solutions Fee directly from Customer in one of two ways: 1) first, if credits have been earned by Customer, then CCH SFS will deduct the Solutions Fee from Customer's credits that are on account with CCH SFS; 2) if the first method of collection is not available or insufficient, then CCH SFS will conduct an ACH direct debit from Customer's bank account. Fees will be collected weekly during the tax season and then on a monthly basis starting with the month of May.
- 5.2.3. **Fees to Taxpayers.** The PS Solutions Fee is explicitly charged to Customer and not to the taxpayer. Customer must not charge the PS Solutions Fee to taxpayers, either directly or by indirectly creating a new fee that includes the PS Solutions Fee.
- 5.3. **Credits.** Customer may be able to earn credits on account for issuing certain Refund Transfer Products. CCH SFS will provide a pay out of any credit on account earned by Customer from Refund Transfer Products upon Customer's request, provided that Customer's credit on account exceeds any balance due on its account. CCH SFS will process credit payments on April 1, July 1, November 1 and January 1 (or the next business day thereafter if such date falls on a weekend or holiday) provided that a payment request is received by CCH SFS at least fifteen (15) business days prior to such payment date. Payments will be made in the amount of Customer's current credit balance as of the fifteenth (15th) day of the month that precedes the month in which the payment is processed (e.g., credits processed on April 1st will be for the balance as of March 15th).

6. TERMINATION

- 6.1. CCH SFS, in cooperation with the Provider, reserves the right to terminate Settlement Solution privileges at any time that there is evidence of fraud or misuse or breach of the terms provided herein.
- 6.2. Providers may terminate Customer's privileges at any time if Customer does not follow the Provider procedures. If Customer's privileges are terminated by a Provider, Customer may not be reinstated by another Provider.

7. GENERAL

- 7.1. Customer warrants that all information provided on its Enrollment Application is true, correct and complete. Customers acknowledged that the Provider will check the firm's banking history (including with any previous Provider, trade, and credit references, as well as any personal credit history).
- 7.2. Customer acknowledges and agrees that CCH SFS shall have the right in its sole discretion to amend fees and/or credits or discontinue a Provider as the result of or in reaction to regulatory or other changes in the industry or due to changes in CCH SFS' contractual relationships with a Provider.

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