

FASTPAY payroll services

DIRECT DEPOSIT AGREEMENT

This DIRECT DEPOSIT AGREEMENT is entered into as of the _____ day of _____, 20____, by and between _____ (**Employer**) and FASTPAY PAYROLL SERVICES.

1. FASTPAY will prepare vouchers for each employee which shall include the employee’s name, the check date, and the amount of payment.
2. **Employer** will communicate to employees that direct deposit is for employee’s benefit and that it is employee’s responsibility to check with their bank to make sure the money is in their account.
3. **Employer** will comply with FASTPAY’s procedures for Direct Deposit. FASTPAY requires a three-day window to process direct deposits. The procedure for sending the files is detailed in the chart below. As an example, if you have a check date on the 15th of the month, we would need your files by the 13th, no later than 11:00 am. We would send these files to the bank on the 13th for processing.

<u>DAY 1</u>	<u>DAY 2</u>	<u>DAY 3</u>
Payroll Data sent to Fastpay for processing Your File is sent to Fastpay bank and processed Client account debited for Direct Deposit net amount	Files sent to Employee’s Bank Employees’ bank receives files and processes	Employee’s pay posted to their account Check Date

If a special circumstance prevents employer from sending payroll information allowing for the four-day window, FASTPAY has two options. FASTPAY can issue paper checks for the direct deposit employees, or forward the check date to allow for the four-day window. Either of these options will be handled per Employer’s processing instructions.

4. **Employer** shall establish and maintain a commercial checking account and shall maintain available funds in an amount sufficient to cover the Employer’s net payroll as reported by FASTPAY. This account will be debited two days prior to check date and the money will be available at that time.
5. In the event that FASTPAY is notified that funds are not available to cover employee’s direct deposits, we will initiate a reversal of all employees’ direct deposits. Charges will be assessed for each item that has been dishonored. Fastpay will reverse the employees' direct deposits as many times as it takes to recover the funds. **Employer** authorizes Fastpay to debit any other account maintained by the Employer for the amount of such deficiency.
6. **Employer** will provide FASTPAY employee Direct Deposit forms with attached check for each employee that chooses to use Direct Deposit. FASTPAY will prenote direct deposits and will allow a 14-day window for any discrepancies. Fastpay will not be held responsible for NSFs on employee accounts. It is the employee’s responsibility to make sure the money is in their account.
7. FASTPAY will not be liable for any damage or loss (including, but not limited to, liabilities, costs, and expenses) to the employer or its employees arising out of the acts or omissions of any third parties, including, but not limited to any courier service, the Nationwide Automated Clearing House (ACH), the

National Automated Clearing House Association (NACHA), or any other ACH organization, any Federal Reserve Bank, any receiving financial institution in which an employee maintains an account, or any receiving depository institution.

8. **Employer** agrees to indemnify and hold FASTPAY harmless from all liabilities, losses, costs and expenses (including attorney's fees) incurred by FASTPAY and caused by or arising out of (a) any breach by the Employer of any provision of the Agreement or contained in any other agreement by the Employer with any employee, (b) any failure by the Employer to comply with any provision of applicable federal, or state laws, regulations, rules or operating letters, including, but not by way of limitation, The Electronic Fund Transfer Act, Regulation E promulgated there under, and all amendments thereto, (c) any action taken by FASTPAY in reliance upon or pursuant to any instructions or specific request of the Employer including, but not limited to, the reversal of any electronic direct deposit to an account of an employee maintained at the Bank or at another financial institution, or the disbursement of any sums which the Bank is authorized to withhold. Notwithstanding subparagraph "(c)" of this paragraph, the Employer agrees that Fastpay shall have the right at all times to refuse to reverse any electronic direct deposit to the account of an employee maintained at the bank or at a receiving financial institution.
9. **Employer** warrants and represents that there are no provisions of any law, whether federal, state, or local, or of any certificate of incorporation, by-law or agreement of any kind, nature or description binding upon the Employer, which prohibits the Employer from entering into this Agreement, and that the Employer's performance of the Agreement has been duly authorized and is a binding obligation of the Employer.
10. The parties agree that the Agreement replaces and supersedes any prior agreements, discussions and understandings of any manner between the parties. This Agreement may be amended or modified only by the written agreement of the parties hereto.
11. This Agreement may be terminated by either party immediately upon written notice to the other, provided, however, the Employer's duty to maintain sufficient funds in its Payroll Account shall continue until no shortages remain in the Payroll Account in connection with the Payroll Services provided by Fastpay. Upon termination, the Employer will notify its employees.
12. This Agreement shall not be assigned or otherwise transferred by the Employer to any other person, corporation or entity without the prior written consent of FASTPAY, which consent may be granted or withheld at FASTPAY's discretion.
13. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas, and the applicable rules and regulations of NACHA incorporated herein and made a part hereof.
14. The Employer's employees are not parties to the Agreement, and under no circumstances shall such employees be construed as third party beneficiaries hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

Employer: _____ Fastpay: _____

Title: _____ Title: **Fastpay Officer**