

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT
CALIFORNIA STATE ASSOCIATION OF COUNTIES – FINANCE CORPORATION
TAX REFUND EXCHANGE AND COMPLIANCE SYSTEM (CAL-TRECS)**

This **MEMORANDUM OF UNDERSTANDING AND AGREEMENT** ("Agreement") is entered into this 20th day of August, year 2019 by and between the Governing Body of the Unit of Local Government County of San Benito ("Claimant Agency") and the California State Association of Counties – Finance Corporation ("CSAC-FC"), serving on behalf of the agency as a designated vendor as the California Local Government Debt Offset Clearinghouse ("Clearinghouse"). of

RECITALS

WHEREAS, the California Government Code 12419.2 - 12419.12, (the "Code"), authorizes the California State Controller (SCO), in conjunction with the California Franchise Tax Board ("FTB"), to offset any eligible amount due a city, county or special district tax refunds to satisfy, in whole or in part, a debt (as defined in the Code) owed to a Claimant Agency; and

WHEREAS, the Code provides that eligible amounts due a city, county or special district are:

- (1) Where the amount has been reduced to a judgment.
- (2) Where the amount is contained in an order of a court.
- (3) Where the amount is from a bench warrant for payment of any fine, penalty, or assessment.
- (4) Where the amount is delinquent unsecured property taxes on which a certificate lien has been filed for record in the office of the county recorder pursuant to Section 2191.3 of the Revenue and Taxation Code; and

WHEREAS, the FTB 2018 Participation Guide (the "Guide") establishes the procedures by which a claimant agency may participate in the FTB Interagency Intercept Collection (IIC) program; and

WHEREAS, Clearinghouse offers a debt offset program ("Program") that: (i) complies with the FTB's secure data submission requirements for the offset of tax refunds under the Code and the Guide; (ii) acts as an agent on behalf of a Claimant Agency with respect to the FTB for purposes of the Code and the Guide; and (iii) submits Claimant Agency debts for the offset of tax refunds with the FTB on behalf of a Claimant Agency pursuant to the Code and the Guide; and

WHEREAS, Claimant Agency desires to enter into this Agreement with Clearinghouse in order to participate in the Program in order to increase the collection rate of debts owed to Claimant Agency; and

WHEREAS, Clearinghouse has agreed to submit debts on behalf of Claimant Agency pursuant to the Program:

NOW THEREFORE, in consideration of the mutual covenants and agreements, terms and conditions contained herein, Claimant Agency and Clearinghouse mutually agree as follows:

I. TERM/TERMINATION. This Agreement shall become a legally binding agreement between Claimant Agency and Clearinghouse with full legal force and effect upon mutual execution by Claimant Agency and Clearinghouse. This Agreement shall remain and continue in full force and effect from year to year unless modified or terminated in writing by either party upon ninety (90) days written notice to the other party. Upon termination of this Agreement all sums due and owing from either party to the other shall remain a lawful obligation of the party and be due and payable. Clearinghouse will erase all claimant data files from its debt offset system upon termination.

II. REPRESENTATIONS AND OBLIGATIONS OF CLAIMANT AGENCY

- A. Claimant Agency hereby designates, appoints, and authorizes Clearinghouse to process delinquent debts to be submitted to FTB. For purposes of the Program, "Delinquent Debt" means:
- (i) a single account or monetary obligation which is at least ten dollars (\$10.00) owed by a debtor to Claimant Agency; or,
 - (ii) any group of accounts or monetary obligations, that, when combined, total at least ten dollars (\$10.00), owed by the same debtor to Claimant Agency.

Delinquent debts are defined in the Code as an amount: that has been reduced to a judgment; or contained in an order of a court; or is from a bench warrant for payment of any fine, penalty, or assessment; or is delinquent unsecured property taxes on which a certificate lien has been filed for record in the office of the county recorder pursuant to Section 2191.3 of the Revenue and Taxation Code.

To become a delinquent debt, Claimant Agency must have provided the debtor with the pre-intercept notice requirements as stipulated by the Guide. Pre-intercept notices must provide the Government Code Sections that authorize a local government claimant agency to submit debts for intercept, provide Claimant Agency's contact information where the debtor can dispute the liability, and allow debtors 30 days to resolve or dispute the debts, before submitting their debts to Clearinghouse.

- B. Claimant Agency shall comply with any and all applicable provisions of the Code and the Guide prior to the submission of a debt to Clearinghouse for offset, including the submission of required forms to the SCO and FTB.
- C. Claimant Agency shall, upon execution of this Agreement, file a participation form with Clearinghouse designating a debt offset coordinator and a debt offset contact. Such participation form shall be updated on an annual basis and at any time there is a change in the information provided thereon. Clearinghouse shall administratively provide participation forms, as needed, for use by Claimant Agency. The debt offset coordinator shall be the designated local government employee authorized to receive notices and communication from Clearinghouse to insure that the requirements of this Agreement and the requirements of the Code and the Guide are met. The debt offset coordinator shall supply Clearinghouse with any and all information that in the opinion of Clearinghouse is necessary for the proper implementation of this Agreement. The debt offset contact will receive all referrals from debtors.
- D. Claimant Agency shall use a file format specified by Clearinghouse to prepare debt files and adjustments to debt files that Claimant Agency certifies to Clearinghouse are owed to Claimant Agency and that Claimant Agency desires to have Clearinghouse submit to FTB. The Clearinghouse shall timely notify the Claimant Agency of any changes to the file format and the Claimant Agency covenants and agrees that it shall immediately implement any changes required by Clearinghouse. Clearinghouse will establish capability of date and time stamping submitted debt files for priority setting.
- E. Claimant Agency shall transmit a debt file to Clearinghouse in a method and format acceptable to the Clearinghouse. The Claimant agency shall make every effort to submit a file the week of November 15.

- F. Claimant Agency shall comply with the pre-intercept notice requirements set forth in the Guide prior to the submission of a debt file to Clearinghouse.
- G. Claimant Agency shall, after a debt file has been submitted to Clearinghouse, advise Clearinghouse of any debtor repayment or protests and instructions to delete or reduce a delinquent debt by submitting a new debt file. If Claimant Agency accepts full or partial payment against a debt file that has been submitted to Clearinghouse and sufficient notice is not provided to Clearinghouse to make a timely change to debt file reflecting the payment, Claimant Agency is responsible to refund any resulting fee that may be due to debtor. If claimant agency erroneously submits a debt file to the Clearinghouse, the claimant agency is responsible for any fees charged the debtor by the Clearinghouse or FTB.

III. REPRESENTATIONS AND OBLIGATIONS OF CLEARINGHOUSE

- A. Clearinghouse shall, upon receipt of Claimant Agency's debt file, compile the information and submit the data to the FTB.
- B. Clearinghouse shall make access to Internet-based functionality available to Claimant Agency through which Claimant Agency shall submit debt files.
- C. Clearinghouse shall provide a social security number look up service to match each debtor as submitted by Claimant Agency to the best of its ability.
- D. Clearinghouse will provide Claimant Agency an accounting of funds collected which will include the name of the debtor and the amount of the debt offset by debt unique identification number.
- E. Clearinghouse will provide a toll-free telephone number for use by Claimant Agency to receive technical support and provide information on the use of the Clearinghouse internet-based functionality and the processing of debts for submission to FTB. Technical support and information shall be available from 8:00 a.m. until 5:00 p.m. (Pacific Time), Monday through Friday, excluding holidays. Voicemail and e-mail access shall also be provided as a part of the support/information response system.

IV. UNDERSTANDING OF PARTIES

- A. To recover the costs incurred by SCO and FTB in collecting debts, the Code authorizes SCO to charge Claimant Agency a fee on each successful offset that FTB collects for a claimant agency. The 2018 fee is established at two dollars (\$2.00) per successful offset. Clearinghouse will add this fee to each debt for payment by the debtor prior to its submission to FTB. SCO bills Claimant Agency in April or May for each successful offset collected during the previous calendar year.
- B. To recover the costs incurred by Clearinghouse in submitting debts for collection, a local collection assistance fee of twenty-five dollars (\$25.00) is imposed by Claimant Agency on each delinquent debt submitted to FTB and collected through offset. This fee may be assessed as part of California Government Code GOV Code § 54985(a). On behalf of Claimant Agency, Clearinghouse will add this fee to each debt for payment by the debtor prior to its submission to FTB. Claimant Agency will remit the local collection assistance fee upon monthly billing by Clearinghouse for each successful offset collected during the previous month.

- C. If Claimant Agency is due a refund of more than ten dollars (\$10.00), Clearinghouse will request on behalf of Claimant Agency the tax refund offset in the amount of the delinquent debt plus the FTB fee and the local collection assistance fee. If FTB is able to collect only part of a debt through offset, its fee has priority over the local collection assistance fee and over the remainder of the delinquent debt. The local collection assistance fee has priority over the remainder of the delinquent debt.
- D. When multiple claims among local claimant agencies are submitted for offset to Clearinghouse, the claims have priority based on the date and time each claimant agency requested Clearinghouse to submit debts on its behalf. The date and time of submission of the debt file shall constitute the date and time to establish the priority. Clearinghouse shall use submission receipt date and time of original file for priority date and time of specific debt. Additions to a delinquent debt through accrued interest and/or penalties will not change the priority date. Any new delinquent debt for same local claimant agency will have a new submission date and time, including new debts for a previously submitted debtor.
- E. Existing submitted delinquent debts may be adjusted upwards for interest and fees and will retain their original priority order. A later new delinquent debt, even if from the same debtor shall be date stamped by Clearinghouse with the later submission date.
- F. In the event of partial payment of a delinquent debt, Claimant Agency may continue to submit the balance of the debt, if ten dollars (\$10.00) or more, as a part of subsequent data files. If the delinquent debt is reduced to an amount of less than ten dollars (\$10.00), it may be combined with a future delinquent debt submission for the same debtor and will be treated as a part of the new delinquent debt for purposes of priority and imposition of the local collection assistance fee.
- G. Claimant Agency acknowledges that Claimant Agency is responsible for the pre-intercept notice requirements of the Guide. Clearinghouse shall not accept a debt file that is not prepared as specified by Clearinghouse and that has not been certified by Clearinghouse as having complied with the pre-intercept notice procedures as set forth in the Guide. Clearinghouse agrees to submit delinquent debts to FTB; provided, however Claimant Agency is solely responsible for complying with the Guide, specifically including the pre-intercept notice provisions and other requirements of the Guide.
- H. Intercepted funds will be disbursed by FTB to Claimant Agency at the direction of Clearinghouse. Claimant Agency shall establish and maintain any necessary accounts to receive intercepted funds as directed by Clearinghouse. Clearinghouse shall timely direct Claimant Agency to establish and maintain such necessary accounts.

V. COMPENSATION

- A. Clearinghouse shall receive as compensation for its services the twenty-five dollars (\$25.00) local collection assistance fee added to each delinquent debt that is submitted by Clearinghouse and collected through a successful interception. "Successful Interception" occurs when FTB matches all or a portion of a debt submitted by Clearinghouse against a State tax refund or other State payment for interception and payment towards a delinquent debt owed to Claimant Agency.
- B. Clearinghouse will bill Claimant Agency monthly the local collection assistance fee collected on each successful offset occurring in the previous month.

- C. Claimant Agency agrees that Clearinghouse shall retain the local collection assistance fee collected by it in the event Claimant Agency is required, by statute or otherwise, to return to a debtor funds that have been offset by FTB.

VI. INDEMNIFICATION; REIMBURSEMENT; DISCLAIMER. Claimant Agency fully understands and warrants to Clearinghouse that by submission of any delinquent debt submitted to Clearinghouse for offset Claimant Agency has complied with all of the provisions of this Agreement and all of the provisions of the Code and the Guide that are required prior to submission of a debt for offset. Claimant Agency shall hold Clearinghouse free and harmless and shall indemnify Clearinghouse against any and all damages, claims, of action, injuries, actions, liability, or proceedings arising from the failure of Claimant Agency to so perform. Claimant Agency shall be responsible for the repayment of any sums received by it, including interest, penalties and court costs, to a debtor in the event a court of competent jurisdiction rules that said repayment is due to a debtor or debtors. Except as expressly stated in this Agreement, Clearinghouse disclaims any representations and warranties that might otherwise be implied in connection with this Agreement and Clearinghouse's services, including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, date accuracy, system integration, and non-infringement.

VII. NOTICE. Any notice required to be given under this Agreement shall be sent by certified or registered mail postage prepaid to:

Jim Monker, CSAC FC
110 K Street, Ste 101
Sacramento, CA 95814 (Clearinghouse);
Melinda Casillas (debt offset coordinator)
County of San Benito (local agency)
440 Fifth St, Rm 107 (local agency address);
Hollister, CA 95023

VIII. ASSIGNMENT; SUBCONTRACTING. This Agreement is not assignable by either party. To facilitate efficient administration of the Program, Clearinghouse may utilize the services of contractors in connection with Clearinghouse's obligations under this Agreement, provided that Clearinghouse shall remain responsible for any such contractor's acts and omissions in connection with this Agreement as if such acts and omissions were conducted by Clearinghouse's own personnel. Any contractor personnel authorized to request or receive information relating the Clearinghouse's exchange of date with FTB or Claimant Agency for purposes of administering the Program shall be designated, in writing, to Claimant Agency as contemplated herein.

IX. CONFIDENTIAL INFORMATION; OWNERSHIP RIGHTS.

- A. In the course of performance of this Agreement, the parties may find it necessary to disclose to the other party certain confidential information ("Confidential Information"). Confidential Information includes, but is not limited to, information relating to the parties' employees, trade secrets, customers, vendors, finances, operations, products, and other business information. Except as otherwise provided by law, the following terms apply to Confidential Information: (i) the receiving party shall treat as confidential and use the same degree of care as it employs in the protection of its own similar confidential information, but in no event less than a reasonable degree of care; and, (ii) the receiving party will only use the information in connection with its business dealings with the disclosing party, and shall disclose information only to employees or contractors having a need to know and who agree to be bound by the terms of this Section, unless otherwise authorized in writing by the disclosing party. Information shall not be subject to these terms if: (i) it is in the public domain at the time of

disclosure, or enters the public domain without breach of this Agreement; (ii) it is known to the receiving party prior to the disclosure, or it is independently developed by the receiving party; or (iii) it is obtained by receiving party in good faith from a third party not under obligation of secrecy to the disclosing party. Receiving party will be permitted to disclose that portion of Confidential Information which is the subject of a court or government agency order to disclose, provided the receiving party gives prompt notice to the disclosing party to allow the disclosing party to contest such order. The obligations set forth in this Section survive termination, rescission, non-renewal or expiration of this Agreement

- B. All information, including but not limited to printed, written, oral or computer-formatted information, which Clearinghouse may gain access to during the course of the performance of this Agreement shall be the property of Claimant Agency, shall be held in the strictest confidence, and shall be used solely for the business purposes that are the subject of this Agreement. Clearinghouse shall maintain confidentiality of such information not only during the course of the performance of this Agreement, but following its termination.
- C. Claimant Agency acknowledges that, as between the parties, Clearinghouse owns and retains title to all intellectual property rights embodied in, or practiced by, Clearinghouse in connection with the Program and the proprietary methods utilized by Clearinghouse in performance of its services under this Agreement, and no licenses of such intellectual property rights to Claimant Agency are granted or implied by this Agreement.

X. MISCELLANEOUS

- A. This Agreement represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.
- B. The laws of the State of California shall govern the terms and conditions of this Agreement.
- C. Claimant Agency shall enter into no other contract for similar tax return intercept services with any other entity so long as this Agreement remains in effect.
- D. This Agreement is subject to appropriation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written, all by authority of their respective governing bodies.

CLAIMANT AGENCY

Name of Governing Body of Unit of Local
Government: County of San Benito

Signature: _____
Name of Authorized Individual: _____
Title: _____

Signature: _____
Name of Authorized Individual: _____
Title: _____

Signature: _____
Name of Authorized Individual: _____
Title: _____

APPROVED AS TO LEGAL FORM
SAN BENITO COUNTY COUNSEL
Shirley L. Murphy 8/13/19
DEPUTY COUNTY COUNSEL DATE

CLEARINGHOUSE

CALIFORNIA STATE ASSOCIATION OF
COUNTIES – FINANCE CORPORATION

Alan Fernandes, Executive Director

ATTEST:

Jim Manker, Program Administrator

CalTRECS Debt Offset Registration/Participation Form

Unit of Local Government Entity Name: County of San Benito

Unit of Local Government FTB Identity Number _____

This is the 2-digit number allocated by the State Controller's Office for identification and disbursement of funds.

Coordinator for Liaising with CalTRECS Clearinghouse

First Name: Melinda

Last Name: Casillas

Title: Treasurer / Tax Collector / PA

Contact Phone Number: 831-636-4034

Contact Email Address: mcasillas@cosb.us

Unit of Government Address: _____

Contact for Automated Voice Response System for Debtors to be Referred to for Questions about Debt (can be same as Coordinator)

First Name: Mercedes

Last Name: Hernandez

Title: Deputy Tax Collector

Contact Telephone Number: 831-636-4034

Local Government Authorized Official Signature and Date:

Melinda Casillas
Name

8/5/2019
Date

CalTRECS Debt Setoff Registration/Participation Form Instruction

Please be aware of the following statement after all questions:

"The above authorized official attests that our local government agency will follow the requirements pursuant to California Government Code 12419.2 - 12419.12 and the FTB Annual Participation Guide, as well as those stated in the California Tax Refund Exchange and Compliance System (CalTRECS) Memorandum of Understanding.

By signing the local government official is attesting that he/she understands the requirements of both the California Code, the FTB Annual Participation Guide, and the Memorandum of Understanding. The Memorandum of Understanding has already been signed and submitted for participating members along with the required and approved SCO and FTB documents. The applicable California Code, the FTB Annual Participation Guide, FTB forms 2282, 2280, 7904, and a copy of the MoU are available on the California State Association of Counties website.

Please submit copies of the following application and approval documents:

2282PC Initial Request to Participate

2280PC Intent to Participate

7904 Vendor Form

CSAC Finance MoU



☐ Mark this box if you are making revisions.

Email: iicgroup@ftb.ca.gov
Telephone: 916.845.5344
Fax: 916.843.2460

Intent to Participate

Complete both sides of this form, sign, and either fax or mail it to us.

Part 1 – Agency Type

Individual debts:

☐ State ☐ City ☒ County ☐ Court ☐ College ☐ Special District

Corporation or limited liability company (LLC) debt:

☐ State

Part 2 – Agency

Agency name: COUNTY OF SAN BENITO	Process year: 2020
Division/branch: TAX COLLECTOR	Agency code:

Part 3 – Public Contact Unit (provide an address and phone number for your debtors to contact you directly)

Agency name: MELINDA L CASILLAS	Unit name: TAX COLLECTOR	Phone: (831) 636-4034 Ext. 15
Agency address/PO Box: 440 FIFTH STREET		Room/suite/floor: 107
City: HOLLISTER	State: CA	ZIP Code: 95023

☐ Mark this box if the public contact unit is a private collection firm.

Provider name: _____

Part 4 – FTB Intercept Program Liaisons

Provide the names and **direct** phone numbers of up to three individuals we may contact to resolve issues or obtain account information. These individuals should be authorized to request intercept services. We may provide email addresses to the State Controller's Office (SCO) for billing purposes.

Name: MELINDA L CASILLAS	Position: TREASURER/TAX COLLECTOR/PA	Phone: 831-636-4034 Ext. 15
Email address: mcasillas@cosb.us		
Name: MERCEDES HERNANDEZ	Position: DEPUTY TAX COLLECTOR II	Phone: (831) 636-4034 Ext.
Email address: mhernandez@cosb.us		
Name:	Position:	Phone: Ext.
Email address:		

Part 5 – Agency Mailing Address (to send warrants, fund transfers, and billings [exclude private collection firm information]) We may provide email addresses to the State Controller's Office (SCO) for billing purposes.

Agency name: COUNTY OF SAN BENITO	Unit name: TAX COLLECTOR	Phone: (831) 636-4034 Ext.
Agency address/PO Box: 440 FIFTH STREET		Room/suite/floor: 107
City: HOLLISTER	State: CA	ZIP Code: 95023
Contact name: MELINDA L CASILLAS		Phone: (831) 636-4034 Ext. 15
Email address: mcasillas@cosb.us		Fax: (831) 636-4034

Part 6 – SWIFT Agency Contact Information

Name: Sean Klein Phone: 919-595-1890
SWIFT email address or group email address: Sean.Klein@farragot.com

Part 7 – Select Your Account Type (select only one)

- ☐ State agency (complete either A, B, or C [the State Controller will credit the intercepts accordingly])
- A. General checking account number (three digit number): _____
- B. Special fund – Fund number: _____ Organization code: _____
State Controller's account number: _____ (contact your accounting office for this number)
- C. Warrant ☐

- ☒ City county agency, or college.
Special Districts – bridge tolls and high occupancy toll lane fees. (Government Code Section 12419.12)

A warrant will be issued to your agency listing the intercept funds sent to you.

Agency Certification

Complete the following information in full and sign.

This document notifies FTB that the COUNTY OF SAN BENTIO plans to participate in the Interagency Intercept Collections Program for the 20____ process year. In doing so, I certify that all debtors received due process and the debts submitted for offset comply with the following Government Code Sections (please mark one):

- ☐ State agencies and colleges — 12419.5, 12419.7, 12419.9, 12419.10, 12419.11, and 12419.12
- ☒ Counties, city agencies, and special districts — 12419.8, 12419.10, and 12419.12
(does not apply to corporations or LLCs)

Type of debt we intend to collect for individual debts:

- | | | | | |
|---|--|---|--|--------------------------------------|
| <input type="checkbox"/> Fines | <input type="checkbox"/> Parking Citations | <input type="checkbox"/> Dishonored Check | <input type="checkbox"/> Fees | <input type="checkbox"/> Judgments |
| <input checked="" type="checkbox"/> Taxes | <input type="checkbox"/> Tuition | <input type="checkbox"/> Insurance | <input type="checkbox"/> Unpaid Services | <input type="checkbox"/> Overpayment |

Type of debt we intend to collect for corporation and LLC debts:

- | | | |
|---|-------------------------------|--------------------------------|
| <input type="checkbox"/> Dishonored Check | <input type="checkbox"/> Fees | <input type="checkbox"/> Taxes |
|---|-------------------------------|--------------------------------|

☐ Other (list the debt type):

I certify that the COUNTY OF SAN BENITO agrees to pay administrative costs to the California State Controller's Office for processing these offset accounts, and that I am authorized to request services on behalf of this agency/college. Administrative costs include any direct or indirect expense incurred by FTB or SCO to process your request, including any expense to respond to administrative or civil complaints for an offset performed at your request.

I certify that all records, copies, files, and media submissions received by the COUNTY OF SAN BENTIO shall be destroyed in a manner acceptable to FTB.

The approved destruction methods that permanently render data unreadable and unusable include:

- Damage to disks that prevents their use in any disk drive.
- Crisscross shredding if the shreds are 5/16 inch or smaller.

All unauthorized or suspected access, uses, and/or disclosures (incidents) of the information received under this agreement shall be thoroughly reviewed by FTB. We comply with the incident reporting requirements, in accordance with Civil Code Section 1798.29 and SAM Chapter 5300 (Information Security). The participant shall immediately notify FTB's Information Security Audit Unit of all incidents involving the information obtained under this agreement as applicable, and provide the appropriate information to facilitate the required reporting to the taxpayers or state oversight agencies. Notification can be made by email at: SecurityAuditMail@ftb.ca.gov or by calling 916.845.5555.


Agencies using a private collection firm or data service provider need to read, sign, adhere to, and maintain FTB 7904, *Confidentiality Statement*, and *Interagency Intercept Collection Program Special Terms and Conditions*. Agencies need to identify and maintain these documents for **every** employee within their agency that has access to the daily and weekly reports. This requirement includes, but is not limited to, agency/vendor IT department staff, agency/vendor management, agency/vendor fiscal staff, agency/vendor collector staff, etc. **It is the responsibility of the agency, college, or district to safeguard the data.**

Failure to maintain FTB 7904 and *Interagency Intercept Collection Program Special Terms and Conditions* could result in unauthorized disclosure or access. Penalties for unauthorized disclosure or access could result in fines and imprisonment under California Law (R&TC Sections 19542, 19542.1, and 19542.3 and Government Code Section 90005).

Penalties may extend to the signature and names listed on the intent form as well as individuals listed on FTB 7904.

Contact the Interagency Intercept desk for FTB 7904 and the *Interagency Intercept Collection Program Special Terms and Conditions*. Franchise Tax Board may request a completed copy of FTB 7904 at any time.

Pre-Intercept Notice

Initial here  You are required to send your debtors a *Pre-Intercept Notice* that contains specific due process language, refer to sample FTB 2288. The notice must:

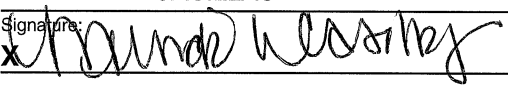
- Provide the Government Code Sections that authorize your agency to submit debts for intercept.
- Allow your debtors 30 days to resolve or dispute the debts, **before** submitting their debts to us.
- Provide your agency's contact information where the debtor can dispute the liability.

We require both new and returning agencies to provide a copy of their *Pre-Intercept Notice* along with FTB 2280 PC and FTB 7904. Failure to meet this requirement may result in a suspension of intercepts for your agency.

Effective and Cooperative Communication

It is critical that the FTB Intercept Program liaisons listed on FTB 2280 PC effectively communicate with our staff on account information, resolution of issues, and ensuring customer needs are met. Failure to cooperate in effective communication and account resolution may result in a suspension of intercepts for your agency.

I agree that our agency's fax signatures sent to FTB should be treated as original signatures.

Print name: MELINDA L CASILLAS	Title: TREASURER/TAX COLLECT	Phone: (831) 636-4034
Signature: 		Date: 08/05/2019



STATE OF CALIFORNIA
Franchise Tax Board

Initial Request to Participate

Interagency Intercept Collection Program

The County of San Benito requests authorization to participate
Agency/College/District
in the Interagency Intercept Collections Program beginning with the 2020 process year.

We are a:

☐

State Agency

We request intercept services for delinquent debts owed to our agency. Our request and debts meet the legal requirements for participation. (California Government Code Sections 12419.5, 12419.10, 12419.11, and 12419.12; State Administrative Manual Section 8790; California Revenue and Taxation Code Section 19551)

☐

College

We request intercept services for delinquent debts owed to our college/post-secondary education institution. These debts may include delinquent registration, tuition, bad check fees, library fines, or other permitted debts. Our request and debts meet the legal requirements for participation. (California Government Code Sections 12419.7, 12419.9, and 12419.12; State Administration Manual Section 8790)

☒

City or County Agency

We request intercept services for delinquent debts owed to our agency. These debts may include property taxes, delinquent fines, bails, vehicle parking penalties, court-ordered payments, or other permitted debts. Our request and debts meet the legal requirements for participation. (California Government Code Sections 12419.8 and 12419.10)

☐

Special District

We request intercept services for delinquent debts owed to our special districts. (California Government Code Sections 12419.8, 12419.10, and 12419.12)

All agencies need to read, sign, adhere to, and maintain FTB 7904, *Vendor/Contractor Confidentiality Statement*, and *Interagency Intercept Collection Program Special Terms and Conditions*. Agencies need to identify and maintain these documents for **every** employee within their agency that has access to the daily and weekly reports. This requirement includes, but is not limited to, agency/vendor IT department staff, agency/vendor management, agency/vendor fiscal staff, agency/vendor collection staff etc. **It is the responsibility of the agency, college, or district to safeguard the data** as outlined in the *Interagency Intercept Collection Program Special Terms and Conditions*.

Failure to maintain *Interagency Intercept Collection Program Special Terms and Conditions* and FTB 7904 could result in unauthorized disclosure or access. Penalties for unauthorized disclosure or access could result in fines and imprisonment under California Law (R&TC Sections 19542, 19542.1, and 19542.3 and Government Code Section 90005). Penalties may extend to the signature and names listed on the intent form as well as individuals listed on FTB 7904.

Contact the Interagency Intercept desk for the *Interagency Intercept Collection Program Special Terms and Conditions* and FTB 7904. Franchise Tax Board may request a completed copy of the FTB 7904 at any time.

Check applicable boxes below to indicate the type of debt(s) you intend to submit to the Intercept program.

<input type="checkbox"/> Dishonored Check	<input type="checkbox"/> Fees	<input type="checkbox"/> Fines	<input type="checkbox"/> Parking Citations	<input type="checkbox"/> Judgments
<input checked="" type="checkbox"/> Taxes	<input type="checkbox"/> Tuition	<input type="checkbox"/> Insurance	<input type="checkbox"/> Unpaid Services	<input type="checkbox"/> Overpayment
<input type="checkbox"/> Other (list the debt type): _____ _____				

Pre-Intercept Notice

Initial here umc You are required to send your debtors a *Pre-Intercept Notice* that contains specific due process language, refer to sample FTB 2288, *Pre-Intercept Notice Instructions*. The notice must:

- Provide the Government Code Sections that authorize your agency to submit debts for intercept.
- Allow your debtors 30 days to resolve or dispute the debts, **before** submitting their debts to us.
- Provide your agency's contact information where the debtor can dispute the liability.

We require both new and returning agencies to provide a copy of their *Pre-Intercept Notice* along with FTB 2280 PC, *Intent to Participate*, and FTB 7904. Failure to meet this requirement may result in a suspension of intercepts for your agency.

Effective and Cooperative Communication

It is critical that the FTB Intercept Program liaisons listed on FTB 2280 PC, *Intent to Participate*, effectively communicate with our staff on account information, resolution of issues, and ensuring customer needs are met. Failure to cooperate in effective communication and account resolution may result in a suspension of intercepts for your agency.

Executive Officer/Director
(print name)

Executive Officer/Director
(signature required)

Date

Agency Address

Telephone Number: _____

Send your completed *Initial Request to Participate* to:

OFFICE OF THE STATE CONTROLLER
DIVISION OF ACCOUNTING & REPORTING
TAX ADMINISTRATION SECTION
ATTN OFFSET COORDINATOR
PO BOX 942850
SACRAMENTO CA 94250-5880

Or

Fax: 916.327.2563

July 25, 2019

RE: NOTICE OF DUPLICATE PAYMENT

ASMT:

REGISTER NO.

COLLECTION NO.

DEAR TAXPAYER:

YOUR TAX REMITTANCE WHEN APPLIED AGAINST THE TAXES ON THE PARCEL NUMBER (ASMT) REFERENCE ABOVE RESULTED IN A DUPLICATE PAYMENT OF . A DUPLICATE PAYMENT SIMPLY MEANS THAT THE INSTALLMENT HAD BEEN PREVIOUSLY PAID.

A DUPLICATE PAYMENT RESULTS FROM ONE OF THE FOLLOWING REASONS:

- 1) THE TAXES WERE PAID FROM YOUR IMPOUND/ESCROW ACCOUNT WITH A FINANCIAL INSTITUTION WHICH HOLDS THE MORTGAGE, OR
- 2) THE TAXES WERE PAID BY ANOTHER PARTY WITH INTEREST IN THE PROPERTY, OR
- 3) TAXES WERE PAID AS PART OF AN ESCROW CLOSING, OR
- 4) THE TAXES WERE ALREADY PAID BY YOU, OR
- 5) THE TAXES WERE PAID IN ERROR BY ANOTHER PARTY.

IF YOU FEEL THE DUPLICATE PAYMENT WAS CAUSED FROM REASON 1, 2, 3, OR 4 ABOVE, NO RESPONSE ON YOUR PART IS NECESSARY AND A REFUND CHECK WILL BE ISSUED TO YOU WITHIN 60 DAYS.

IF YOU FEEL THE DUPLICATE PAYMENT WAS CAUSED FROM REASON 5 ABOVE, PLEASE CONTACT OUR OFFICE PROVIDING THE REFERENCE INFORMATION (RE: DUPLICATE PAYMENT, ASMT, REGISTER NO., AND COLLECTION NO.) INDICATED ABOVE.

SINCERELY,

TREASURER - TAX COLLECTOR

DEPUTY

PLEASE KEEP THIS LETTER UNTIL YOU RECEIVE YOUR REFUND CHECK

July 25, 2019

RE: NOTICE OF INSUFFICIENT PAYMENT

ASMT:

REGISTER NO.

COLLECTION NO.

DEAR TAXPAYER:

THE REMITTANCE AMOUNT AVAILABLE FOR YOUR PAYMENT ON THE ABOVE REFERENCED PARCEL NUMBER (ASMT) WAS INSUFFICIENT TO PAY THE TAXES DUE.

INSTALLMENT AMOUNT DUE
REMITTANCE AMOUNT AVAILABLE

INSUFFICIENT AMOUNT

WE ARE HOLDING YOUR "REMITTANCE AMOUNT AVAILABLE" IN A TRUST ACCOUNT PENDING RECEIPT OF THE INSUFFICIENT AMOUNT. TO INSURE THAT YOUR ACCOUNT IS PROPERLY CREDITED, PLEASE RETURN THIS NOTICE WITH YOUR PAYMENT OF THE INSUFFICIENT AMOUNT NO LATER THAN 08/04/2019.

SINCERELY,

TREASURER - TAX COLLECTOR

DEPUTY

RETURN THIS LETTER WITH YOUR PAYMENT

July 25, 2019

M&T BANK
P.O. BOX 1288
BUFFALO, NY 14240
CK#193700933

RE: NOTICE OF OVERPAYMENT

ASMT: 990-052-928-000
REGISTER NO. 0017 COLLECTION NO. 1

DEAR TAXPAYER:

YOUR TAX REMITTANCE WHEN APPLIED AGAINST THE TAXES DUE ON THE PARCEL NUMBER(S) SUBMITTED, RESULTED IN AN OVERPAYMENT OF **\$15.00**.

AN OVERPAYMENT RESULTS FROM ONE OF THE FOLLOWING REASONS:

- 1) ALL TAX STUBS OR PARCEL NUMBERS WERE NOT SUBMITTED BY THE TAXPAYER, OR
- 2) THE TAX COLLECTOR DID NOT PROCESS ALL THE STUBS YOU INTENDED TO PAY, OR
- 3) A MATHEMATICAL ERROR IN CALCULATING THE TAXES DUE OR SELECTING THE WRONG AMOUNT TO PAY FROM THE TAX STATEMENT, OR
- 4) A CORRECTION MADE BY THE ASSESSOR.

IF THE OVERAGE IS CAUSED FROM EITHER 1) OR 2) ABOVE AND YOU ARE ABLE TO IDENTIFY THE MISSING PARCEL(S), PLEASE RETURN THIS LETTER TO OUR OFFICE WITH THE APPROPRIATE PARCEL NUMBER(S) WITHIN 10 DAYS OF RECEIPT OF THIS LETTER.

IF THE OVERAGE IS CAUSED FROM REASON NUMBER 3) OR 4) ABOVE, NO RESPONSE ON YOUR PART IS NECESSARY AND A REFUND CHECK WILL BE ISSUED TO YOU WITHIN 60 DAYS.

SINCERELY,

MELINDA L. CASILLAS
TREASURER - TAX COLLECTOR

DEPUTY

PLEASE KEEP THIS LETTER UNTIL YOU RECEIVE YOUR REFUND CHECK



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 2086
RANCHO CORDOVA CA 95741-2086

Contract Number	Begins:
	Ends:

Vendor/Contractor Confidentiality Statement

FTB Information

Unit Number	Unit Name
	County of San Benito
Contact Person	Phone Number
Melinda Leasillas	832-636-4034

Contractor/Vendor Information

Your Department/Company Name						
California State Association of Counties Finance Corporation						
Business Address Where Work Will Be Performed			City	State	ZIP Code	FEIN
Street						
1100 K Street			Sacramento	CA	95814	93-3010425

Confidentiality Statement – I understand that all Franchise Tax Board (FTB), Internal Revenue Service (IRS), and other information provided by FTB and maintained on the above contractor's or vendor's premises is confidential. It is unlawful for any state or other employee to inspect, acquire, or disclose FTB, IRS, or other confidential information under California Revenue and Taxation Code Sections 19542 and 19542.1, Penal Code Section 502, California Public Contract Code Section 10426, Government Code Sections 90005 and 91000, 26 USC (Internal Revenue Code) Sections 7213(a)(2), 7213A(a)(2) and (b)(1), and 7431(a)(2) and (c), and 18 USC Section 1030. Violations of these statutes are punishable by fines, imprisonment, and/or the costs of prosecution. I will not enter any premises, access any computers, software, applications, or data not specifically required by my authorized duties, nor will I refer to or read any documents that come within my view other than those related to my authorized duties.

California Revenue and Taxation Code Section 19542 – Penalty for disclosing information contained in a return, report, or document. "Except as otherwise provided in this article and as required to administer subdivision (b) of Section 19006, it is a misdemeanor for the Franchise Tax Board or any member thereof, or any deputy, agent, clerk, or other officer or employee of the state (including its political subdivisions), or any former officer or employee or other individual, who in the course of his or her employment or duty has or had access to returns, reports, or documents required to be filed under this part, to disclose or make known in any manner information as to the amount of income or any particulars (including the business affairs of a corporation) set forth or disclosed therein."

California Revenue and Taxation Code Section 19542.1(a) – Penalty for willful unauthorized inspection or unwarranted disclosure or use of confidential information. "Except as otherwise provided by this article, it shall be unlawful for any person described in Section 19542 to willfully inspect any confidential information furnished or secured pursuant to this part, Part 10 (commencing with [Rev. & Tax C.] Section 17001), or Part 11 (commencing with [Rev. & Tax C.] Section 23001). For purposes of this section, "inspection" means any examination of confidential information. Any willful unauthorized inspection or unwarranted disclosure or use of confidential information by the persons described in Section 19542 is a misdemeanor."

California Government Code Section 90005 – "A member, employee, or agent of the Franchise Tax Board shall not divulge or make known in any manner the particulars of any record, documents, or information that he or she receives by virtue of this chapter, except in furtherance of the work of the Franchise Tax Board or the Commission or in connection with any court proceeding or any lawful investigation of any agency."

California Penal Code Section 502 – Knowingly and without permission accessing a computer, computer system or computer network; or accessing and taking, copying, making use of, adding, altering, damaging, deleting, or destroying any data from a computer, computer system or computer network, whether residing or existing internal or external to a computer, computer system, or computer network; or altering, damaging, deleting, destroying, or otherwise using any data, computer, computer system, or computer network in order to either (A) devise or execute any scheme or artifice to defraud, deceive, or extort, or (B) wrongfully control or obtain money, property, or data (among other prohibited actions prohibited by this section) is a misdemeanor or felony.

California Public Contract Code Section 10426 – It is unlawful for a person to intentionally disclose proprietary information obtained in the negotiation, execution, or performance of an information technology contract with a state agency when the contracting party knew or should have known that the disclosure was likely to cause harm, and such conduct is punishable as a misdemeanor.

26 United States Code Section 7213(a)(2) – "State and other employees. It shall be unlawful for any person (not described in paragraph (1)) willfully to disclose to any person, except as authorized in this title, any return or return information (as defined in Section 6103(b) [26 USC § 6103(b)]) acquired by him or another person under subsection (d), (i)(3)(B)(i) or (7)(A)(ii), (k)(10), (l)(6), (7), (8), (9), (10), (12), (15), (16), (19), (20) or (21), or (m)(2), (4), (5), (6), or (7) of Section 6103 [26 USC § 6103] or under Section 6104(c) [26 USC § 6104(c)]. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$ 5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution."

26 United States Code Section 7213A(a)(2) – "State and other employees. It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under a provision of Section 6103 [26 USC § 6103] referred to in Section 7213(a)(2) [26 USC § 7213(a)(2)] or under Section 6104(c) [26 USC § 6104(c)]."

26 United States Code Section 7213A(b)(1) – "In general. Any violation of subsection (a) [of 26 USC § 7213A] shall be punishable upon conviction by a fine in any amount not exceeding \$ 1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution."

26 United States Code Section 7431(a)(2) – “Inspection or disclosure by a person who is not an employee of the United States. If any person who is not an officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of [26 USC] Section 6103 or in violation of [26 USC] Section 6104(c), such taxpayer may bring a civil action for damages against such person in a district court of the United States.”

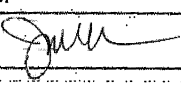
26 United States Code Section 7431(c) – Damages that may be awarded for a violation of 26 USC Section 7431(a)(2) include the greater of \$1,000 for each act of unauthorized inspection or disclosure of a return or return information, or the sum of the actual damages and, if the inspection or disclosure was willful or the result of gross negligence, punitive damages; plus costs of the action, plus reasonable attorney's fees.

18 United States Code Section 1030(a)(2) – Intentionally accessing a computer without authorization or exceeding authorized access, and thereby obtaining information from any department or agency of the United States, or from any protected computer used by or for the United States Government, is punishable by fines and imprisonment from one to ten years.

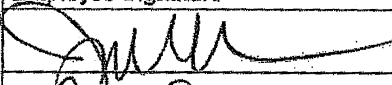
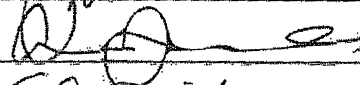
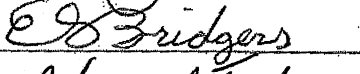
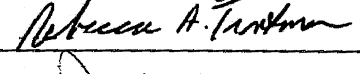
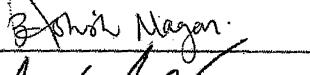
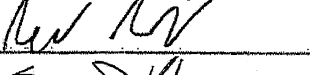


My signature verifies that I read and agree to comply with the state and federal laws on PAGES 1 and 2 of this form. I further understand that failure to comply with these laws may result in my being barred from accessing Franchise Tax Board (FTB), Internal Revenue Service (IRS), or other information provided by FTB and could result in criminal prosecution.

I accept responsibility for having all company employees who will work with FTB, IRS, or other information provided by FTB read these laws, and agree to comply with them by signing and dating this statement or an attached signatory sheet.

I understand that it is my responsibility to retain this document and all signatures throughout the contracted period with FTB. I also understand it is my responsibility to ensure that all new employees read these laws and agree to comply with them before working with FTB, IRS, or other information provided by FTB by signing and dating this document or an attached signatory sheet.

Name (print) Jim Manker	Company Name and Title Director of Corporate Relations, CSAC-Finance Corporation
Signature 	Date 09/04/2018

My signature verifies that I have read and agree to comply with the state and federal laws on PAGES 1 and 2 of this form. I further understand that failure to comply with these laws may result in my being barred from accessing Franchise Tax Board (FTB), Internal Revenue Service (IRS), or other information provided by FTB and could result in criminal prosecution.

Employee Signature	Print Name	Date
	Jim Manker	09/04/2018
	Alan Fernandes	09/04/2018
	Spencer Bridgers	09/04/2018
	Rebecca Troutman	09/04/2018
	Ashish Nagar	09/04/2018
	Ryan Upham	09/04/2018
	Sean Klein	09/04/2018
	Taylor Griffin	09/10/18