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July 31, 2013

Jason Budman, TCC Secretary  
Northumberland County Tax Collection Committee  
101 Bloom Street  
Danville PA 17821

RE: Keystone Collections Group Tax Collection Proposal

Dear Mr. Budman:

Thank you for the opportunity to provide the enclosed proposal for tax collection services for the Northumberland County Tax Collection Committee.

With notable success for our clients in the Act 32 system, Keystone Collections Group is very pleased to offer to your TCC a very competitive rate of 1.59% commission on current EIT collection under a 2-year agreement. We further offer an alternative rate if the TCC desires to increase Keystone staff presence in the County.


Keystone scans every tax return document to create a permanent electronic image, building a secure and accountable tax record database for your communities and school districts. Our reports are clear, thorough and detailed. Your tax money deposits to your bank accounts rapidly, about five times every month. Keystone's processes are examined, tested and approved by regional and national auditors, who report to Keystone's existing clients.

As you review this *Proposal*, you will also want to consider the financial benefits of Keystone's impressive success in recovering delinquent taxes, particularly in counties where we did not previously serve as the current collector. That success not only brings a windfall of new revenue to our new clients, but it also illustrates the need for a current collection system like Keystone to collect those dollars during the current year. Importantly, Keystone charges a **0%** commission rate on delinquent accounts, under the provisions of Act 192 as set forth in our *Proposal*.

If you have any questions, special requests or would like any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,

KEYSTONE COLLECTIONS GROUP

By:   
T. J. Kratzenberg  
President

TJK/vem

Proposal Prepared for

NORTHUMBERLAND COUNTY  
TAX COLLECTION COMMITTEE  
(TCC)

ACT 32 TAX COLLECTION SERVICES



KEYSTONE  
collections group

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## **1. Keystone Overview**

Keystone Collections Group is founded and built on standards of excellence, honesty and efficiency in managing municipal and school district tax collection. The firm has grown consistently during each year of our 27-year history. We've intentionally maintained controlled growth so as to purposefully insure that we firmly uphold the high standards we started with and deliver the excellent results that our clients expect.

Our staff, of over 180 employees, encompasses a broad range of experience including accounting, law, technology, and customer service. Keystone administers current collection and delinquent recovery for the following taxes and government fees: earned income, local services, business privilege and mercantile, occupational, real estate, per-capita and amusement; water fees, sewage and refuse collection fees. Our divisions in processing technologies, law and customer service not only drive Keystone's superior performance, they uniquely enhance what our customer receives in service administration.

As we detail throughout this proposal, our proprietary technology—exclusive to Keystone—maximizes your collections by designed automation. We insure a level of accountability described by a major independent auditing firm as *unmatched in this industry*. Complementing our technology, the legal division at Keystone not only insures our compliance (and therefore insures *your* compliance) with the multitude of Act 32 tax and collection regulations, but also audits and recovers the delinquencies. The delinquent recovery system generates exceptional revenue and restores your delinquent taxpayers to your current rolls for future revenue streams.

Our customer service representatives are well trained and well monitored. We believe they rank among the most knowledgeable and friendly in the tax collection business. When your residents call or visit our offices they will be greeted with fast, friendly and professional service. While every tax collection firm is open to taxpayer criticism (it's the nature of the business) we firmly believe that no firm has received as much positive feedback and welcome commentary from the community, directed to both Keystone as well as our clients. In this proposal, we carefully describe the steps we take to support customer care, as well as the reasons we believe that positive taxpayer relations are crucial to success in our business.

We are quite different from our competition. While there are law firms attempting to collect taxes, and large collection outfits struggling to comply and enforce the legal process, Keystone uniquely offers a strong, expert legal division partnered with top automation technology, all specifically built for Act 32 compliance.

Keystone Collections Group is without question prepared—and would be honored—to start a partnership with the Northumberland County Tax Collection District.

## **2. Firm Distinguishing Characteristics**

Keystone Collections Group is a recognized leader in Act 32 tax administration. The Commonwealth and major payroll companies regularly consult with Keystone for direction with technology design and compliance.

The specifics of our technological development are discussed in great detail throughout this proposal, along with our legal capabilities and tax administration policy. These details will be important to you as you compare the different candidates. It is also important to consider the history of our development as it relates to our Act 32 compliance. Keystone advanced further in Act 32 than our competitors because we have been actively involved in Act 32 since its inception.

From the earliest drafts of what eventually became the Act 32 law, Keystone's General Counsel Joe Lazzaro was consulted on the new legislation's development. He testified before the State House Finance Committee (while serving as solicitor for the State Tax Collectors' Association) and met with the State Senate Finance Committee Chairman for consultation. Recognizing the needs and process changes early, Keystone was able to develop its tax collection technologies to conform to the specific demands and requirements of the new Act with regard to rapid revenue processing, fund disbursement, claiming, archival imaging and the many related advancements that are thoroughly addressed in this proposal.

Keystone was also the first firm to actively pursue delinquent EIT auditing coupled with legal enforcement actions and claiming in civil, bankruptcy and judgment execution as well as wage garnishment proceedings. Keystone's delinquent recovery operation is unprecedented in the industry for exceptional revenue generation. By returning taxpayers to the current rolls, we also create an ongoing revenue stream for you that did not exist previously. That is the result of effective enforcement.

For compliance enforcement and recovery of delinquent EIT, Keystone has direct access to a complete in-house litigation and legal staff that specializes in the pursuit of delinquent accounts.

### **3. Site Visits**

Keystone strongly encourages site visits to our offices for prospective clients such as the Northumberland County Tax Collection Committee. We also like to invite existing clients to visit us regularly at Keystone.

Keystone consistently stays at the evolutionary cusp of the collection industry, making these visits educational with regard to technology advances, customer service training techniques, short-term and long-term tax collection planning and exchange of ideas for progressive growth in community services.

Our headquarters, conveniently located at 546 Wendel Road in Irwin, PA, is ½ mile from the PA Turnpike Irwin Interchange. Our main office houses key components of mailing, printing, payment processing, digital scanning, tax accounting, customer service center, senior legal staff, department supervisors, information technology center, and the firm's executive management team.

### **4. Northumberland County Office**

Keystone recognizes the important advantages of maintaining a local operational presence in connection with the collection of earned income taxes. Keystone is fully capable of operating an office if required by the TCC, but can offer an even lower rate if the TCC determines that maintaining a local office is not necessary. It is important to note that Act 32 converted the earned income tax system to mandatory withholding, eliminating the need for a local payment facility in several instances. Keystone could alternatively provide customer service staffing for a local office chosen by and located within a school district or municipal building within Northumberland County. TCC clients that requested local offices as a component of the original agreement with Keystone have approached our office about closing these offices upon contract renewal due to the very low use by walk-in visitors. Nonetheless, we would be pleased to further discuss this option toward a workable agreement, if such an office remains desirable to the TCC.

For a list of Keystone's satellite service center locations, please see Exhibit "A".

### **5. Use of Technology in Collecting Taxes and Interacting with Parties**

In line with our technology and recovery objectives, Keystone's priority is to maximize current collections. As discussed in detail throughout this proposal, Keystone's entire collection operation is technology based. This system is built from the ground up using automation to achieve Act 32 compliance. Collections are easily processed and the funds sent to you promptly.



### ***EIT Payment Audit Trail***

Employer quarterly and monthly processing is vital to a good tax collection system, whether the funds are collected in or outside of Northumberland County. Upon receipt of wage tax withholdings and taxpayer data from employers, the payment is verified for accuracy and posted real-time to each individual taxpayer's account. This method allows taxpayers to have immediate access to information such as employer withholdings throughout the year.

Keystone prefers and encourages electronic withholding submission by businesses and payroll companies. Most large employers and payroll service companies provide this information to Keystone electronically. While we favor the use of the standard Federal format for filing, we are able to process withholding in most any other format.

Not all payments arrive electronically. Actual checks are scanned by Keystone and converted into a digital image, so the payment is **Check 21** ready. The **digital check image** (See Exhibit "B") is preserved and available for immediate access and retrieval by the customer service staff should a payment question arise. By use of **handwriting recognition engines**, the check amount verification time is virtually eliminated (very few checks need to be manually verified as to amount). When employers submit withholding data on paper, the detail from quarterly withholdings is manually entered and processed directly to the individual taxpayer's account. These documents and other EIT filings, are encoded with the proper bar code, electronically scanned and archived for immediate retrieval when called up again.

Individual tax returns (*ITRs*) are **scanned and imaged**, whether the Keystone EIT form is used by the taxpayer or a generic tax preparer's form. Data is extracted directly from the scanned Keystone form (See Exhibit "B") and checked via software verification procedure, using manual confirmation when necessary. Machine read data virtually eliminates the human error factor, **dramatically improving accuracy levels over competing systems**. Again, with this electronic image archive available, the taxpayer information is easily retrievable.

***Keystone Collections Group scans every tax return document to create a permanent electronic image, building a secure and accountable tax record database for your communities and school districts.***

As noted above, the payments are posted directly to the individual taxpayer accounts. When a processor enters a new taxpayer account, and where changes occur in an existing taxpayer's account (such as new addresses when people change residence), these changes are subjected to Keystone's geo-coding system. Geo-coding is software designed to pinpoint address detail onto a municipal boundary overlay map via longitude, latitude and related key criteria to insure taxpayer jurisdictional compliance under the Act. The payment is then properly directed to our municipal client or School District.

The geo-coding capability enables Keystone to trigger an immediate claim from other tax collectors and outside jurisdictions to move tax revenues to Northumberland County's communities at a much faster pace than previously experienced. This automated practice replaces the old claiming system. Keystone actually addressed the issue of claiming funds from other districts (such as those surrounding Northumberland County) years in advance of Act 32. We've built the claiming mechanism into our operating system by providing both: (1) an automated process to request money that belongs to Northumberland but is held in the wrong jurisdiction and (2) a process to automatically disburse funds belonging to another jurisdiction as required under Act 32.

### ***Data Conversion and Data Maintenance***

Keystone's system monitors tax rate and taxpayer identity information supplied by employers. From its inception, Keystone's system applies the tax payment to a specific taxpayer account by social security number. Individual tax payments and employee withheld payments are all automatically applied to the specific taxpayer's account upon receipt of the payment from its source. As such, reconciliation of payments for all sources is an ongoing, timely and accurate process. The taxpayer's account is tied to the proper municipal PSD code to automate and speed the revenue distribution.

Keystone's system also converts all taxpayer addresses into a uniform format CASS system and cross-references all addresses against the National Change of Address database.

## **INTERNET FILING**

### ***Keystone Secure Link***

Every month, more and more businesses begin paying the EIT online utilizing Keystone's *Business Portal*. INTERNET filing has been available to businesses for several years. Keystone's INTERNET filing system enables businesses to upload employee withholdings per the requirements of Act 32. **Keystone Secure Link** is a secure private INTERNET account that allows the business to not only upload employee withholding information, but also remit payment securely online via an **ACH Credit**. The importance of this system is that it allows online business filers the ability to pay online with both ACH Credit and ACH Debit options.



Keystone operates a very successful on-line tax filing system. Keystone's website [www.keystonecollects.com](http://www.keystonecollects.com) provides an easy link to **e-File**. Our user-friendly system completely walks the taxpayer through the process, including creating a personal and secure login. Taxpayers may **e-File** as individuals or create a combined return with his or her spouse, adding the necessary supporting document information from W-2s and tax



schedules. Tax preparers (such as H&R Block and local CPA firms) regularly use Keystone's system to assist their resident clients.

Our fully interactive website will further assist your taxpayers by allowing them to submit tax questions and form requests 24 hours a day from the convenience of their homes and offices. Taxpayers can pay their taxes via electronic check with **no additional charges**. Taxpayers may also opt to pay by credit card in the same manner that the IRS uses on the Federal return 1040, but Keystone offers this service to the taxpayer at a very competitive credit card convenience rate of 2.7%.

KNET is Keystone's integrated office **productivity suite** developed in a SharePoint model to track the assignment and resolution of INTERNET and online inquiries from taxpayers, employers, payroll companies and municipal and school district officials. KNET also serves as our internal source for information, allowing us to dynamically add content relevant to making our daily tasks more efficient.

Refund requests are now processed very rapidly, particularly for online taxpayers who use Keystone's **e-File** system. An individual filing on-line can supply his or her checking account and bank routing numbers under the taxpayer's personal and secure login and receive the refund directly deposited in their bank account.

### ***Allocation/Distribution Methodology***

Taxpayer EIT withholdings are normally processed with the tax funds being posted to the taxing authority identified by the employer through the submitted PSD code. Each data listing supplied by an employer is cross-referenced with Keystone's geo-code system to confirm that the employer placed the employee/taxpayers in the correct taxing authority. In a situation where the geo-code system reports a very high vote of confidence that the employer made a mistake, the tax funds are posted to the taxing authority identified by the geo-code system and the employer is notified of the error in his data.

Funds are disbursed or distributed to taxing authorities via an ACH credit at least once per week by Keystone. During times of high volume payments, such as at the end of a quarter, Keystone is likely to make more than one disbursement per week.

## **6. Delinquent Collections: Auditing and Recovering**

Finding and pursuing delinquent taxpayers is a primary difference between Keystone and other agencies that *claim* to pursue delinquents. At Keystone, the delinquent recovery process begins with a generalized audit of the Pennsylvania Department of Revenue earnings records for all Northumberland County resident taxpayers.

Keystone orders a copy of the taxpayer data on behalf of the TCD as delineated under Act 32. The Department of Revenue will supply a complete list of all taxpayers located within the Northumberland County jurisdiction; historically, this process was based upon the school

district code that the taxpayer provided on his or her PA-40 State earned income tax return. Currently, that listing provides Keystone with the names, social security numbers and the State taxable income figures for each individual who filed a PA-40 return.

After converting and uploading the State List data into Keystone's audit computer system, Keystone then cross-references this data with earned income tax payments or credits applied during the tax year in question. Discrepancies of **underpayments** and **non-payments** are identified. Individuals who properly and timely paid their local earned income taxes will thus be identified as a zero-balance-due or clear account. On the other hand, Keystone issues an "*Initial Audit Letter*" to any individual who failed to pay all or a portion of his or her local earned income tax due to the community or school district.

Our initial "soft" letter indicates that there is a current balance due on that taxpayer's account for the noted tax year. See Exhibit "C". The letter details that the income information was supplied to Keystone by the PA Department of Revenue. Keystone has found that a significant number of delinquent taxpayers will either immediately remit payment in full (including penalty and interest) or contact with a request to enter into a payment plan in order to prevent collection recovery activity from proceeding. However, if a taxpayer ignores this notice, Keystone issues a second or "final" letter. See Exhibit "C".

The second letter details the cost of collection which could be added to a taxpayer's account should it become necessary to continue further collections. Keystone informs delinquent parties of its intention to initiate legal action in order to recover the delinquent taxes, if necessary.

Because delinquent taxpayers include both non-payers and non-filers, no single information source such as Department of Revenue data, telephone skip directories, new occupancy permit lists or census data should be exclusively relied upon. Keystone uses all of these sources, along with several electronic tracking systems. Over the past 27 years, Keystone has developed a reliable network of public and private sources to identify and pursue accurate and complete tax roll information.

Should the delinquent taxpayer choose to ignore both notices, a skip-trace search and outside database check are performed pursuant to PA law. The skip-trace search is performed in order to verify that the address on file for the taxpayer is correct and current. A database investigation is conducted in order to search for a current employer for the taxpayer so that Keystone may garnish the taxpayer's wages pursuant to the strict guidelines set by the *Local Tax Enabling Act*. Alternatively, a civil complaint may be filed with the local magistrate. See Exhibit "C".

Once the magistrate's staff or constable has achieved service on the complaint, Keystone's main goal is to secure payment from the delinquent taxpayer. Keystone has built a solid reputation for mastery of this process as its highly-trained staff of customer service representatives and legal department tax specialists address each case. If payment is not forthcoming the case proceeds under one of Keystone's attorneys who attend the civil trial

hearing. We have experienced a much higher rate of success collecting earned income taxes using the civil complaint method, rather than filing *criminal* complaints because the civil process actually reduces the case to a money judgment. Criminal complaints impose minimal fines for failure to file the EIT return paperwork, but they do not enter judgment on the amount of tax due.

**Bankruptcy:** Most collectors shy away from bankrupt taxpayers as a “dead-end”. To the contrary, when you work with Keystone your special counsel files secured and priority tax claims in the Federal bankruptcy courts to move your taxes toward first-in-line for payment. These counsel monitor your claims in the bankruptcy Creditors’ Committees and represent your TCC’s interests when appropriate at Reorganization Plan approval proceedings. Bankruptcy proceedings include both Chapter 11 (business reorganizations affecting payroll withholdings) and Chapter 13 (individual debt reorganizations).

The fact that a taxpayer is reorganizing or, in some cases, liquidating his or her assets does not mean that your tax money should be lost. Keystone regularly electronically communicates with and monitors the bankruptcy court in the Federal Middle District in Harrisburg for many current clients. Unlike our competitors, we electronically file and monitor Proofs of Claim, protecting the interests of the TCC. *Please see Exhibit “C”.*

**Claims on Estates:** Similarly, Keystone will monitor the filing of decedents’ estates at the Northumberland County Courthouse. The Pennsylvania Estates and Fiduciary (PEF) Code mandates that claims for local earned income taxes must be paid (or challenged) prior to the distribution of the Estate to surviving heirs and beneficiaries. *See Exhibit “C”.*

Keystone has the resources, technology and legal division in place to pursue those claims on behalf of Northumberland County TCC. These claims account for significant amounts of revenue.

For a detailed overview of the delinquent recovery process, please see our enclosure KEYSTONE’S STAGES OF TAX COLLECTION attached as Exhibit “D” which describes Keystone’s “*7 Steps For Turning Tax Debt Into Community Revenues.*”

With the exception of a minimal number of hardship cases, delinquent accounts are successfully pursued to full collection. As noted in the rates, Keystone does not charge the commission rate to the TCC or to the municipality for this service, so Keystone has the full incentive to succeed for you. The delinquent party bears the collection cost under Act 192. We are not paid until we succeed.

To verify the accuracy of individual low-income exemption claims, Keystone’s application requires the taxpayer to submit a copy of his or her PA-40 to authenticate the income amount. Of course, the reported income amount will be rechecked again during the taxpayer audit after Keystone receives the State List information from the PA Department of Revenue, as discussed above.

## **7. Procedures for Recovery from Other Collectors**

The *Local Tax Enabling Act* now mandates that all collectors must timely disburse to the proper jurisdiction. One of the true benefits of Act 32 is in the movement of tax funds from the withheld (or misplaced) jurisdictions to the proper resident jurisdictions. Keystone actually addressed this issue years in advance of Act 32 by building into its operating system both: (1) an automated process to claim funds that belong to Keystone's clients but are held in the wrong jurisdiction and (2) a process to automatically disburse funds that belong to another jurisdiction as required under Act 32.

As a component of Keystone's EIT processing, all individual tax returns are scanned and digitally imaged along with the filed attachments including W-2 forms. The Keystone system automatically claims the withheld tax amount from other tax collectors and concurrently provides an immediate image of the W-2 **along with the payment demand**. By both automating the claim and providing immediate evidence of the amount due, the Keystone system avoids any attempted delay in response from the other tax collector. We've designed this process to recover your funds in a timely and consistent manner.

**Important:** In the event the other collector fails to respond to the statutorily mandated timeframe to submit your tax funds that are being held in the wrong jurisdiction, Keystone immediately issues a collection notice. If the tax collector claims it never received the tax money that is reported on our resident's W-2 form, Keystone pursues the collection notice against the employer. If in fact the employer withheld the tax, but failed to submit the tax, the employer is subject to enforcement action under Act 192.

Concurrent with the application of posting of actual payments to specific accounts, Keystone's system identifies both resident and nonresident taxpayers using a proprietary geo-code process. Geo-coding is software designed to pinpoint address detail onto a municipal boundary map via longitude, latitude and related key criteria. Not only will our system determine the proper municipal residence for each taxpayer, it further automatically generates the necessary claim forms to obtain funds from taxing jurisdictions outside of Northumberland County.

To reconcile payments to other tax collectors, Keystone runs the geo-coding software every night which designates (by municipal jurisdiction code) where the tax belongs. We can then accordingly disburse the tax as required by the Act. Obviously, if the geo-code software cannot determine the municipal jurisdiction due to such factors as Post Office box addresses or rural route "RR" designations, the account must be hand-reviewed for municipal determination, which occurs on a regular basis.

Keystone's careful attention to this well-planned software operation has helped us to build an excellent relationship with other collectors for exchanging taxpayer information, which will continue in our work for the Northumberland County TCC, should Keystone be chosen as your collector.

## 8. **Employer Data Sufficiency and Accuracy**

Under Act 32, businesses are required to withhold EIT for all employees, and many are required to electronically report and pay the withheld taxes to your collector. In addition, the DCED was charged with regulating the "Certificates of Residence" reporting requirements for every employer and payroll company. These reporting requirements mandate that businesses report the **proper tax rate** for each employee, as well as **minimum employee detail** including the social security number, the jurisdiction of employment and the jurisdiction of residence. Failure to comply will subject the employer to penalty provisions under the Act, to be regulated by the DCED.

Although reporting requirements existed under the old *Local Tax Enabling Act*, the lack of penalty provisions and the lack of enforcement unfortunately made employer compliance difficult. Keystone's system monitors tax rate along with taxpayer identity and other withholding details and information supplied by employers. The taxpayer's individual account is tied to the proper municipal code set by the DCED. Access to the DCED municipal statistics database is a basic process built into Keystone's operation to ensure withholding rate compliance.

Our Processing Department staff initially notifies employers when they report incorrect withholding rates, incorrect jurisdiction designations or fail to provide necessary detail information (such as no social security numbers reported, or no breakdown of withholdings among multiple employees). When employers fail to provide corrected detail or complete withholdings, our Legal Division attorneys contact the employer for the information, noting the potential imposition of Act 192 costs where applicable. We've successfully mastered full compliance in this manner, with the added benefit that the vast majority of businesses thereafter remain compliant going forward.

### **Filing With Paper Forms and User-Friendly Electronic Reporting**

We encourage on-time and current payment by providing employers with the tools to easily submit their taxes and meet the information protocols associated with payroll withholding. Our forms and data download criteria are designed with your employers in mind. Business operators will understand their tax obligation and it gives them a method to easily make payments (See Exhibit "E").

In addition to the **e-File** individual tax INTERNET payment and filing system, Keystone offers its INTERNET **business portal** for the Northumberland County and surrounding business communities. This user-friendly system enables businesses with employees residing in Northumberland County to gain the information they need, as well as transmit their mandatory payroll withholdings with ease and speed.

Because there was little Act 32 education initiated by the State for the business community to inform them of the mandatory withholding, reporting and new DCED regulations that are imposed on employers under Act 32, Keystone took a significant role in that process within the Commonwealth, sponsoring well over 100 seminars for local business chambers and larger business community organizations throughout Pennsylvania informing them of the changes that started this year, while also making ourselves available for any questions the business community presented. Keystone also produced an online video and DVD to teach payroll administrators how to comply with Act 32.

## **9. Payment Receipt and Deposit**

Keystone receives mail at our facility by 11:00 a.m. each day, at which time it is sorted, opened and concurrently date stamped. Each check is reviewed to verify it is made out correctly (*i.e.*, confirm courtesy amounts and the legal amounts match, check includes a signature and a proper date). The Keystone staff electronically scans and verifies the digital check and stub images through our remittance processing system. Checks are then deposited into the accounting system as the individual accounts are concurrently credited and the funds are transferred to the bank. This process generally occurs within 2-3 days for EIT, however, this period can extend during the busiest time periods (such as the second week in April).

Keystone accepts credit card payment (Visa, MasterCard and Discover) in a similar method that the IRS uses for acceptance of the Federal 1040 return. Keystone offers credit card convenience service at a competitive rate (2.7%) among our competitors. Keystone also processes on-line electronic check payments from taxpayers at no additional charge.

Keystone regularly accepts and receives electronic fund transfers and disburses to your bank (per your instruction) via ACH (Automated Clearing House).

### **Fast Payment Processing**

Payments are processed real-time to the individual's account. This method allows taxpayers to have immediate access to information such as employer withholdings throughout the year.

Paper checks are scanned by Keystone and converted into a digital image, so the payment is Check 21 ready. The digital check image (See Exhibit "B") is preserved and available for immediate access and retrieval by the customer service staff. Using handwriting recognition engines, the check amount verification time is virtually eliminated (very few checks need to be manually verified as to amount).

Keystone maintains source documents including tax returns, checks, W2s and related supporting documentation in retrievable electronic image form, for at least the amount of time required by law (See Exhibit "B"). Electronic storage in this manner provides enormous advantages over other tax collectors in that these records are easily accessible by taxpayer name, account, etc. for purposes of reviewing payment detail and history. Archives are



generally stored in hard copy and/or electronic image format. Image formats are industry standard TIFF, JPEG, and PDF files.

## **10. Advanced Tax Return Processing**

Keystone engaged in a massive education campaign to encourage individuals and tax preparers to take advantage of our on-line *e-File* INTERNET system. Not only is on-line filing convenient to the taxpayer by saving paperwork and by providing 24-hour accessibility, it is particularly advantageous to Keystone's clients because individual tax return processing is instantaneous. With immediate payment processing comes immediacy of tax deposits to Northumberland County.

Paper individual tax returns are automatically scanned and verified using optical character recognition software and fully integrated with the associated payment data. The Final Return verification process is completed within approximately 3 months, while general payment processing occurs in approximately 2-3 days throughout other time periods during the year, as described above.

When employers submit withholding data on paper, the detail from quarterly withholdings is manually entered and processed directly to the individual taxpayer's account. These documents, as other EIT filings, are encoded with the proper bar code, electronically scanned and archived for immediate retrieval when called up again.

Because withheld payments, on-line filings and individual paper filings are all immediately posted to the individual taxpayers' account, final return reconciliation is an automated last step. The returns are scanned upon receipt, the data is extracted by optical character recognition engines, the figures are verified via an automated process and the reported figures are reconciled with the payments (from withholdings, quarterly returns, final returns, or whatever source submitted).

## **11. Detailed Reporting**

Unlike traditional collectors who report net collections with little or no detail, Keystone's reports provide each municipality and school district with complete detail for each tax dollar collected and remitted to you. See Exhibit "F". The Keystone reports are transparent and detailed, wherein each individual payment is identified by account number, year of tax collected and amount paid. This information provides you with **a clear audit trail**, and maintains full compliance with confidentiality and non-disclosure laws. Thus, you can easily verify the collections made by Keystone at any point in time or at key stages throughout your budgetary process.

Again, unlike our competitors, Keystone's reporting met the Act 32 mandates long before its enactment. In fact, several auditors have suggested that the Keystone reporting model raised the bar in this industry which ultimately led the new reporting requirements to become

part of Act 32. Indeed, our existing clients' auditors consistently rate our record keeping as the very best they have encountered.

Pursuant to your specifications, collections will be electronically deposited to the taxing authorities' bank accounts weekly or at some other pre-established and mutually determined criteria. Indeed, there are certain advantages to all parties in increasing the frequency of disbursements which may effectively reduce overall bonding costs. This can occur because bonding amounts are generally fixed as a factor of the TCD funds held by the tax collection firm at any given point in time. Fast disbursements result in lower amounts held by the collector, and thus far lower bond exposure.

## **12. Security and Confidentiality**

In addition to our statutory compliance and Keystone's published on-line Privacy Policy, Keystone follows extraordinary measures to insure the security and confidentiality of the taxpayer and client information it handles, particularly concerning social security numbers and income data.

As discussed in detail in the *Technology* provisions of this *Proposal*, Keystone emphasizes information protection in its customized software and hardware development by implementing one of the highest levels of security encryption available in the world today. It is important to note that Keystone underwent two SSAE No. 16 technology controls audits at the request of our TCC clients. No deficiencies were noted in the first audit report, released in September, 2012. Additionally, no deficiencies are expected in the most recent audit report, scheduled for release in September, 2013.

The following safeguards protect the operation against the potential of a data breach:

- Keystone's INTERNET connections have firewalls enabled on the router.
- The IT Center is housed in a locked server room accessible only by assigned account-coded entry access cards, which record date/time/identity of the individual entering the facility. Only executive management and authorized IT personnel have access enabled authorization to enter the IT Center.
- Obviously, the very nature of the work we perform requires the utmost care to safeguard sensitive taxpayer information and documents. For that reason, our entire building is secured at all times with access limited to our own employees via a badge access system. This system further limits specific areas within the building and can easily be adapted to any future needs. The only exception allows taxpayer's limited access to the reception/teller area during normal business hours.
- As noted below, Keystone's system implements complex user passwords for system access, with security occurring at the database and application levels. Active Directory authentication occurs via complex password access with group

permissions based on access need. Application security is likewise based on department need.

- Work stations including PCs and laptop have their own firewalls and appropriate encryption.
- Commercial grade antispymware software operates on all servers and all work stations.
- Keystone requires that each employee, before he or she may have access to sensitive data such as social security numbers and personal income figures, must be preauthorized to execute a Section 353(F) Acknowledgement Affidavit prepared by the PA Department of Revenue. The Affidavit clarifying the restrictions and non-disclosure provisions governing taxpayer protected information. When executing the Affidavit, the employee further acknowledges and recognizes the fine and imprisonment mandates for a disclosure violation.
- The cataloging, retention and permanent destruction of paper records is strictly controlled by executive management under timeline protocols.

In addition to standard liability insurance and bonding, Keystone maintains a million dollar (\$1,000,000.00) employee dishonesty coverage to backup these protective measures.

**Keystone has never experienced a data breach involving an unauthorized person obtaining access to confidential information in our possession.**

Other safeguards to Keystone's system integrity include:

- The IT server room is climate-controlled, on a raised floor with fire and water protection.
- Commercial grade antivirus software is placed on all servers and work stations.
- See important Backup and Data Protection delineation in 13 below.

### **13. System Backup and Data Protection**

Keystone places high priority on your data protection, the taxpayers' data integrity and the safeguarding of our intellectual property. As we emphasize throughout our proposal, our technologies are not purchased software packages. Rather, our systems are proprietary engineered software built upon our own top resources and investment specifically for Act 32 compliance. Backup operative highlights include:

- Keystone's system provides backup and recovery for the databases and all related application components.
- Full backups occur at least daily and on weekends.
- Keystone's backup and restore plan includes all data, images and application components.
- Keystone's servers operate with full redundancy.
- Keystone's disaster recovery plan is implemented and scheduled with annual testing, subject to audit.
- Encrypted copies of full backups are stored at Iron Mountain, an offsite facility that is located over thirty (30) miles from the headquarters operation site.
- We have implemented a proprietary failsafe off-site facility including encrypted back-up of all databases and all application libraries.
- Keystone's disaster recovery plan is implemented and scheduled with annual testing, subject to audit. The full backup has been successfully tested for recovery and retrieval for full operational capacity.

#### **14. Reference Lists**

Keystone grew during the Act 32 implementation process because we generate significant revenue increases for our communities, who are then able to avoid tax rate increases. We invite you to contact our **References in Exhibit "G"**.

Keystone serves as the official earned income tax collector for the Tax Collection Districts identified below:

- Allegheny North Tax Collection District
- Allegheny Southeast Tax Collection District
- Bedford County Tax Collection District
- Bucks County Tax Collection District
- Chester County Tax Collection District
- Clarion County Tax Collection District
- Clearfield County Tax Collection District
- Dauphin County Tax Collection District
- Delaware County Tax Collection District
- Greene County Tax Collection District
- Lebanon County Tax Collection District
- Northampton County Tax Collection District

- Tioga County Tax Collection District
- Washington County Tax Collection District

Moreover, an alphabetical listing of each taxing authority that Keystone provides tax collection services to is included as Exhibit "H".

## **15. Insurance, Bonding and Other Information**

### **a. Insurance**

General Liability	\$2,000,000.00	General Aggregate
Automobile	\$1,000,000.00	
Excess/Umbrella Liability	\$6,000,000.00	(each occurrence and aggregate)
Employee dishonesty/theft coverage	\$1,000,000.00	

These insurance coverages are provided/underwritten by the Ohio Casualty Insurance Company of Liberty Mutual.

Please note that special counsel attorneys, Kratzenberg & Lazzaro, additionally maintain **professional liability insurance** in an amount of not less than two million dollars (**\$2,000,000.00**). This insurance coverage is provided/underwritten by the Westport Insurance Corporation.

b. **Bonding.** EIT tax collector bonding is provided by the Ohio Casualty Insurance Company of Liberty Mutual. See Exhibit "I". Keystone has secured a written commitment of Fifty Million Dollars \$50,000,000.00 in minimum bond coverage from our current provider, and we fully anticipate the minimum commitment to increase as growth needs determine. We intend to maintain bonding for the Northumberland County TCC in a coverage amount representative of the amount of tax revenue we are holding for you at any given point in time. Because we have the capacity to process and disburse at a faster pace and level than others in our industry, the amount we hold is relatively lower than our competition.

c. **Internal Controls.** As detailed above, Keystone successfully underwent a second SSAE No. 16 controls audit (SOC-1) of our earned income tax collection systems. The objectives of the independent IT audit were to evaluate the controls implemented at Keystone Collections Group. The scope of the engagement included a review of the following processes and controls:

- Control environment, including risk assessment and monitoring.
- General computer controls.
- Control over computer operations.
- Control over access to computer programs and data.
- Control over systems development and maintenance.
- Information systems and communications controls, including an evaluation of the processing activities using the EIT Manager.

As part of the Audit performance, the independent outside firm interviewed personnel at Keystone Collections Group, reviewed configurations of computer systems and network components, and evaluated the design of the processing activities supported by EIT Manager and conducted 4 days of testing plus subsequent follow-up assurance testing.

Keystone's internal accounting controls extend beyond its IT systems. Under Tom Kratzenberg's (tax attorney and CPA) direction, end-of-month accounting procedures have been implemented that require each of the more than 500 individual sub-accounts to be balanced to the penny and all accounts reconciled to the master control account. In addition, there are precise restrictions concerning the separation of duties, access to blank checks and restrictions upon the creation or removal of ACH accounts. Authenticity of firm checks is further controlled and verified via positive pay management.

d. Audit: Keystone will fully cooperate with the TCC's auditor in providing complete access to all relevant tax fund administration detail.

For purposes of tax collection audits, the accounting and auditing firm of Boyer & Ritter specializes in municipal government, school district and tax collector audits (for both financial audits and IT system audits).

Boyer & Ritter is one of the largest regional public accounting firms in Pennsylvania. For purposes of maintaining the integrity of audit independence as well as feasibility and effectiveness, the firm of Boyer & Ritter would serve well in the role as tax collector auditor.

e. Clean Criminal Record: No Keystone officer, director or key employee has ever been convicted of or entered a plea of guilty or *nolo contendere* to a criminal charge other than a summary offense. The same holds true for the firm employees relating to theft and dishonesty, and which would otherwise subject the employee to job termination.

f. Background Check: It is the policy of Keystone to require job applicants to agree and submit to a multi-county criminal conviction history check, which includes both felonies and misdemeanors. Due to the nature of this business, we further require job applicants to be subjected to a credit check, so as to assure an acceptable level of financial security history. Employees are subject to re-check during the term of employment, which shall occur upon approval of upper management following recommendation by a department supervisor. Moreover, job applicants must also agree to undergo a thorough drug and alcohol screening prior to being offered a position with Keystone.

g. Other protections against fund loss include:

(1) Keystone protects vigorously against the possibility of internal collusion by implementing financial controls at all levels. Keystone's policies regarding segregation of duties and limited access to vital functions such as ACH distributions, refunds, and general check processing make it virtually impossible for any individual employee to compromise funds from within.



When you couple these procedures with our end-of-month detailed accounting reconciliation process and our \$1,000,000.00 employee dishonesty coverage, you can be assured that your funds are protected to a level unmatched by any of our competitors.

But we don't stop there: Keystone has also established procedures with Huntington Bank that protect against misappropriation of funds by sophisticated outsiders using modern equipment to alter either the amounts or payees of any checks made to appear to be written by Keystone. This system is called "positive pay" and involves the daily electronic transmission of all check data, including check number, payee and amount for each check written that day. Any item presented to the bank for payment is first matched against this listing and rejected immediately if there is any deviation from the information supplied directly by Keystone. This additional protection gives us a unique advantage over our competitors.

(2) Keystone maintains video surveillance for all areas of the facility where taxpayer funds are received and processed for deposit.

## **16. Fees and Charges**

### Transition

Due to the length of the agreement term (2 years), the electronic data conversion is provided to the Northumberland County TCD free of charge.

Keystone is prepared to enter into an agreement to provide the services outlined in this proposal for the Northumberland County Tax Collection District (TCD) at the following commission rate:

## **Basic Collection Commission**

### Option 1

Current earned income tax . . . . . 1.59% of amount processed or distributed to  
Northumberland PSDs. (n.1)

Keystone will provide:

- Standard external public fund financial audit
- The system controls audit SSAE No. 16 (SOC-1) report

*\*\*\*Please note that while Keystone is able to provide a local office, the Act 32 mandatory withholding law has all but eliminated the need for permanent local walk-in payment facilities. In lieu of a permanent local office, Keystone could provide temporary customer service staffing at an office(s) located within a municipal or school district building at the above proposed rate. This additional customer service support would be provided during peak filing times each year, such as at the end of quarterly filing periods and in advance of the final return filing deadline.\*\*\**

- or -

### Option 2

Current earned income tax . . . . . 1.69% of amount processed or distributed to  
Northumberland PSDs. (n.1)

Keystone will provide:

- Local office within Northumberland County
- Standard external public fund financial audit
- The system controls audit SSAE No. 16 report

## **Delinquent Collection Commission** (for both Options 1 and 2 above)

Delinquent earned income tax. . . . . **Zero (0%)**. Collection costs charged directly to  
delinquent taxpayer under Act 192 Resolution. (n.2)

NOTE 1: The above current tax rates include printing and processing of initial tax bills, annual tax forms and business tax packages. Automated pre-sort postage is charged on mailings for current taxes. Any additional mailings will occur at a mutually agreed cost.

NOTE 2: The above delinquent rates are conditioned upon the adoption of the Northumberland County TCC Act 192 Resolution (Exhibit "J"). The Northumberland County TCC Act 192 Resolution (including schedule of fees) will impose legal and administrative costs of delinquent EIT collection directly against the delinquent taxpayer. Fees for claims made to out-of-county tax collectors and/or taxpayer refund requests arising from tax periods prior to the effective date of the contract will be charged to the taxing authority benefiting from or applicable to such claim at an amount mutually agreed upon by the parties in advance of undertaking such work.

## 17. Transition Plan

Based on the transition process developed with our other TCC clients, we have the **significant experience** of addressing changes and reformatations to perfect the transition protocols. For example, the first county-wide transition gave Keystone advantages in knowing in advance how to address matters involving taxpayer education, municipal official education, business and payroll operator communications, out-of-county claiming and disbursement system variations. We were also able to integrate and ascertain the effectiveness of new and recommended processes developed by DCED and PASBO after the enactment of Act 32. **Our programs are tested and successful, allowing for a rapid and seamless transition from the present collection systems in place throughout Northumberland County.**

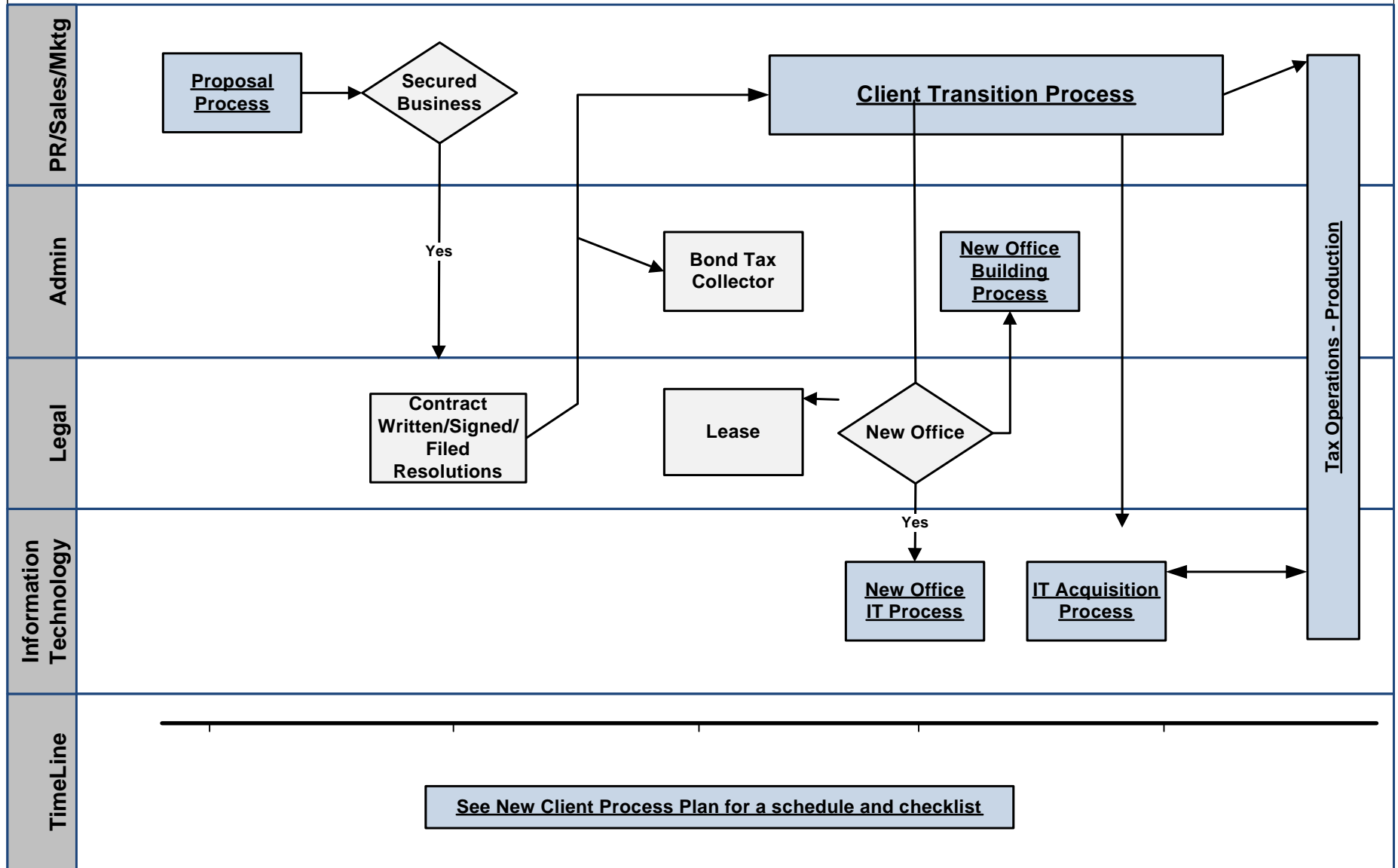
Keystone's documented experience in handling tough Act 32 transitions and our continuing success in generating increased collection revenues in every TCD we have transitioned makes Keystone uniquely qualified to assume this challenge:

- Keystone has already successfully transferred records and transitioned the EIT collection data (both master files and payment history) from all major private tax collection agencies in the Commonwealth; and as a result we've rapidly increased these collections.
- As part of our own Act 32 transitions, the EIT revenues collected by Keystone are notably **increased** over the prior-year collections of the former collectors, our competitors in this industry.

Keystone's transition team includes key leaders from the various divisions within Keystone including information technology, legal, administrative, processing and public relations/communications, as well as members of the Northumberland County TCC as designated by its leadership.

The following flow chart provides an overview of the transition process:

## New Client Acquisition and Transition Process Northumberland County TCD



Keystone modified its "*New Client Acquisition and Transition Process Plan*" to accommodate the scaled-up procedures necessary for transition at the county-wide level. An initial draft *Plan* appears on Page 22 of this Proposal.

### **STAGE ONE**

After engagement, Keystone's legal division will finalize the agreement terms, making recommendations for improvements as indicated by existing experiences in Act 32 model county-wide collection operations, and incorporating terms to address the unique issues presented, as well as particular matters of interest to the Northumberland County TCC, its officers and solicitor. The legal division will further provide model resolutions governing current and delinquent collection operations pursuant to relevant Pennsylvania Acts 50 and 192 as well as Rules and Regulations under the Pennsylvania *Local Tax Enabling Act* and *Taxpayer Bill of Rights*.

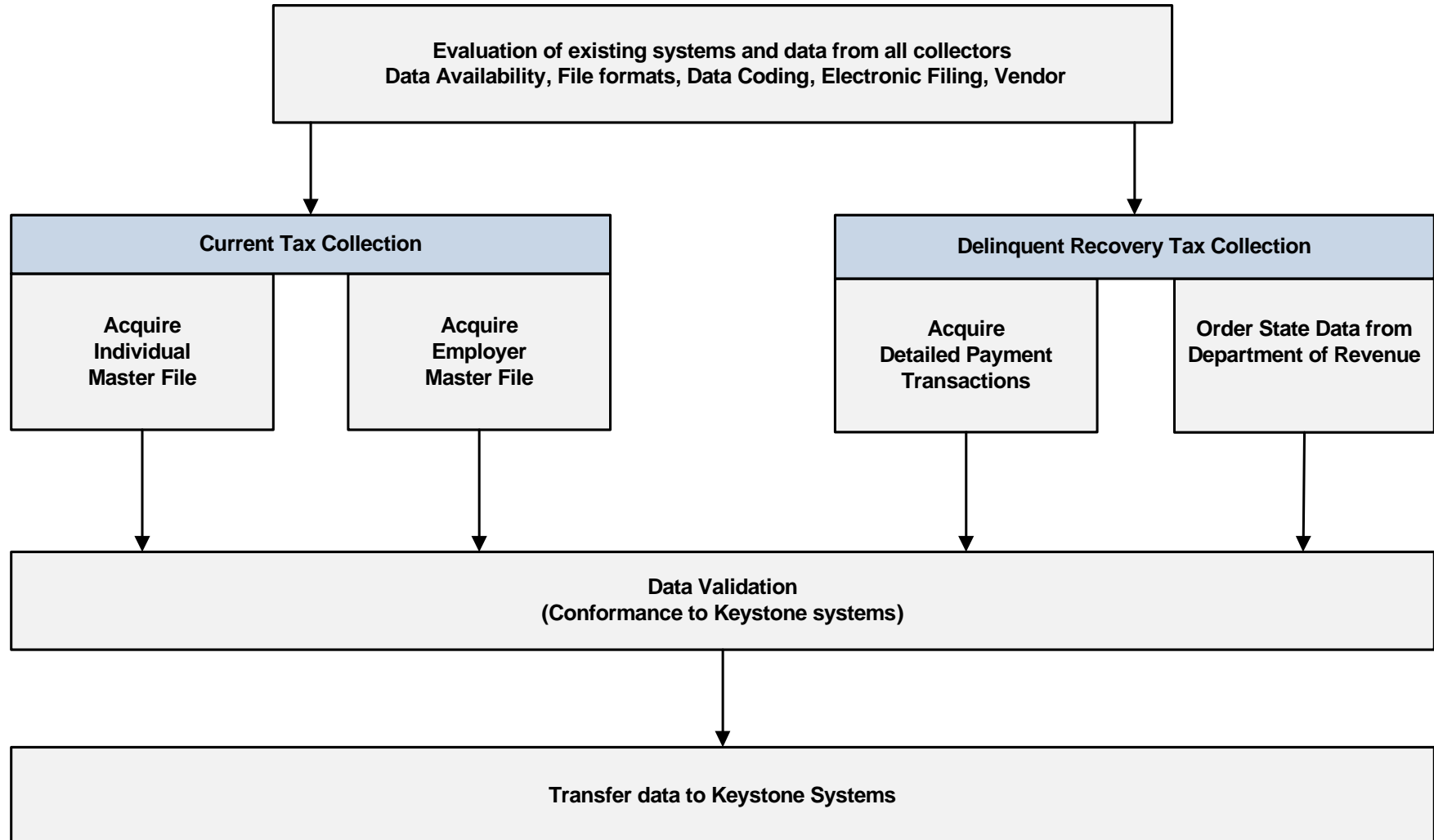
### **STAGE TWO**

Keystone's data team establishes communications immediately with the previous collector serving Northumberland County. We typically acquire all necessary data in electronic form and convert it following the TCC directive issued to its former collector.

The transfer of electronic data has a fast turnaround and most conversions are done in a matter of days. The IT data team evaluates the existing systems, acquires the individual taxpayer master files, acquires the employer master files and all data involving payment transactions (the payment history). The **payment history** is used to commence both the taxpayer audit process and to initiate the **claims for amounts due from other out-of-Northumberland County collectors** for periods prior to the start of your contract with Keystone.

If the Northumberland County school districts have not previously acquired the available individual taxpayer income data from the Pennsylvania Department of Revenue (the "State List"), Keystone's legal division will concurrently prepare the necessary paperwork to order the State List from the Department of Revenue (Ms. Sherry Brady, Bureau of Individual Taxes). **The State List data is necessary for Keystone's taxpayer audit process for delinquent tax recovery and enforcement.** The State List data proceeds through Keystone's data validation process and is transferred by the IT Department to Keystone's system.

Keystone's *IT Acquisition Plan* is illustrated on the following page 24:





### **STAGE THREE**

While the Stage Two steps are taking place, Keystone will organize a transition team meeting with the Northumberland County TCC designated leadership. In addition to educating the appropriate Northumberland County officials as to the details associated with the processes taking place in Stage Two above, Keystone will coordinate the proper transition notifications regarding the previous collection data as well as recommend and establish the initial requirements unique or peculiar to EIT collection in Northumberland County.

Keystone's media center will work with, prepare and issue appropriate press releases to promote a seamless transition, and to foster smooth ongoing public relations and public information channels incident to ongoing EIT collection on the Act 32 model. These integral communications proved very beneficial for taxpayers, businesses and public officials within the fourteen (14) TCDs where Keystone currently serves as Tax Officer. In addition to reaching traditional media outlets, Keystone incorporates full access to the INTERNET, for Northumberland County residents who are inclined to access their local tax information resources and **e-File** on line.

As part of Keystone's ongoing internal education program, our customer service agents will also be trained by Keystone's CSA Supervisor regarding the transitions affecting taxpayers and businesses in Northumberland County, including aspects of timing and general information distribution.

The time line estimates for the *Plan* on Page 26 are based upon projected needs, but can be moved as rapidly as necessary to further accommodate your particular needs.

## New Client Acquisition and Transition Process Plan

<b>Client:</b>	Northumberland County TCC
<b>Contact:</b>	Jason Budman
<b>Address:</b>	101 Bloom Street
	Danville PA 17821
<b>Proposal Process Leader:</b>	T/B/A
<b>New Client Transition Leader:</b>	T/B/A
<b>Finish Date</b>	

	Responsible	Date Due	Date Complete
<b>Proposal</b>			
Develop Proposal Plan			
Enter Plan details into CRM			
Proposal Kickoff Meeting			
Acquire Customer Data			
Create Proposal			
Presentation			
Site Visit			
Finish Date Set			
<b>Contract</b>			
Contract Written			
Contract Approved			
Resolutions			
Contract Filed			
Bond Tax Collector			
<b>Client Transition</b>			
Transition Kickoff Meeting		Immediate	
Notify previous collector		Immediate	
Est. Keystone Requirements		2 Weeks	
Letters to Taxpayers		Late-December	
Letters to Employers		Late-December	
Notify Keystone Personnel		Immediate	
<b>Info Technology Acquisition</b>			
Evaluate Existing Systems		2 Weeks	
Acquire Individual Master File		2 Weeks*	
Acquire Employer Master File		2 Weeks*	
Acquire Payment Transactions		2 Weeks*	
Order State Data		Immediate	
Data Validation		3 Weeks	
Transfer data to Keystone		2 Weeks	
<b>* Concurrent Responsible</b>		<b>**Awaiting PA Date Due</b>	<b>Dept of Revenue Date Complete</b>
<b>New Office</b>			
Lease		N/A	
Building		N/A	
I.T. Hardware		Immediate	
I.T. Software & Config		Immediate	

***At Keystone, we are pleased and honored by this opportunity to respond to the Northumberland County Tax Collection Committee's request for proposals. We hope we have raised all points of interest in this important work. If selected as your collector, Keystone will work diligently with the TCC and your professionals to address all matters in a fair and professional manner.***

## EXHIBIT "A"

### Satellite Offices



**CORPORATE HEADQUARTERS and SATELLITE SERVICE CENTERS**

**Irwin Office - Headquarters**

546 Wendel Road  
Irwin PA 15131  
724-978-0300

**Bucks Office**

1243 Easton Road – Suite 101  
Warrington PA 18976

**Chester Office**

144 Wallace Avenue  
Downingtown PA 19335

**Dauphin Office**

2330 Vartan Way – Suite 155  
Harrisburg PA 17110

**Greensburg Office**

416 S. Main Street  
Greensburg PA 15601

**Lebanon Office**

400 South Eighth Street  
Lebanon PA 17042

**Murrysville Office**

4140 Sardis Road  
Murrysville PA 15668

**Northampton Office**

224 Nazareth Pike (Rt. 191)  
Bethlehem PA 18020

**Washington Office**

900 Main Street  
Bentleyville PA 15314

**White Oak Office**

1532 Lincoln Way  
White Oak PA 15131

## EXHIBIT "B"

### ELECTRONIC IMAGING SAMPLE

- (1) Payment stub and check
- (2) Check Image
- (3) Final Return and Supporting W-2 Documentation



\\kmc02\OCRFF\data\txfr2012.fo\00129962\03824915.tif

**TAXPAYER ANNUAL LOCAL EARNED INCOME TAX RETURN**

Keystone Collections Group  
444 North Street  
York, PA 17402-4380

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes. Contact your Tax Officer.

If you have received during the last year a notice requiring additional information and fully complete this Year Resident Schedule on back of form.

Tax Year **2012**

DATE PREPARED: 11/11/12 TO: 11/11/12

STREET ADDRESS (PO BOX, RD, APTS, ETC) CITY OR POST OFFICE STATE ZIP

1111 ANYWHERE DR ANYTOWN, PA 17111

PUBLIC, JOHN G ACCOUNT # 437827 PRINT SPOUSE NAME HERE

EXTENSION AMENDED/RETURN NON-RESIDENT

724-555-1212 150306

ONLY USE BLACK OR BLUE INK TO COMPLETE THIS FORM

1 Gross Compensation as Reported on W-2(s) (Exclude 401k) 134252.00 00

2 Unemployment Compensation (Exclude PA Schedule 1E) 00 00

3 Other Taxable Earned Income 00 00

4 Total Taxable Earned Income (Subtotal Line 2 from Line 1 and add Line 3) 134252.00 00

5 Net Profit (Exclude PA Schedule 1E) 00 00

6 Net Loss (Exclude PA Schedule 1E) 00 00

7 Total Taxable Net Profit (Subtotal Line 5 from Line 4, 5, 6 less than zero, enter zero) 0 00

8 Total Taxable Earned Income and Net Profit (Subtotal Line 4 and 7) 134252.00 00

9 Total Tax Liability (Line 8 multiplied by 0.0125) 1678.15 00

10 Total Local Earned Income Tax Withheld as Reported on W-2(s) 1678.00 00

11 Quarterly Estimated Payments/Credits From Previous Tax Year 00 00

12 Miscellaneous Tax Credits 00 00

13 TOTAL PAYMENTS AND CREDITS (Add Lines 10 through 12) 1678.15 00

14 Refund IF MORE THAN \$1.00, enter amount (or select option in 15) 175.00 00

15 Credit Taxpayer/Spouse (Amount of Line 13 you want as a credit to your account) 00 00

16 EARNED INCOME TAX BALANCE DUE (Line 9 minus Line 13) 00 00

17 Penalty after April 15 (Multiply Line 16 by 1% (100%)) 00 00

18 Interest after April 15 (Multiply Line 16 by 3.44% (100%)) 00 00

19 TOTAL PAYMENT DUE (Add Lines 16, 17 and 18) 00 00

Under penalties of perjury, I (we) declare that I (we) have examined this information, including all accompanying schedules and statements, and to the best of my (our) belief, they are true, correct and complete.

YOUR SIGNATURE: [Signature] DATE (MM/DD/YYYY): 01-18-2013

SPOUSE'S SIGNATURE (if Filing Jointly): [Signature] PHONE NUMBER: 610-843-6566

e-file at [www.keystonecollects.com](http://www.keystonecollects.com)

Cancel Rotate Right Rotate Left Capture

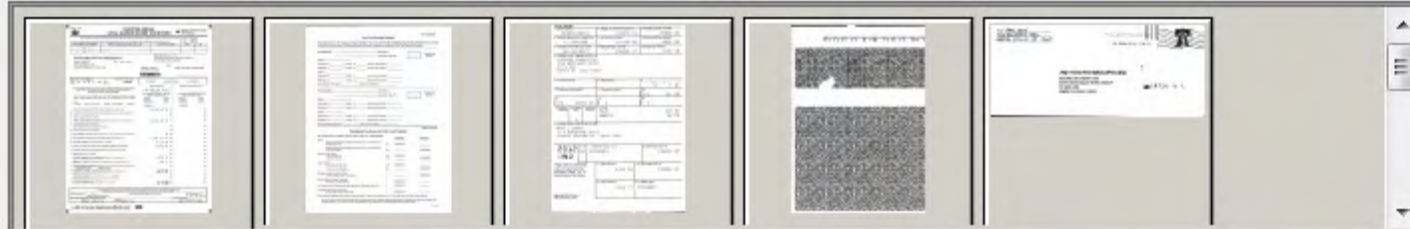
Main 89

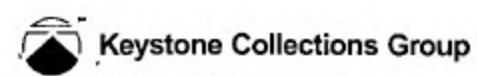
Description:

Spouse 0

Description:

View Detail





ENTER ACCOUNT TOTALS FROM LINE 19 .....

THIS VOUCHER MUST BE INCLUDED WITH YOUR PAYMENT

Make checks payable to:  
KEYSTONE COLLECTIONS GROUP  
1-888-519-3898  
 [www.keystonecollects.com](http://www.keystonecollects.com)  
DUE DATE: 04/15/2013

2012 EARNED INCOME TAX PAYMENT VOUCHER

FUELIC, JOHN Q  
ACCOUNT # 427827

Amount Remitted
\$175

13210112005041513000228776100022862998

V1 Status

Receive Date: 4/1/2013  
V1 Verify Date: 4/10/2013  
V1 Verify By: Irudy  
RTL Batch No: 00211557  
DocTypeIndex: 1  
Deposit:

V2 Status

MTag: 156656  
CTag: 2025882  
Transaction ID: 1143100  
Initial Amount: 175  
Consumed Amount: 0  
Bank ID: 1  
NSF Status: 0  
Number of Details: 4  
No. of Exceptions: 0

View Details

Processing Status

View Posting Details



**JOHN Q. PUBLIC** 1092  
 1111 ANYWHERE DR.  
 ANYTOWN, PA 11111

3-50/310 9097  
 7091550744

DATE 1/15/13

PAY TO THE ORDER OF KEYSTONE \$ 175.00  
One hundred Seventy five and no/100 DOLLARS

WELLS FARGO  
 Wells Fargo Bank, N.A.  
 Pennsylvania  
 wells Fargo.com

FOR SCS

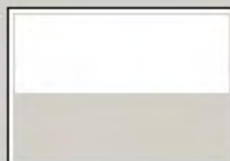
⑈0000001092⑈ ⑆031000503⑆

**V1 Status**

Receive Date: 1/18/2013  
 V1 Verify Date: 1/25/2013  
 V1 Verify By: Ispears  
 RTL Batch No: 00186625  
 DocTypeIndex: 50  
 Deposit: E 01/25/2013

**V2 Status**

MTag: 137532  
 CTag: 1842858  
 Transaction ID:  
 Initial Amount: 175  
 Consumed Amount: 175  
 Bank ID: 1  
 NSF Status: 0  
 Number of Details: 1  
 No. of Exceptions: 0

[View Details](#)**Processing Status**[View Posting Details](#)

## EXHIBIT "C"

- (1) Initial (soft) letter to taxpayer, showing balance due.
- (2) Final notice letter.

Basic litigation forms:

- (3) Bankruptcy Proof of Claim.
- (4) Probate Court Claim.
- (5) Magisterial District Court Complaint form.





# Keystone Collections Group

546 Wendel Road  
Irwin, PA 15642  
(724) 978-0300 • FAX (724) 978-0339

Statement Date 07/22/2013  
Account A504408

NORTH ALLEGHENY SCHOOL DISTRICT  
TOWN OF MCCANDLESS

PUBLIC,JOHN Q  
123 MAIN STREET  
ANYWHERE, PA 12345

SSN: XXX-XX-1111

Keystone Collections Group serves the Town of McCandless and the North Allegheny School District in the audit of earned income tax accounts. This office has reviewed earnings information from the Pennsylvania Department of Revenue and payment data from the Earned Income tax collector. The following preliminary analysis indicates a deficiency in your account:

	Total Earnings	Total Tax	Payments/Credits	Subtotal	Penalty/Interest	Costs	Total Due
2008	33,000.00	330.00	150.00	180.00	86.40	60.00	326.40
2009	40,500.00	405.00	100.00	305.00	109.80	60.00	474.80
2010	78,000.00	780.00	207.50	572.50	137.40	81.00	790.90

**Balance For Above Tax Years: \$1,592.10**  
**Previously Reported Years: \$0.00**  
**Additional Costs and Penalty: \$0.00**  
**Total Due: \$1,592.10**

Please review this information very carefully. If any of the above earnings represent "S" corporation earnings, please submit a copy of form RK-1 so that your account may be adjusted. If you did not reside in the District and/or Municipality for the entire period, or if you believe the earnings or credits shown above are incorrect, please contact our office at once.

If the information is correct, please send full payment to this office within the next 30 days to avoid additional interest, penalties and other late charges in this matter.

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by calling the above number during our normal hours of operation.

*This letter and any future letters from this office are an attempt to collect a debt. Any information obtained will be used for that purpose. If you dispute the amount due, you must notify this office in writing within 30 days, or the debt will be presumed valid. If you request debt verification during that period, we will provide a copy of debt verification.*

*Please remit bottom portion with your next payment to insure proper credit.*



## Keystone Collections Group

546 Wendel Road  
Irwin, PA 15642  
(724) 978-0300 • FAX (724) 978-0339

## PAYMENT VOUCHER

361

NORTH ALLEGHENY SCHOOL DISTRICT  
TOWN OF MCCANDLESS  
DELINQUENT EARNED INCOME TAX - AUDIT NOTICE

PUBLIC,JOHN Q  
123 MAIN STREET  
ANYWHERE, PA 12345

Account #	A504408
Total Account Balance	1592.10
Balance as of 7/22/2013	

Amount Remitted
\$

All payments received after 8/21/2013 may be subject to additional interest, penalties and other late fees. Partial payments will be subject to a \$3.00 handling fee.

150301082113000015921000005044086





**KEYSTONE**  
collections group

546 Wendel Rd.  
Irwin, PA 15642  
(724) 978-0300 fax (724) 978-0339

Statement Date: 07/22/2013  
Account: A504408

PUBLIC, JOHN Q  
123 MAIN STREET  
ANYWHERE, PA 12345

Social Security # XXX-XX-1111

**FINAL NOTICE FROM THE  
TOWN OF MCCANDLESS AND THE NORTH ALLEGHENY SCHOOL DISTRICT**

This firm previously notified you of an unpaid balance in your wage tax account. We directed you to either make full payment or provide documentation supporting any adjustments to the amount due. According to our records, you have failed to respond to our request and this tax remains open as follows:

TAX YEAR	UNPAID TAX	PENALTY	INTEREST	FEES	BALANCE
2008	\$180.00	\$43.20	\$43.20	\$60.00	\$326.40
2009	\$305.00	\$54.90	\$54.90	\$60.00	\$474.80
2010	\$572.50	\$68.70	\$68.70	\$81.00	\$790.90

Balance Due for Above Tax Year(s):	\$1,592.10
Court Costs:	\$0.00
Fees:	\$0.00
Act 192 / Act 511 Penalty:	\$0.00
<b>Balance Due for Above Amounts:</b>	<b>\$1,592.10</b>

Special Counsel for the Town of McCandless and the North Allegheny School District intends to file suit against those taxpayers who refuse to respond or pay this tax in full within the next ten (10) days. At that time, counsel will seek judgment and/or imposition of fines against you amounting to \$500 for each day of continued non-compliance.

**WE URGE YOU TO IMMEDIATELY CONTACT THIS OFFICE TO RESOLVE THIS VERY SERIOUS MATTER.**

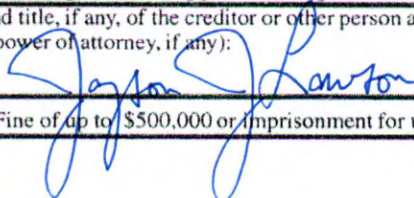
Sincerely,

Keystone Collections Group

NOTE: Please make checks payable to Keystone Collections Group  
Place account number on the face of the check and mail to above.  
All partial payments are subject to a \$3.00 handling fee.

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by calling the above number during our normal hours of operation. This letter and any further letters from this office are an attempt to collect a debt and any further information obtained will be used for that purpose.



UNITED STATES BANKRUPTCY COURT <u>Middle</u> DISTRICT OF <u>Pennsylvania</u>		<b>PROOF OF CLAIM</b>
Name of Debtor <u>Taxpayer, John Q.</u>		Case Number <u>13-12345</u>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (The person or other entity to whom the debtor owes money or property): <u>Northumberland County</u>		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
Name and address where notices should be sent: <u>Keystone Collections Group</u> <u>546 Wendel Road</u> <u>Irwin PA 15642</u>		
Telephone number: <u>(724) 978-0300</u>		
Account or other number by which creditor identifies debtor: <u>A12345</u>		THIS SPACE IS FOR COURT USE ONLY
<b>1. Basis for Claim</b> <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input checked="" type="checkbox"/> Taxes Local Earned Income Taxes <input type="checkbox"/> Other _____		
<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Your SS #: _____ Unpaid compensation for services performed from _____ (date) to _____ (date)		
<b>2. Date debt was incurred:</b> <u>2011</u>		<b>3. If court judgment, date obtained:</b>
<b>4. Total Amount of Claim at Time Case Filed:</b> \$ <u>5,123.00</u> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
<b>5. Secured Claim.</b> <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____		<b>6. Unsecured Priority Claim.</b> <input checked="" type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ <u>5,123.00</u> Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,300),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Up to \$1,950* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6). <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7). <input checked="" type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). <small>*Amounts are subject to adjustment on 4/1/01 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
<b>7. Credits:</b> The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.		THIS SPACE IS FOR COURT USE ONLY
<b>8. Supporting Documents:</b> Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.		
<b>9. Date-Stamped Copy:</b> To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		
Date <u>7/22/13</u>	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): <u>Jayson J. Lawson</u> 	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.		



IN RE: ESTATE )  
 )  
 OF )  
 ) No. 1111 of 2013  
 )  
 John Q. Taxpayer )  
 (Deceased) )

Joseph W. Lazzaro, Esquire  
Jayson J. Lawson, Esquire  
Christopher E. Vincent, Esquire  
Kratzenberg & Lazzaro  
546 Wendel Road  
Irwin, PA 15642  
(724) 978-0333



COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF: NORTHUMBERLAND COUNTY

**CIVIL COMPLAINT**

Magisterial District Number:

08-3-04

District Justice Name: Hon.

Benjamin J. Apfelbaum

**Address:** 225 Market Street  
Sunbury PA 17801

Telephone: (570) 988-4485

PLAINTIFF:

NAME and ADDRESS

☐ NORTHUMBERLAND COUNTY TCD

☐ c/o Litigation Department  
546 Wendel Road  
Irwin, PA 15642

**VS.**

DEFENDANT:

NAME and ADDRESS

☐ PUBLIC, JOHN Q.

☐ 1111 ANYWHERE DRIVE  
ANYTOWN, PA 11111

Docket No.:

Date Filed:



	AMOUNT	DATE PAID
FILING COSTS	\$ _____	/ /
POSTAGE	\$ _____	/ /
SERVICE COSTS	\$ _____	/ /
CONSTABLE ED.	\$ _____	/ /
TOTAL	\$ _____	/ /

Pa.R.C.P.D.J. No. 206 sets forth those costs recoverable by the prevailing party.

**TO THE DEFENDANT:** The above named plaintiff(s) asks judgment against you for \$8,000.00 together with costs upon the following claim (Civil fines must include citation of the statute or ordinance violated):

Despite notice and demand made upon the accused, accused has continuously failed and/or refused to file returns and/or pay Northumberland County earned income taxes for the year(s) 2008, 2009 and 2010 respectively.

I, T.J. Kratzenberg, Special Counsel verify that the facts set forth in this complaint are true and correct to the best of my knowledge, information, and belief. This statement is made subject to the penalties of Section 4904 of the Crimes Code (18 PA. C.S. § 4904) related to unsworn falsification to authorities.

  
(Signature of Plaintiff or Authorized Agent)

Plaintiff's

Attorney: T.J. Kratzenberg

Telephone: (724) 978-0300

Address: 546 Wendel Rd

Irwin, PA 15642

**IF YOU INTEND TO ENTER A DEFENSE TO THIS COMPLAINT, YOU SHOULD SO NOTIFY THIS OFFICE IMMEDIATELY AT THE ABOVE TELEPHONE NUMBER. YOU MUST APPEAR AT THE HEARING AND PRESENT YOUR DEFENSE. UNLESS YOU DO, JUDGMENT MAY BE ENTERED AGAINST YOU BY DEFAULT.**

If you have a claim against the plaintiff which is within district justice jurisdiction and which you intend to assert at the hearing, you must file it on a complaint form at this office at least five (5) days before the date set for the hearing.

**If you are disabled and require a reasonable accommodation to gain access to the Magisterial District Court and its services, please contact the Magisterial District Court at the above address or telephone number. We are unable to provide transportation.**

## EXHIBIT "D"

### Keystone Stages of Tax Collection

#### 7 Steps For Turning Tax Debt Into Community Revenues



Northumberland County Tax Collection Committee

## KEYSTONE STAGES OF TAX COLLECTION

### *7 Steps For Turning Tax Debt Into Community Revenues*

- (1) **Delinquency Reminder (the *soft letter*):** All delinquents are initially notified, in a formal but dignified manner, that they owe back taxes. Keystone's auditors and tax professionals review what taxpayers reported as their income as compared to their *actual* income. For example, did they report stock option income? Did they hide personal earnings in a corporation? Did they pay on incentive income, rental income or non-compete income? The underpaying and non-paying residents are notified of potential delinquencies.
- (2) **Payment Plans:** In cases where immediate payment is simply not feasible, in hardship situations involving elderly taxpayers or for those with difficult health or unemployment concerns, Keystone will establish payment plans with no financial downside to the TCD. In other cases, we refer the taxpayer to a financial lending institution of his or her choice to borrow sufficient funds to pay the communities and school districts in full.
- (3) **Intent to Sue Letter:** When a resident ignores a delinquency notice and no payment is forthcoming, we notify the taxpayer of the intention to file suit. Many "collection companies" also *threaten* suits, but they rarely follow through because of high attorney fees. Keystone takes action. When taxpayers fail to respond to the Final Notice, cases are immediately referred to Special Counsel (at no additional fee to the TCD), and the matter goes to Court.
- (4) **Civil Suits:** Your Special Counsel will take delinquent taxpayers to trial when necessary. At this stage, many tax scofflaws finally do pay because a Court judgment makes them personally liable for their debts. Our legal expertise is a key part of our collection system. This expertise is particularly valuable because when the taxpayer appeals to a higher court, tries to avoid paying costs, interest or penalties, or attempts to hide his or her assets, your Special Counsel succeed in court at no additional charge to you.

- (5) **Execution:** We realize that winning the case is often not enough. A judgment is only a piece of paper. That is why it is important that Special Counsel enforce judgments against those who believe they can “duck the system.” You will receive full legal effort at the highest level. Enforcement may involve the freezing of a delinquent’s bank account or the impoundment of his car. Over the years, we’ve established an excellent network of top constables to conduct enforcement sales, including the full recovery of all costs.
- (6) **Bankruptcy:** Most collectors shy away from bankrupt taxpayers as a “dead-end.” To the contrary, when you work with Keystone your Special Counsel files secured and priority tax claims in the Federal bankruptcy courts to move your taxes toward first in line for payment. The fact that a taxpayer is reorganizing or, in some cases, liquidating his or her assets does not mean your tax money should be lost.
- (7) **We Watch the Courts:** When a resident in your community dies and the heirs **probate** the Will, your Special Counsel files your claim for delinquent taxes. The general rule is that taxes must be paid before a deceased person’s property is disbursed (but only if your tax claim is brought to the attention of the Court).

Likewise, when a Bank in your community **forecloses** on its mortgage and tries to take over the property, your Special Counsel files the tax judgment with the Sheriff so that your taxes are also paid.

It is critically important that the Northumberland County TCD’s tax collector understands and is accomplished in the law to efficiently collect all of your taxes.

To ensure success in the 7 stages of collection,  
Keystone delivers:

Expertise: Top professionals in tax, law and accounting.

Speed: State-of-the-art technology including proprietary software and the fastest payment processing equipment available today.

Good Judgment: We achieve results in a professional manner. We are considerate of the concerns of your constituents and your community.

**Northumberland County Tax Collection Committee**

## EXHIBIT "E"

- (1) Final earned income tax return.
- (2) Quarterly earned income tax return.



# TAXPAYER ANNUAL LOCAL EARNED INCOME TAX RETURN



**Keystone Collections Group**  
546 Wendel Road  
Irwin, PA 15642-4582

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes. Contact your Tax Officer.

\*If you have relocated during the tax year, please supply additional information and fully complete Part-Year Resident Schedule on back of form.

Tax Year         

DATES LIVING AT EACH ADDRESS	STREET ADDRESS (No PO Box, RD or RR)	CITY OR POST OFFICE	STATE	ZIP
TO				
TO				

\*\*If you need additional space - please see back of form.

LAST NAME, FIRST NAME, MIDDLE INITIAL		SPOUSE'S LAST NAME, FIRST NAME, MIDDLE INITIAL	
STREET ADDRESS (No PO Box, RD or RR)		COUNTY	
SECOND LINE OF ADDRESS		SCHOOL DISTRICT	
CITY OR POST OFFICE	STATE	ZIP CODE	MUNICIPALITY
DAYTIME PHONE NUMBER <div style="border-bottom: 1px solid black; width: 100%;"></div>		RESIDENT PSD CODE <div style="border-bottom: 1px solid black; width: 100%;"></div>	
EXTENSION <input type="checkbox"/>		AMENDED RETURN <input type="checkbox"/> NON-RESIDENT <input type="checkbox"/>	

The calculations reported in the first column MUST pertain to the name printed in the column, regardless of whether the husband or wife appears first.  
**Combining income is NOT permitted.**

**ONLY USE BLACK OR BLUE INK TO COMPLETE THIS FORM**

☐ Single ☐ Married, Filing Jointly ☐ Married, Filing Separately ☐ Deceased

Social Security #

If you had NO EARNED INCOME, check the reason why:

- ☐ disabled

☐ student

☐ deceased

☐ military

☐ homemaker

☐ retired

☐ unemployed

Spouse's Social Security #

If you had NO EARNED INCOME, check the reason why:

- ☐ disabled

☐ student

☐ deceased

☐ military

☐ homemaker

☐ retired

☐ unemployed

1. Gross Compensation as Reported on W-2(s). (Enclose W-2s) . . . . .	.00		.00
2. Unreimbursed Employee Business Expenses. (Enclose PA Schedule UE) . . . .	.00		.00
3. Other Taxable Earned Income (see instructions) . . . . .	.00		.00
4. <b>Total Taxable Earned Income</b> (Subtract Line 2 from Line 1 and add Line 3) . . . .	.00		.00
5. Net Profit (Enclose PA Schedules) . . . . . NON-TAXABLE S-Corp earnings check this box: <input type="checkbox"/>	.00		.00
6. Net Loss (Enclose PA Schedules) . . . . .	.00		.00
7. Total Taxable Net Profit (Subtract Line 6 from Line 5. If less than zero, enter zero) . .	.00		.00
8. Total Taxable Earned Income and Net Profit (Add Lines 4 and 7) . . . . .	.00		.00
9. <b>Total Tax Liability</b> (Line 8 multiplied by ) . . . . .	.00		.00
10. Total Local Earned Income Tax Withheld as Reported on W-2(s) . . . . .	.00		.00
11. Quarterly Estimated Payments/Credit From Previous Tax Year . . . . .	.00		.00
12. Miscellaneous Tax Credits (see instructions) . . . . .	.00		.00
13. <b>TOTAL PAYMENTS and CREDITS</b> (Add Lines 10 through 12) . . . . .	.00		.00
14. <b>Refund</b> IF MORE THAN \$1.00, enter amount (or select option in 15) . . . . .	.00		.00
15. <b>Credit Taxpayer/Spouse</b> (Amount of Line 13 you want as a credit to your account) . . . <input type="checkbox"/> Credit to next year <input type="checkbox"/> Credit to spouse	.00		.00
16. <b>EARNED INCOME TAX BALANCE DUE</b> (Line 9 minus Line 13) . . . . .	.00		.00
17. <b>Penalty after April 15</b> (multiply Line 16 by ) . . . . .	.00		.00
18. <b>Interest after April 15</b> (multiply Line 16 by ) . . . . .	.00		.00
19. <b>TOTAL PAYMENT DUE</b> (Add Lines 16, 17, and 18) . . . . .	.00		.00

**Submit each W-2 and 1099 on a SEPARATE sheet.**

Under penalties of perjury, I (we) declare that I (we) have examined this information, including all accompanying schedules and statements and to the best of my (our) belief, they are true, correct and complete.

YOUR SIGNATURE	SPOUSE'S SIGNATURE (If Filing Jointly)	DATE (MM/DD/YYYY)
PREPARER'S PRINTED NAME & SIGNATURE		PHONE NUMBER



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1321011200504151300000000000000000000000000000000000
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**Part-Year Resident Schedule**

If you moved into a new taxing jurisdiction during the tax year, complete this schedule along with the information you provide on the front of your return. If you moved more than once, complete an additional Part-Year Resident Schedule.

-----

**Current Residence** \_\_\_\_\_ (street address)

\_\_\_\_\_ (Municipality, State, ZIP)

# months at this residence

*Employer* \_\_\_\_\_

Local Income \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

Withholding \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

*Employer* \_\_\_\_\_

Local Income \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

Withholding \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

Current Residence Total Income \_\_\_\_\_ Total Local Tax Withheld \_\_\_\_\_

-----

**Previous Residence** \_\_\_\_\_ (street address)

\_\_\_\_\_ (Municipality, State, ZIP)

# months at this residence

*Employer* \_\_\_\_\_

Local Income \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

Withholding \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

*Employer* \_\_\_\_\_

Local Income \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

Withholding \$ \_\_\_\_\_ / 12 months X \_\_\_\_\_ (months at this residence) = \_\_\_\_\_

Previous Residence Total Income \_\_\_\_\_ Total Local Tax Withheld \_\_\_\_\_

=====

**Philadelphia/Non-Reciprocal State Credit Schedule**

For income taxed in another state or taxed in the City of Philadelphia.

		<u><i>Philadelphia</i></u>	<u><i>Other State</i></u>
<b>Income:</b>			
Earnings and Net Profits (as defined in Line 1 and Line 5 of the instructions) taxed in another state. ....	1(a)	XXXXXXXX	_____
Total Earned Income and Net Profits Reported on Line 8 of Local Return .....	1(b)	_____	XXXXXXXX
<b>Maximum Credit Allowed:</b>			
Line 1(a) x local rate .....	2 (a)	XXXXXXXX	_____
Line 1(b) x local rate .....	2 (b)	_____	XXXXXXXX
<b>Actual Tax Paid:</b>			
Actual tax paid to other state. ....	3 (a)	XXXXXXXX	_____
Actual tax paid to Philadelphia .....	3(b)	_____	XXXXXXXX
Philadelphia Credit—Lesser of line 2(b) or Line 3(b)—enter on line 12 of local return. ....	4	_____	XXXXXXXX
<b>Additional limitation for out of state credit:</b>			
Line 1(a) x PA Income Tax Rate. ....	5	XXXXXXXX	_____
Line 3(a) minus Line 5 (Remaining credit after application to Pennsylvania State Tax) .....	6	XXXXXXXX	_____
Out of state credit—Lesser of line 2(a) or Line 6—enter on line 12 of local return. ....	7	XXXXXXXX	_____

\*If you paid both out-of-state and Philadelphia wage tax, then enter on Line 12 of the local return the lower of (Line 4 plus Line 7) or Line 2(b). Remember, your credit cannot exceed your local tax liability.

Note: Do not use this non-reciprocal schedule ITR-2 for state earned income tax paid to the reciprocating states of Maryland, New Jersey, Ohio, Virginia, West Virginia and Indiana. To recover tax paid to a reciprocating state, you must apply for a refund from the state where you paid the tax.





# W2-R ANNUAL RECONCILIATION

## Earned Income Tax Withheld from Wages



**Keystone Collections Group**  
546 Wendel Road  
Irwin, PA 15642-4582

As reported on Employer's Quarterly Return (Form E-1); with income tax withheld as shown on Withholding Statements (W-2)

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by contacting your Tax Officer.

**Year**       **Due by the Last Day of February**

EMPLOYER BUSINESS NAME (Use Federal ID Name)

EMPLOYER BUSINESS STREET ADDRESS (No PO Box, RD or RR)

SECOND LINE OF ADDRESS

CITY OR POST OFFICE

STATE

ZIP CODE

MUNICIPAL LOCATION OF BUSINESS

EMPLOYER PSD CODE

EMPLOYER ACCOUNT NUMBER

FEDERAL ID NUMBER

1. Total number of withholding statements (W-2s) accompanying this report .....																			
2. Total income tax withheld from all wages during the year as shown on (W-2s) ..... (A)	\$																		
	<b>EARNED INCOME TAX</b>		<b>Tax Paid</b>																
	Quarter ended March 31	\$																	
	Quarter ended June 30	\$																	
	Quarter ended September 30	\$																	
	Quarter ended December 31	\$																	
3. Total quarterly income tax from wages during the year as reported on Quarterly Reports ..... (B)	\$																		
<b>TOTAL</b>		\$																	
<b>Make check payable to Keystone Collections Group</b>			<b>TOTAL AMOUNT OF ENCLOSED CHECK</b>																
		\$																	
4. Any difference between A and B must be explained in attached statement. Where A and B do not agree, please remit or request refund.																			

Under penalties of perjury, I (we) declare that I (we) have examined this information, including all accompanying schedules and statements and to the best of my (our) belief, they are true, correct and complete.

PRIMARY CONTACT INDIVIDUAL (First Name, Last Name)

TITLE

PRIMARY CONTACT PHONE NUMBER

PRIMARY CONTACT EMAIL ADDRESS

SIGNATURE OF PRIMARY CONTACT INDIVIDUAL

DATE (MM/DD/YYYY)

### Instructions for W2-R Annual Reconciliation Form

1. Include municipal location of business in PA, assigned account number and Federal ID number. Include employer's full business name and street address.
2. On or before the last day of February following the close of the calendar year, file online or return the reconciliation form to appropriate Tax Officer. This form must be accompanied by CITY INCOME TAX copy of the Form W-2 for each employee from whom income tax has been withheld during tax year.
3. The total of all income tax withheld as reflected on W-2s should be entered on line 2. Total earned income tax as reported on a quarterly basis should be entered on line 3.
4. Please remit any additional monies owed when filing the reconciliation. Attach statement of explanation and include the employee name, SSN, street address, resident PSD code and amount being paid with the reconciliation.

**USE ONLY BLACK OR BLUE INK TO COMPLETE THIS FORM. USE ORIGINAL FORM - DO NOT PHOTOCOPY.**

**FILE ONLINE AT [www.keystonecollects.com](http://www.keystonecollects.com)**



Name  
Address  
City  
State  
&  
Zip

Resident PSD Code

--	--	--	--	--	--

Work Location PSD Code

--	--	--	--	--	--

Resident Municipality: \_\_\_\_\_

If you have no earned income, state the reason: retired/homemaker/  
student/disabled/temporarily unemployed/minor (state age)/other  
(please specify) \_\_\_\_\_

☐ Check here if ALL tax is withheld by employer(s).  
Do not complete information requested on Lines 1 thru 6.

**2nd QUARTER ESTIMATED Local Earned Income Tax**

Due Date: 07/31/2013

If you moved enter the effective date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Check here if address change also applies to spouse ☐**2013**

Make any corrections to NAME, STREET ADDRESS or  
RESIDENT MUNICIPALITY and check here. ☐

INCLUDE INFO IF NOT SHOWN.

- Earned Income** and/or net profits  
(*must enter amount*) April 1 thru June 30 . . . . .
- Tax Rate of \_\_\_\_\_ multiplied by line 1 . . . . .
- Employer Withheld (April 1 thru June 30 Only) . . . . .
- TAX DUE: (*line 2 minus line 3*) . . . . .
- Penalty and Interest: Line 4 multiplied by  
1.25% per month if paid after the due date . . . . .
- TOTAL PAYMENT DUE** (*add lines 4 & 5*) . . . . .

.00
.00
.00
.00
.00
.00

Payable to: **KEYSTONE COLLECTIONS GROUP**

Social Security Number

--	--	--	--	--	--	--	--	--	--

DO NOT WRITE BELOW THIS LINE

13010113002073113000000000000000000001



TRIM ALONG DOTTED LINE

Name  
Address  
City  
State  
&  
Zip

Resident PSD Code

--	--	--	--	--	--

Work Location PSD Code

--	--	--	--	--	--

Resident Municipality: \_\_\_\_\_

If you have no earned income, state the reason: retired/homemaker/  
student/disabled/temporarily unemployed/minor (state age)/other  
(please specify) \_\_\_\_\_

☐ Check here if ALL tax is withheld by employer(s).  
Do not complete information requested on Lines 1 thru 6.

**3rd QUARTER ESTIMATED Local Earned Income Tax**

Due Date: 10/31/2013

If you moved enter the effective date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Check here if address change also applies to spouse ☐**2013**

Make any corrections to NAME, STREET ADDRESS or  
RESIDENT MUNICIPALITY and check here. ☐

INCLUDE INFO IF NOT SHOWN.

- Earned Income** and/or net profits  
(*must enter amount*) July 1 thru September 30 . . . . .
- Tax Rate of \_\_\_\_\_ multiplied by line 1 . . . . .
- Employer Withheld (July 1 thru September 30 Only) . . . . .
- TAX DUE: (*line 2 minus line 3*) . . . . .
- Penalty and Interest: Line 4 multiplied by  
1.25% per month if paid after the due date . . . . .
- TOTAL PAYMENT DUE** (*add lines 4 & 5*) . . . . .

.00
.00
.00
.00
.00
.00

Payable to: **KEYSTONE COLLECTIONS GROUP**

Social Security Number

--	--	--	--	--	--	--	--	--	--

DO NOT WRITE BELOW THIS LINE

13010113003103113000000000000000000005



TRIM ALONG DOTTED LINE

Name  
Address  
City  
State  
&  
Zip

Resident PSD Code

--	--	--	--	--	--

Work Location PSD Code

--	--	--	--	--	--

Resident Municipality: \_\_\_\_\_

If you have no earned income, state the reason: retired/homemaker/  
student/disabled/temporarily unemployed/minor (state age)/other  
(please specify) \_\_\_\_\_

☐ Check here if ALL tax is withheld by employer(s).  
Do not complete information requested on Lines 1 thru 6.

**4th QUARTER ESTIMATED Local Earned Income Tax**

Due Date: 01/31/2014

If you moved enter the effective date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Check here if address change also applies to spouse ☐**2013**

Make any corrections to NAME, STREET ADDRESS or  
RESIDENT MUNICIPALITY and check here. ☐

INCLUDE INFO IF NOT SHOWN.

- Earned Income** and/or net profits  
(*must enter amount*) October 1 thru December 31 . . . . .
- Tax Rate of \_\_\_\_\_ multiplied by line 1 . . . . .
- Employer Withheld (October 1 thru December 31 Only) . . . . .
- TAX DUE: (*line 2 minus line 3*) . . . . .
- Penalty and Interest: Line 4 multiplied by  
1.25% per month if paid after the due date . . . . .
- TOTAL PAYMENT DUE** (*add lines 4 & 5*) . . . . .

.00
.00
.00
.00
.00
.00

Payable to: **KEYSTONE COLLECTIONS GROUP**

Social Security Number

--	--	--	--	--	--	--	--	--	--

DO NOT WRITE BELOW THIS LINE

13010113004013114000000000000000000004

**1341011300104301300000000000000000000000002**

#### Instructions for Form EQ-S

1. If you have one or more employees who reside in the taxing district, you are required to withhold earned income tax from earnings on a quarterly basis.
2. Return each completed EQ-S form on or before the due date. You are required to include a listing of all employees, their social security numbers, their resident addresses, gross wages and earned income tax withheld. Use Employer Quarterly Return or file online. If you have no employees to report, please submit indicating "No Employees."
3. Additional forms can be acquired from our website at [www.keystonecollects.com](http://www.keystonecollects.com) or by calling (724) 978-0300.
4. Make checks payable to **Keystone Collections Group**

- OR -

Report and pay ONLINE at [www.keystonecollects.com](http://www.keystonecollects.com)

#### Instructions for Form EQ-S

1. If you have one or more employees who reside in the taxing district, you are required to withhold earned income tax from earnings on a quarterly basis.
2. Return each completed EQ-S form on or before the due date. You are required to include a listing of all employees, their social security numbers, their resident addresses, gross wages and earned income tax withheld. Use Employer Quarterly Return or file online. If you have no employees to report, please submit indicating "No Employees."
3. Additional forms can be acquired from our website at [www.keystonecollects.com](http://www.keystonecollects.com) or by calling (724) 978-0300.
4. Make checks payable to **Keystone Collections Group**

- OR -

Report and pay ONLINE at [www.keystonecollects.com](http://www.keystonecollects.com)

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- OR -

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**TOTAL Amount Enclosed** ..... \$

Employer Federal EIN: \_\_\_\_\_ Year and Quarter: \_\_\_\_\_

[illegible]

**WHEN REPORTING MORE THAN 20 EMPLOYEES, SEE ACCOMPANYING INSTRUCTION OVERVIEW.**

## EXHIBIT "F"

Sample **Taxing Authority** Earned Income Tax Collection Report



DAUPHIN COUNTY TCC - CENTRAL DAUPHIN SCHOOL DISTRICT  
Earned Income Tax Collection Report  
May 01, 2013 - May 31, 2013

<b>COLLECTIONS AND RECEIPTS</b>		
<b>Collections</b>	<b>Monthly Total</b>	<b>Year to Date Total</b>
1. Resident EIT Received from Employers/Taxpayers within the TCD	\$4,550,315.64	\$12,420,080.02
2. Resident EIT Received from Other TCDs	\$963,660.43	\$3,797,468.43
3. Non-Resident EIT for Political Subdivisions within the TCD	\$0.00	\$0.00
4. Delinquent Earned Income Taxes Collected	\$6,179.95	\$48,219.60
5. EIT Received for Outside of School District	\$4,691,417.90	\$13,846,711.33
<b>Total Collections</b>	<b>\$10,211,573.92</b>	<b>\$30,112,479.38</b>
<b>Receipts</b>	<b>Monthly Total</b>	<b>Year to Date Total</b>
6. Investment Income	\$0.00	\$0.00
7. Costs Recovered by Tax Officer (under Act 192)	\$371.09	\$1,506.48
8. Reimbursement of Postage and / or Costs	\$0.00	\$0.00
<b>Total Receipts</b>	<b>\$371.09</b>	<b>\$1,506.48</b>
<b>TOTAL COLLECTIONS and RECEIPTS</b>	<b>\$10,211,945.01</b>	<b>\$30,113,985.86</b>
<b>DISTRIBUTIONS AND DISBURSEMENTS</b>		
<b>Distributions</b>	<b>Monthly Total</b>	<b>Year to Date Total</b>
9. EIT Distributions to School District	\$4,911,200.00	\$13,529,200.00
9a. EIT Distributions Outside of School District	\$4,691,417.90	\$13,846,711.33
10. EIT Distribution Remitted with Prior Report	\$155,174.76	\$2,047,954.32
<b>Total Distributions</b>	<b>\$9,757,792.66</b>	<b>\$29,423,865.65</b>
<b>Disbursements</b>	<b>Monthly Total</b>	<b>Year to Date Total</b>
11. Taxpayer Refunds	\$30,279.45	\$67,284.27
12. Tax Officer Commissions	\$79,515.86	\$234,185.62
13. Unpaid EIT Invoices and/or Disbursement Adjustments	\$0.00	\$0.00
14. Costs Retained by Tax Officer (under Act 192)	\$371.09	\$1,506.48
15. Postage and / or Costs Advanced	\$130.40	\$8,162.53
16. TCD Operational Fees	\$0.00	\$0.00
<b>Total Disbursements</b>	<b>\$110,296.80</b>	<b>\$311,138.90</b>
<b>TOTAL DISTRIBUTIONS AND DISBURSEMENTS</b>	<b>\$9,868,089.46</b>	<b>\$29,735,004.55</b>
<b>CASH RECONCILIATION</b>		
Cash Balance at Beginning of period	\$155,174.76	
Plus: Total Collections and Receipts for period	\$10,211,945.01	
Minus: Total Distributions / Disbursements	\$9,868,089.46	
<b>Ending Cash Balance for Period</b>	<b>\$499,030.31</b>	
EIT Distribution Remitted with Report	\$499,030.31	

# REPORT SUMMARY FOR DAUPHIN COUNTY TCC - CENTRAL DAUPHIN SCHOOL DISTRICT

			<i>Total Paid</i>	<i>Total Fees</i>	<i>School Amount</i>	<i>Keystone School</i>
<b>Payments</b>						
Tax Year 2009						
<b>Quarter</b>	3		\$297.40	\$0.00	\$297.40	\$0.00
<b>Quarter</b>	4		\$221.35	\$1.66	\$219.69	\$0.00
Tax Year 2009 Total			\$518.75	\$1.66	\$517.09	\$0.00
Tax Year 2010						
<b>Quarter</b>	1		\$17.98	\$0.00	\$17.98	\$0.00
<b>Quarter</b>	2		\$179.44	\$17.94	\$161.50	\$0.00
<b>Quarter</b>	4		\$9.76	\$0.00	\$9.76	\$0.00
<b>Quarter</b>	5		\$1,821.75	\$182.18	\$1,639.57	\$0.00
Tax Year 2010 Total			\$2,028.93	\$200.12	\$1,828.81	\$0.00
Tax Year 2011						
<b>Quarter</b>	1		\$1,014.78	\$72.12	\$942.66	\$0.00
<b>Quarter</b>	2		\$821.10	\$34.78	\$786.32	\$0.00
<b>Quarter</b>	3		\$1,182.20	\$17.57	\$1,164.63	\$0.00
<b>Quarter</b>	4		\$3,145.49	\$36.89	\$3,108.60	\$0.00
<b>Quarter</b>	5		\$602.19	\$8.74	\$593.45	\$0.00
Tax Year 2011 Total			\$6,765.76	\$170.10	\$6,595.66	\$0.00
Tax Year 2012						
<b>Quarter</b>	1		\$215,725.63	\$0.00	\$212,598.90	\$3,126.73
<b>Quarter</b>	2		\$275,215.03	\$0.00	\$271,226.43	\$3,988.60
<b>Quarter</b>	3		\$298,996.09	\$0.00	\$294,660.47	\$4,335.62
<b>Quarter</b>	4		\$1,035,229.10	\$0.00	\$1,020,217.82	\$15,011.28
<b>Quarter</b>	5		\$603,801.84	\$0.00	\$595,046.50	\$8,755.34
Tax Year 2012 Total			\$2,428,967.69	\$0.00	\$2,393,750.12	\$35,217.57
Tax Year 2013						
<b>Quarter</b>	1		\$7,578,741.67	\$0.00	\$7,468,848.01	\$109,893.66
<b>Quarter</b>	2		\$186,992.38	\$0.00	\$184,281.59	\$2,710.79



<b>Quarter</b>	3	\$7,818.81	\$0.00	\$7,705.48	\$113.33
<b>Quarter</b>	4	\$111.02	\$0.00	\$109.41	\$1.61
Tax Year 2013 Total		\$7,773,663.88	\$0.00	\$7,660,944.49	\$112,719.39
		<b>\$10,211,945.01</b>	<b>\$371.88</b>	<b>\$10,063,636.17</b>	<b>\$147,936.96</b>

#### Non-Residents

##### Tax Year 2011

<b>Quarter</b>	4	\$0.00	\$0.00	\$0.00	\$0.00
Tax Year 2011 Total		\$0.00	\$0.00	\$0.00	\$0.00

##### Tax Year 2012

<b>Quarter</b>	3	\$0.00	\$0.00	\$0.00	\$0.00
<b>Quarter</b>	4	\$0.00	\$0.00	\$0.00	\$0.00
Tax Year 2012 Total		\$0.00	\$0.00	\$0.00	\$0.00

##### Tax Year 2013

<b>Quarter</b>	1	\$0.00	\$0.00	\$0.00	\$0.00
<b>Quarter</b>	2	\$0.00	\$0.00	\$0.00	\$0.00
Tax Year 2013 Total		\$0.00	\$0.00	\$0.00	\$0.00
		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

#### Refunds

##### Tax Year 2012

<b>Quarter</b>	4	(\$23,034.45)	\$0.00	(\$22,700.60)	(\$333.85)
<b>Quarter</b>	5	(\$7,245.00)	\$0.00	(\$7,139.94)	(\$105.06)
Tax Year 2012 Total		(\$30,279.45)	\$0.00	(\$29,840.54)	(\$438.91)
		<b>(\$30,279.45)</b>	<b>\$0.00</b>	<b>(\$29,840.54)</b>	<b>(\$438.91)</b>

#### Distributions

##### Tax Year 2009

<b>Quarter</b>	3	(\$297.40)	\$0.00	(\$297.40)	\$0.00
<b>Quarter</b>	4	(\$204.75)	\$0.00	(\$204.75)	\$0.00
Tax Year 2009 Total		(\$502.15)	\$0.00	(\$502.15)	\$0.00

##### Tax Year 2010

<b>Quarter</b>	1	(\$17.98)	\$0.00	(\$17.98)	\$0.00
<b>Quarter</b>	4	(\$9.76)	\$0.00	(\$9.76)	\$0.00
Tax Year 2010 Total		(\$27.74)	\$0.00	(\$27.74)	\$0.00
Tax Year 2011					
<b>Quarter</b>	2	(\$3.30)	(\$0.05)	(\$3.25)	\$0.00
<b>Quarter</b>	3	(\$561.60)	(\$0.32)	(\$561.28)	\$0.00
<b>Quarter</b>	4	(\$1,667.61)	(\$0.42)	(\$1,667.19)	\$0.00
Tax Year 2011 Total		(\$2,232.51)	(\$0.79)	(\$2,231.72)	\$0.00
Tax Year 2012					
<b>Quarter</b>	1	(\$211,526.49)	\$0.00	(\$208,460.64)	(\$3,065.85)
<b>Quarter</b>	2	(\$259,707.18)	\$0.00	(\$255,943.41)	(\$3,763.77)
<b>Quarter</b>	3	(\$285,559.24)	\$0.00	(\$281,418.50)	(\$4,140.74)
<b>Quarter</b>	4	(\$397,589.28)	\$0.00	(\$391,823.54)	(\$5,765.74)
Tax Year 2012 Total		(\$1,154,382.19)	\$0.00	(\$1,137,646.09)	(\$16,736.10)
Tax Year 2013					
<b>Quarter</b>	1	(\$3,482,851.64)	\$0.00	(\$3,432,351.14)	(\$50,500.50)
<b>Quarter</b>	2	(\$51,270.35)	\$0.00	(\$50,526.95)	(\$743.40)
<b>Quarter</b>	3	(\$151.32)	\$0.00	(\$149.13)	(\$2.19)
Tax Year 2013 Total		(\$3,534,273.31)	\$0.00	(\$3,483,027.22)	(\$51,246.09)
		<b>(\$4,691,417.90)</b>	<b>(\$0.79)</b>	<b>(\$4,623,434.92)</b>	<b>(\$67,982.19)</b>
<hr/>					
<b>Total Collections</b>		<b>\$5,490,247.66</b>	<b>\$371.09</b>	<b>\$5,410,360.71</b>	<b>\$79,515.86</b>

<b>Total Payments</b>	<b>Total Paid</b>	<b>Total Fees</b>	<b>School Amount</b>	<b>Keystone School</b>
<b>DAUPHIN BOROUGH</b>				
2012 Totals	\$34,442.91	\$0.00	\$33,943.69	\$499.22
2013 Totals	\$51,123.44	\$0.00	\$50,381.89	\$741.55
Totals for Municipality	\$85,566.35	\$0.00	\$84,325.58	\$1,240.77
<b>LOWER PAXTON TOWNSHIP</b>				
2009 Totals	\$502.15	\$0.00	\$502.15	\$0.00
2010 Totals	\$1,831.51	\$182.18	\$1,649.33	\$0.00
2011 Totals	\$2,723.02	\$113.37	\$2,609.65	\$0.00
2012 Totals	\$995,795.05	\$0.00	\$981,356.39	\$14,438.66
2013 Totals	\$3,844,747.23	\$0.00	\$3,788,997.18	\$55,750.05
Totals for Municipality	\$4,845,598.96	\$295.55	\$4,775,114.70	\$70,188.71
<b>MIDDLE PAXTON TOWNSHIP</b>				
2011 Totals	\$15.37	\$0.22	\$15.15	\$0.00
2012 Totals	\$108,367.35	\$0.00	\$106,795.85	\$1,571.50
2013 Totals	\$239,790.51	\$0.00	\$236,313.03	\$3,477.48
Totals for Municipality	\$348,173.23	\$0.22	\$343,124.03	\$5,048.98
<b>PAXTANG BOROUGH</b>				
2011 Totals	\$222.14	\$3.93	\$218.21	\$0.00
2012 Totals	\$18,202.32	\$0.00	\$17,938.41	\$263.91
2013 Totals	\$104,682.55	\$0.00	\$103,164.55	\$1,518.00
Totals for Municipality	\$123,107.01	\$3.93	\$121,321.17	\$1,781.91
<b>PENBROOK BOROUGH</b>				
2011 Totals	(\$15.45)	\$1.90	(\$17.35)	\$0.00
2012 Totals	\$44,380.34	\$0.00	\$43,736.42	\$643.92
2013 Totals	\$102,171.19	\$0.00	\$100,690.06	\$1,481.13
Totals for Municipality	\$146,536.08	\$1.90	\$144,409.13	\$2,125.05



**SWATARA TOWNSHIP**

<b>2010 Totals</b>	\$17.98	\$0.00	\$17.98	\$0.00
<b>2011 Totals</b>	\$2,780.34	\$35.60	\$2,744.74	\$0.00
<b>2012 Totals</b>	\$796,954.30	\$0.00	\$785,399.46	\$11,554.84
<b>2013 Totals</b>	\$2,616,949.11	\$0.00	\$2,579,002.79	\$37,946.32
<b>Totals for Municipality</b>	\$3,416,701.73	\$35.60	\$3,367,164.97	\$49,501.16

**WEST HANOVER TOWNSHIP**

<b>2009 Totals</b>	\$16.60	\$1.66	\$14.94	\$0.00
<b>2010 Totals</b>	\$179.44	\$17.94	\$161.50	\$0.00
<b>2011 Totals</b>	\$1,040.34	\$15.08	\$1,025.26	\$0.00
<b>2012 Totals</b>	\$430,825.42	\$0.00	\$424,579.90	\$6,245.52
<b>2013 Totals</b>	\$814,199.85	\$0.00	\$802,394.99	\$11,804.86
<b>Totals for Municipality</b>	\$1,246,261.65	\$34.68	\$1,228,176.59	\$18,050.38

<b>Total Non-Residents</b>	<b>Total Paid</b>	<b>Total Fees</b>	<b>School Amount</b>	<b>Keystone School</b>
<b>DAUPHIN BOROUGH</b>				
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Municipality	\$0.00	\$0.00	\$0.00	\$0.00
<b>LOWER PAXTON TOWNSHIP</b>				
2011 Totals	\$0.00	\$0.00	\$0.00	\$0.00
2012 Totals	\$0.00	\$0.00	\$0.00	\$0.00
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Municipality	\$0.00	\$0.00	\$0.00	\$0.00
<b>MIDDLE PAXTON TOWNSHIP</b>				
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Municipality	\$0.00	\$0.00	\$0.00	\$0.00
<b>PAXTANG BOROUGH</b>				
2012 Totals	\$0.00	\$0.00	\$0.00	\$0.00
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Municipality	\$0.00	\$0.00	\$0.00	\$0.00
<b>PENBROOK BOROUGH</b>				
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Municipality	\$0.00	\$0.00	\$0.00	\$0.00
<b>SWATARA TOWNSHIP</b>				
2012 Totals	\$0.00	\$0.00	\$0.00	\$0.00
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Municipality	\$0.00	\$0.00	\$0.00	\$0.00
<b>WEST HANOVER TOWNSHIP</b>				
2012 Totals	\$0.00	\$0.00	\$0.00	\$0.00
2013 Totals	\$0.00	\$0.00	\$0.00	\$0.00

**Totals for Municipality**

\$0.00

\$0.00

\$0.00

\$0.00



<b>Total Refunds</b>	<b>Total Paid</b>	<b>Total Fees</b>	<b>School Amount</b>	<b>Keystone School</b>
<b>DAUPHIN BOROUGH</b>				
2012 Totals	(\$16.08)	\$0.00	(\$15.85)	(\$0.23)
Totals for Municipality	(\$16.08)	\$0.00	(\$15.85)	(\$0.23)
<b>LOWER PAXTON TOWNSHIP</b>				
2012 Totals	(\$17,246.09)	\$0.00	(\$16,996.07)	(\$250.02)
Totals for Municipality	(\$17,246.09)	\$0.00	(\$16,996.07)	(\$250.02)
<b>MIDDLE PAXTON TOWNSHIP</b>				
2012 Totals	(\$1,857.55)	\$0.00	(\$1,830.60)	(\$26.95)
Totals for Municipality	(\$1,857.55)	\$0.00	(\$1,830.60)	(\$26.95)
<b>PAXTANG BOROUGH</b>				
2012 Totals	(\$117.75)	\$0.00	(\$116.04)	(\$1.71)
Totals for Municipality	(\$117.75)	\$0.00	(\$116.04)	(\$1.71)
<b>PENBROOK BOROUGH</b>				
2012 Totals	(\$289.42)	\$0.00	(\$285.23)	(\$4.19)
Totals for Municipality	(\$289.42)	\$0.00	(\$285.23)	(\$4.19)
<b>SWATARA TOWNSHIP</b>				
2012 Totals	(\$8,345.75)	\$0.00	(\$8,224.83)	(\$120.92)
Totals for Municipality	(\$8,345.75)	\$0.00	(\$8,224.83)	(\$120.92)
<b>WEST HANOVER TOWNSHIP</b>				
2012 Totals	(\$2,406.81)	\$0.00	(\$2,371.92)	(\$34.89)
Totals for Municipality	(\$2,406.81)	\$0.00	(\$2,371.92)	(\$34.89)

<b>Total Distributions</b>	<b>Total Paid</b>	<b>Total Fees</b>	<b>School Amount</b>	<b>Keystone School</b>
<b>DAUPHIN BOROUGH</b>				
2012 Totals	(\$23,502.23)	\$0.00	(\$23,161.67)	(\$340.56)
2013 Totals	(\$23,192.45)	\$0.00	(\$22,856.01)	(\$336.44)
Totals for Municipality	(\$46,694.68)	\$0.00	(\$46,017.68)	(\$677.00)
<b>LOWER PAXTON TOWNSHIP</b>				
2009 Totals	(\$502.15)	\$0.00	(\$502.15)	\$0.00
2010 Totals	(\$9.76)	\$0.00	(\$9.76)	\$0.00
2011 Totals	(\$1,573.54)	(\$0.07)	(\$1,573.47)	\$0.00
2012 Totals	(\$269,304.60)	\$0.00	(\$265,399.66)	(\$3,904.94)
2013 Totals	(\$1,356,269.40)	\$0.00	(\$1,336,603.64)	(\$19,665.76)
Totals for Municipality	(\$1,627,659.45)	(\$0.07)	(\$1,604,088.68)	(\$23,570.70)
<b>MIDDLE PAXTON TOWNSHIP</b>				
2012 Totals	(\$13,140.52)	\$0.00	(\$12,949.88)	(\$190.64)
2013 Totals	(\$21,445.69)	\$0.00	(\$21,134.70)	(\$310.99)
Totals for Municipality	(\$34,586.21)	\$0.00	(\$34,084.58)	(\$501.63)
<b>PAXTANG BOROUGH</b>				
2012 Totals	(\$1,110.61)	\$0.00	(\$1,094.52)	(\$16.09)
2013 Totals	(\$43,601.29)	\$0.00	(\$42,969.10)	(\$632.19)
Totals for Municipality	(\$44,711.90)	\$0.00	(\$44,063.62)	(\$648.28)
<b>PENBROOK BOROUGH</b>				
2012 Totals	(\$17,946.27)	\$0.00	(\$17,685.66)	(\$260.61)
2013 Totals	(\$21,167.56)	\$0.00	(\$20,860.89)	(\$306.67)
Totals for Municipality	(\$39,113.83)	\$0.00	(\$38,546.55)	(\$567.28)
<b>SWATARA TOWNSHIP</b>				
2010 Totals	(\$17.98)	\$0.00	(\$17.98)	\$0.00
2011 Totals	(\$658.97)	(\$0.72)	(\$658.25)	\$0.00
2012 Totals	(\$546,750.92)	\$0.00	(\$538,824.20)	(\$7,926.72)

<b>2013 Totals</b>	(\$1,769,360.13)	\$0.00	(\$1,743,704.01)	(\$25,656.12)
<b>Totals for Municipality</b>	(\$2,316,788.00)	(\$0.72)	(\$2,283,204.44)	(\$33,582.84)
<hr/>				
<b>WEST HANOVER TOWNSHIP</b>				
<b>2012 Totals</b>	(\$282,627.04)	\$0.00	(\$278,530.50)	(\$4,096.54)
<b>2013 Totals</b>	(\$299,236.79)	\$0.00	(\$294,898.87)	(\$4,337.92)
<b>Totals for Municipality</b>	(\$581,863.83)	\$0.00	(\$573,429.37)	(\$8,434.46)
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**COLLECTION SUMMARY FOR DAUPHIN COUNTY TCC - CENTRAL DAUPHIN SCHOOL DISTRICT**

		<i>Total Paid</i>	<i>Total Fees</i>	<i>School Amount</i>	<i>Keystone School</i>
<b>Current Years</b>	<b>Payments</b>	\$10,202,631.57	\$0.00	\$10,054,694.61	\$147,936.96
<b>Prior Years</b>	<b>Payments</b>	\$9,313.44	\$371.88	\$8,941.56	\$0.00
<b>Current Years</b>	<b>Non-Residents</b>	\$0.00	\$0.00	\$0.00	\$0.00
<b>Prior Years</b>	<b>Non-Residents</b>	\$0.00	\$0.00	\$0.00	\$0.00
<b>Current Years</b>	<b>Refunds</b>	(\$30,279.45)	\$0.00	(\$29,840.54)	(\$438.91)
<b>Current Years</b>	<b>Distributions</b>	(\$4,688,655.50)	\$0.00	(\$4,620,673.31)	(\$67,982.19)
<b>Prior Years</b>	<b>Distributions</b>	(\$2,762.40)	(\$0.79)	(\$2,761.61)	\$0.00
<b>Total Collections</b>		<b>\$5,490,247.66</b>	<b>\$371.09</b>	<b>\$5,410,360.71</b>	<b>\$79,515.86</b>



**CENTRAL DAUPHIN SCHOOL DISTRICT  
EARNED INCOME TAX PRIOR DISBURSEMENTS**

	<b>Amount</b>	<b>Disburse Date</b>
CENTRAL DAUPHIN SCHOOL DISTRICT	\$1,360,100.00	05/03/2013
CENTRAL DAUPHIN SCHOOL DISTRICT	\$842,100.00	05/07/2013
CENTRAL DAUPHIN SCHOOL DISTRICT	\$625,500.00	05/09/2013
CENTRAL DAUPHIN SCHOOL DISTRICT	\$994,600.00	05/13/2013
CENTRAL DAUPHIN SCHOOL DISTRICT	\$626,100.00	05/16/2013
CENTRAL DAUPHIN SCHOOL DISTRICT	\$163,500.00	05/20/2013
CENTRAL DAUPHIN SCHOOL DISTRICT	\$299,300.00	05/28/2013
<b>Totals For School District</b>	<b>Total Disbursements 7</b>	<b>\$4,911,200.00</b>

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**TOTAL EARNED INCOME COLLECTIONS FOR REPORT PERIOD:**

May 01, 2013 - May 31, 2013

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**TOTAL COLLECTIONS PER MUNICIPALITY**

DAUPHIN BOROUGH		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$85,566.35	\$84,325.58	\$0.00	\$1,240.77
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$16.08)	(\$15.85)	\$0.00	(\$0.23)
Current Year	Distributions	(\$46,694.68)	(\$46,017.68)	\$0.00	(\$677.00)
LOWER PAXTON TOWNSHIP		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$4,840,542.28	\$4,770,353.57	\$0.00	\$70,188.71
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$17,246.09)	(\$16,996.07)	\$0.00	(\$250.02)
Current Year	Distributions	(\$1,625,574.00)	(\$1,602,003.30)	\$0.00	(\$23,570.70)
Prior Year	Payments	\$5,056.68	\$4,761.13	\$295.55	\$0.00
Prior Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Prior Year	Distributions	(\$2,085.45)	(\$2,085.38)	(\$0.07)	\$0.00
MIDDLE PAXTON TOWNSHIP		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$348,157.86	\$343,108.88	\$0.00	\$5,048.98
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$1,857.55)	(\$1,830.60)	\$0.00	(\$26.95)
Current Year	Distributions	(\$34,586.21)	(\$34,084.58)	\$0.00	(\$501.63)
Prior Year	Payments	\$15.37	\$15.15	\$0.22	\$0.00
PAXTANG BOROUGH		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$122,884.87	\$121,102.96	\$0.00	\$1,781.91
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$117.75)	(\$116.04)	\$0.00	(\$1.71)
Current Year	Distributions	(\$44,711.90)	(\$44,063.62)	\$0.00	(\$648.28)
Prior Year	Payments	\$222.14	\$218.21	\$3.93	\$0.00

PENBROOK BOROUGH		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$146,551.53	\$144,426.48	\$0.00	\$2,125.05
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$289.42)	(\$285.23)	\$0.00	(\$4.19)
Current Year	Distributions	(\$39,113.83)	(\$38,546.55)	\$0.00	(\$567.28)
Prior Year	Payments	(\$15.45)	(\$17.35)	\$1.90	\$0.00
SWATARA TOWNSHIP		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$3,413,903.41	\$3,364,402.25	\$0.00	\$49,501.16
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$8,345.75)	(\$8,224.83)	\$0.00	(\$120.92)
Current Year	Distributions	(\$2,316,111.05)	(\$2,282,528.21)	\$0.00	(\$33,582.84)
Prior Year	Payments	\$2,798.32	\$2,762.72	\$35.60	\$0.00
Prior Year	Distributions	(\$676.95)	(\$676.23)	(\$0.72)	\$0.00
WEST HANOVER TOWNSHIP		Total Collected	School Tax	Keystone Fees	Keystone Commission
Current Year	Payments	\$1,245,025.27	\$1,226,974.89	\$0.00	\$18,050.38
Current Year	Non-Residents	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	Refunds	(\$2,406.81)	(\$2,371.92)	\$0.00	(\$34.89)
Current Year	Distributions	(\$581,863.83)	(\$573,429.37)	\$0.00	(\$8,434.46)
Prior Year	Payments	\$1,236.38	\$1,201.70	\$34.68	\$0.00
	Total Collections	\$5,490,247.66	\$5,410,360.71	\$371.09	\$79,515.86



**TOTAL EARNED INCOME COLLECTIONS FOR REPORT PERIOD:**

May 01, 2013 - May 31, 2013

**TOTAL COLLECTIONS FOR PERIOD**

CURRENT EARNED INCOME TAX COLLECTIONS FOR PERIOD \$5,483,696.62

DELINQUENT EARNED INCOME TAX COLLECTIONS FOR PERIOD \$6,179.95

MINUS: AMOUNT PREVIOUSLY REMITTED \$4,911,200.00

MINUS: UNPAID INVOICES and/or DISBURSEMENT ADJUSTMENTS \$0.00

**TOTAL DUE TO CENTRAL DAUPHIN SCHOOL DISTRICT \$578,676.57**

MINUS: TOTAL WITHHELD BY KEYSTONE COLLECTIONS GROUP

TAX OFFICER COMMISSION \$79,515.86

POSTAGE and / or COSTS ADVANCED: \$130.40

MINUS: TCC ADMINISTRATIVE DISTRIBUTION \$0.00

**TOTAL REMITTED TO CENTRAL DAUPHIN SCHOOL DISTRICT \$499,030.31**

Keystone complies with DAUPHIN COUNTY TCC - CENTRAL DAUPHIN SCHOOL DISTRICT Deposit and Investment Policy. In accordance with the requirements for the deposit of public funds under Pennsylvania Act 72 and the Deposit and Investment Policy, Keystone deposits public funds into a collateralized (protected) account.

Keystone complies with the Agreement between Keystone Collection Group and the DAUPHIN COUNTY TCC - CENTRAL DAUPHIN SCHOOL DISTRICT and certifies that the reports of 05/31/2013 are accurate with the exception of any unforeseen inaccuracy caused by inaccurate data received from former collectors and / or Taxing Authorities.



**POSTAGE and / or COSTS ADVANCED DETAIL:**

DAUPHIN BOROUGH

Refund	2	\$0.46	05/13/2013
Refund	1	\$0.23	05/30/2013

LOWER PAXTON TOWNSHIP

Refund	46	\$10.35	05/02/2013
Refund	81	\$18.23	05/06/2013
Refund	64	\$14.40	05/09/2013
Refund	8	\$1.84	05/13/2013
Wage Card Reprints	38	\$5.02	05/15/2013
Refund	30	\$6.90	05/16/2013
Refund	20	\$4.60	05/20/2013
Refund	9	\$2.07	05/23/2013
Refund	13	\$2.99	05/28/2013
Refund	4	\$0.92	05/30/2013

MIDDLE PAXTON TOWNSHIP

Refund	8	\$1.80	05/02/2013
Refund	5	\$1.13	05/06/2013
Refund	8	\$1.80	05/09/2013
Refund	4	\$0.92	05/13/2013
Wage Card Reprints	5	\$0.66	05/15/2013
Refund	5	\$1.15	05/16/2013
Refund	3	\$0.69	05/20/2013
Refund	3	\$0.69	05/23/2013
Refund	1	\$0.23	05/28/2013

PAXTANG BOROUGH

Refund	2	\$0.45	05/02/2013
Refund	2	\$0.45	05/06/2013
Refund	2	\$0.46	05/13/2013

Refund	1	\$0.23	05/16/2013
Refund	1	\$0.23	05/30/2013
PENBROOK BOROUGH			
Refund	1	\$0.23	05/02/2013
Refund	4	\$0.90	05/06/2013
Refund	4	\$0.90	05/09/2013
Refund	1	\$0.23	05/13/2013
Wage Card Reprints	1	\$0.13	05/15/2013
Refund	4	\$0.92	05/16/2013
Refund	1	\$0.23	05/28/2013
Refund	1	\$0.23	05/30/2013
SWATARA TOWNSHIP			
Refund	22	\$4.95	05/02/2013
Refund	34	\$7.65	05/06/2013
Refund	29	\$6.53	05/09/2013
Refund	5	\$1.15	05/13/2013
Wage Card Reprints	11	\$1.45	05/15/2013
Refund	22	\$5.06	05/16/2013
Refund	4	\$0.92	05/20/2013
Refund	9	\$2.07	05/23/2013
Refund	9	\$2.07	05/28/2013
Refund	5	\$1.15	05/30/2013
WEST HANOVER TOWNSHIP			
Refund	7	\$1.58	05/02/2013
Refund	22	\$4.95	05/06/2013
Refund	18	\$4.05	05/09/2013
Refund	1	\$0.23	05/13/2013
Wage Card Reprints	7	\$0.93	05/15/2013
Refund	2	\$0.46	05/16/2013
Refund	1	\$0.23	05/20/2013
Refund	6	\$1.38	05/23/2013
Refund	2	\$0.46	05/28/2013

Refund

2

\$0.46

05/30/2013

**Totals For School District**

**\$130.40**

## EXHIBIT "G"

### References



<i>TCC and Full-time Position</i>	<i>Contact Person and TCC Position</i>
<b>Allegheny</b> County North TCC <i>Town Manager</i> <i>Town of McCandless</i>	Tobias M. Cordek TCC Vice Chairperson (412) 364-0616
<b>Allegheny</b> County Southeast TCC <i>Director of Personnel/Finance</i> <i>Municipality of Monroeville</i>	Susan Werksman Administrative Assistant (412) 856-3342
<b>Bucks</b> County TCC <i>Town Manager</i> <i>Northampton Township</i>	Robert Pellegrino TCC Vice Chairperson (267) 718-1789
<b>Bucks</b> County TCC <i>Town Manager</i> <i>New Britain Township</i>	Eileen Bradley TCC Treasurer (215) 822-1391 Ext. 102
<b>Chester</b> County TCC <i>Director of Administrative Services</i> <i>Chester County Intermediate Unit</i>	Joseph Lubitsky TCC Administrator (484) 237-5070
<b>Clarion</b> County TCC <i>Business Manager</i> <i>Redbank Valley School District</i>	Jack Loughner Chair (814) 275-2426
<b>Clearfield</b> County TCC <i>Borough Operations Manager</i> <i>Clearfield Borough</i>	Leslie Stott TCC Chair (814) 765-7817
<b>Dauphin</b> County TCC <i>Executive Director</i> <i>Dauphin County DCED</i>	August “Skip” Memmi TCC Chairperson (717) 780-6250 Ext. 2
<b>Dauphin</b> County TCC <i>Attorney</i> <i>Harrisburg</i>	Guy Beneventano, Esquire TCC Solicitor (717) 652-4600
<b>Northampton</b> County TCC <i>Director of Budget &amp; Finance</i> <i>Bethlehem City</i>	Mark Sivak Delegate (610) 865-7014



<i>TCC and Full-time Position</i>	<i>Contact Person and TCC Position</i>
<b>Washington</b> County TCC <i>Assistant Township Manager Peters Township</i>	Paul F. Lauer Chairman (724) 941-4180
<b>Washington</b> County TCC <i>Attorney Washington</i>	Susan Mondik Key, Esquire TCC Solicitor (724) 222-4520

EXHIBIT "H"

Client List



Adamsburg Borough - Westmoreland  
Aleppo Township - Allegheny  
Aleppo Township - Greene  
Allegheny Clarion Valley School District  
Allegheny Township - Clarion  
Allegheny Valley School District  
Allen Township  
Allenport Borough  
Allentown School District  
Ambridge Area School District  
Amwell Township  
Annville Township  
Annville-Cleona School District  
Ashland Township  
Aspinwall Borough  
Aston Township  
Avalon Borough  
Avella Area School District  
Avondale Borough  
Avonworth School District  
Baldwin Borough  
Bangor Area School District  
Bangor Borough  
Bath Borough  
Beallsville Borough  
Beaver Township - Clarion  
Beccaria Township  
Bedford Area School District  
Bedford Borough  
Bedford Township  
Bedminster Township  
Bell Acres Borough  
Bellevue Borough  
Ben Avon Borough  
Ben Avon Heights Borough  
Bentleyville Borough  
Bentworth School District  
Berrysburg Borough  
Bethel Township - Lebanon  
Bethlehem Area School District  
Bethlehem City  
Bethlehem Township  
Bethlehem-Center School District

Bigler Township  
Blaine Township  
Blawnox Borough  
Bloom Township  
Bloomfield Township - Bedford  
Bloss Township  
Blossburg Borough  
Boggs Township - Clearfield  
Brackenridge Borough  
Braddock Borough  
Braddock Hills Borough  
Bradford Township - Clearfield  
Bradford Woods Borough  
Brady Township - Clearfield  
Bridgeton Township  
Brisbin Borough  
Bristol Township  
Bristol Township School District  
Broad Top City Borough  
Broad Top Township  
Brookfield Township  
Brookhaven Borough  
Buckingham Township  
Buffalo Township - Washington  
Burgettstown Area School District  
Burgettstown Borough  
Burnside Township - Clearfield  
Bushkill Township  
Butler Area School District  
Butler Township - Butler  
Butler, City of  
Caernarvon Township - Berks  
California Area School District  
California Borough  
Callensburg Borough  
Calm Township  
Canon-McMillan School District  
Canonsburg Borough  
Canton Township - Washington  
Carbon Township  
Carmichaels Borough  
Carmichaels Area School District  
Carroll Township - Washington





Cecil Township  
Centennial School District  
Center Township - Greene  
Centerville Borough - Washington  
Central Bucks School District  
Central Dauphin School District  
Central Greene School District  
Chadds Ford Township  
Chalfant Borough  
Chalfont Borough  
Chapman Borough  
Charleroi Borough  
Charleroi School District  
Charleston Township  
Charlestown Township  
Chartiers Township  
Chartiers-Houston School District  
Chatham Township  
Cherry Tree Borough  
Chest Township - Clearfield  
Chester City  
Chester Hill Borough  
Chester Township  
Chestnut Ridge School District  
Cheswick Borough  
Churchill Borough  
City of Allentown  
City of Clairton  
City of Duquesne  
City of Greensburg  
City of Harrisburg  
City of Lebanon  
City of McKeesport  
Clairton City School District  
Clarion Area School District  
Clarion Borough  
Clarion Township  
Clarion-Limestone Area School District  
Clarksville Borough  
Claysville Borough  
Clearfield Area School District  
Clearfield Borough  
Clearfield Township - Butler  
Cleona Borough

Clymer Township  
Coal Center Borough  
Coaldale Borough - Bedford  
Coalmont Borough  
Coalport Borough  
Coatesville Area School District  
Coatesville City  
Cogan House Township  
Cokeburg Borough  
Cold Spring Township  
Colerain Township - Bedford  
Conewago Township - Dauphin  
Conway Borough  
Cooper Township - Clearfield  
Cornwall Borough  
Cornwall-Lebanon School District  
Corsica Borough  
Council Rock School District  
Covington Township - Clearfield  
Covington Township - Tioga  
Crescent Township  
Cross Creek Township  
Cumberland Township - Greene  
Cumberland Valley Township  
Curwensville Area School District  
Curwensville Borough  
Darby Borough  
Dauphin Borough  
Dauphin Tax Collecton District  
Decatur Township - Clearfield  
Deemston Borough  
Deer Lakes School District  
Deerfield Township - Tioga  
Delmar Township  
Delmont Borough  
Derry Township - Dauphin  
Derry Township School District  
Donegal Township - Washington  
Donora Borough  
Downingtown Area School District  
Downingtown Borough  
Doylestown Borough  
Doylestown Township  
Dravosburg Borough



Dublin Borough  
Dubois Area School District  
Dubois City  
Dudley Borough  
Duncan Township  
Dunkard Township  
Dunlevy Borough  
Duquesne School District  
Durham Township  
East Allegheny School District  
East Allen Township  
East Bangor Borough  
East Bethlehem Township  
East Bradford Township  
East Brandywine Township  
East Butler Borough  
East Caln Township  
East Coventry Township  
East Deer Township  
East Fallowfield Township - Chester  
East Finley Township  
East Goshen Township  
East Hanover Township - Dauphin  
East Hanover Township - Lebanon  
East Lansdowne Borough  
East McKeesport Borough  
East Nantmeal Township  
East Nottingham Township  
East Penn School District  
East Pikeland Township  
East Pittsburgh Borough  
East Providence Township  
East Rockhill Township  
East St Clair Township  
East Vincent Township  
East Washington Borough  
East Whiteland Township  
Eastern Lebanon County School District  
Easton Area School District  
Easton City  
Eddystone Borough  
Edgewood Borough - Allegheny  
SouthEast  
Edgeworth Borough - Allegheny North  
Elco Borough

Elizabeth Borough  
Elizabeth Forward School District  
Elizabeth Township - Allegheny  
SouthEast  
Elizabethville Borough  
Elk Township - Chester  
Elk Township - Clarion  
Elkland Borough  
Ellsworth Borough  
Elverson Borough  
Emlenton Borough  
Emsworth Borough  
Etna Borough  
Everett Area School District  
Everett Borough  
Export Borough  
Fallowfield Township  
Falls Creek Borough  
Farmington Township - Clarion  
Farmington Township - Tioga  
Fawn Township - Allegheny North  
Ferguson Township - Clearfield  
Findlay Township - Allegheny SouthWest  
Finleyville Borough  
Folcroft Borough  
Forest Hills Borough  
Forks Township - Northampton  
Fort Cherry School District  
Forward Township - Allegheny SouthEast  
Fountain Hill Borough  
Fox Chapel Area School District  
Fox Chapel Borough  
Foxburg Borough  
Franklin Park Borough  
Franklin Regional School District  
Franklin Township - Chester  
Franklin Township - Greene  
Frazer Township  
Freedom Area School District  
Freedom Borough  
Freemansburg Borough  
Freeport Township  
Gateway School District  
Gilmore Township  
Girard Township - Clearfield



Glassport Borough  
Glen Hope Borough  
Glen Osborne Borough  
Glendale School District  
Glendon Borough  
Glenfield Borough  
Goshen Township  
Graham Township  
Grampian Borough  
Gratz Borough  
Gray Township  
Green Hills Borough  
Greene Township - Greene  
Greensboro Borough  
Greensburg Salem School District  
Greenville Area School District  
Greenville Borough  
Greenwood Township - Clearfield  
Gulich Township  
Halifax Area School District  
Halifax Borough  
Halifax Township  
Hamilton Township - Tioga  
Hampton Township  
Hampton Township School District  
Hanover Township - Northampton  
Hanover Township - Washington  
Harmar Township  
Harmony Area School District  
Harmony Township - Beaver  
Harrisburg City School District  
Harrison Township - Allegheny North  
Harrison Township - Bedford  
Hawthorn Borough  
Haycock Township  
Haysville Borough  
Heidelberg Township - Lebanon  
Hellertown Borough  
Hempfield Area School District  
Hempfield Township - Westmoreland  
Highland Township - Clarion  
Highlands School District  
Highspire Borough  
Hilltown Township

Homestead Borough  
Honey Brook Borough  
Honey Brook Township  
Hopewell Borough  
Hopewell Township - Bedford  
Hopewell Township - Huntingdon  
Hopewell Township - Washington  
Houston Borough  
Houtzdale Borough  
Hovey Township  
Hummelstown Borough  
Huston Township - Clearfield  
Hyndman Borough  
Independence Township - Washington  
Indiana Township  
Irvona Borough  
Ivyland Borough  
jackson  
Jackson Township - Dauphin  
Jackson Township - Greene  
Jackson Township - Lebanon  
Jackson Township - Lycoming  
Jackson Township - Tioga  
Jefferson Borough - Greene  
Jefferson Hills Borough  
Jefferson Township - Dauphin  
Jefferson Township - Greene  
Jefferson Township - Washington  
Jefferson-Morgan School District  
Jonestown Borough  
Jordan Township - Clearfield  
Juniata Township - Bedford  
Karthaus Township  
Kennett Consolidated School District  
Kennett Square Borough  
Kennett Township  
Keystone School District  
Kilbuck Township  
King Township  
Knox Borough  
Knox Borough  
Knox Township - Clarion  
Knox Township - Clearfield  
Knoxville Borough



Lawrence Township - Clearfield	McDonald Borough
Lawrence Township - Tioga	McGuffey School District
Lawrenceville Borough	McKeesport Area School District
Lebanon School District	Media Borough
Lebanon Tax Collection District	Middle Paxton Township
Leet Township	Middlebury Township
Leetsdale Borough	Middletown Area School District
Lehigh Township - Northampton	Middletown Borough
Liberty Borough - Allegheny	Midway Borough
Liberty Borough - Tioga	Mifflin Township - Dauphin
Liberty Township - Bedford	Milford Township - Bucks
Liberty Township - Tioga	Millbourne Borough
Licking Township	Millcreek Township - Clarion
Limestone Township - Clarion	Millcreek Township - Lebanon
Lincoln Borough	Millersburg Area School District
Lincoln Township - Bedford	Millersburg Borough
London Grove Township	Millvale Borough
Londonderry Township – Bedford	Modena Borough
Londonderry Township - Dauphin	Monongahela Township
Long Branch Borough	Monongahela City
Lower Chichester Township	Monroe Township - Bedford
Lower Dauphin School District	Monroe Township - Clarion
Lower Macungie Township	Moon Area School District
Lower Mount Bethel Township	Moon Township
Lower Nazareth Township	Moore Township
Lower Oxford Township	Morgan Township
Lower Paxton Township	Morris Township - Clearfield
Lower Saucon Township	Morris Township - Greene
Lower Southampton Township	Morris Township - Tioga
Lower Swatara Township	Morris Township - Washington
Lumber City Borough	Moshannon Valley School District
Lykens Borough	Mount Gretna Borough
Lykens Township	Mount Pleasant Township - Washington
Madison Township - Armstrong	Municipality of Monroeville
Madison Township - Clarion	Municipality of Murrysburg
Mahoning Township - Clarion	Municipality of Penn Hills
Malvern Borough	Myerstown Borough
Mann Township	Napier Township
Manns Choice Borough	Nazareth Area School District
Mansfield Borough	Nazareth Borough
Marcus Hook Borough	Nelson Township
Marianna Borough	New Bethlehem Borough
Marshall Township	New Britain Borough
Mccandless Township	New Britain Township



New Eagle Borough  
New Garden Township  
New Hope Borough  
New Hope-Solebury School District  
New London Township  
New Morgan Borough  
New Paris Borough  
New Sewickley Township  
New Stanton Borough  
Newlin Township  
Newtown Borough  
Newtown Township  
Newtown Township - Delaware  
Nockamixon Township  
North Allegheny School District  
North Annville Township  
North Bethlehem Township  
North Braddock Borough  
North Charleroi Borough  
North Clarion County School District  
North Cornwall Township  
North Coventry Township  
North Franklin Township  
North Hills School District  
North Lebanon Township  
North Londonderry Township  
North Strabane Township  
North Versailles Township  
Northampton Area School District  
Northampton Borough  
Northampton Township  
Northern Bedford County School District  
Northern Lebanon School District  
Northern Tioga School District  
Northgate School District  
Norwood Borough  
Nottingham Township  
Oakmont Borough  
Ohara Township  
Ohio Township  
Osceola Mills Borough  
Osceola Township  
Owen J Roberts School District  
Oxford Area School District

Oxford Borough  
Paint Township - Clarion  
Palisades School District  
Palmer Township  
Palmyra Area School District  
Palmyra Borough  
Parker City  
Parkside Borough  
Pavia Township  
Paxtang Borough  
Pen Argyl Area School District  
Pen Argyl Borough  
Penbrook Borough  
Penn Hills School District  
Penn Township - Chester  
Penn Township - Clearfield  
Penn-Delco School District  
Pennridge School District  
Pennsbury Township  
Perkasie Borough  
Perry Township - Clarion  
Perry Township - Greene  
Peters Township - Washington  
Peters Township School District  
Philipsburg Borough  
Philipsburg-Osceola Area School District  
Phoenixville Area School District  
Phoenixville Borough  
Pike Township - Clearfield  
Pillow Borough  
Pine Township - Allegheny North  
Pine Township - Clearfield  
Pine Township - Lycoming  
Pine-Richland School District  
Piney Township  
Pitcairn Borough  
Plainfield Township  
Pleasantville Borough  
Plum Borough  
Plum Borough School District  
Plumstead Township  
Pocopson Township  
Port Vue Borough  
Porter Township - Clarion



Porter Township - Dauphin  
Portland Borough  
Putnam Township  
Quaker Valley School District  
Quakertown Borough  
Quakertown Community School District  
Radnor Township  
Radnor Township School District  
Rainsburg Borough  
Ramey Borough  
Rankin Borough  
Reade Township  
Redbank Township - Armstrong  
Redbank Township - Clarion  
Redbank Valley School District  
Reserve Township  
Reynoldsville Borough  
Rices Landing Borough  
Richhill Township  
Richland Borough  
Richland Township - Allegheny North  
Richland Township - Bucks  
Richland Township - Clarion  
Richland Township - Venango  
Richlandtown Borough  
Richmond Township - Tioga  
Ridley Park Borough  
Riegelsville Borough  
Riegelsville Borough- Northampton  
Rimersburg Borough  
Ringgold School District  
Riverview School District  
Robeson Township  
Robinson Township - Washington  
Roscoe Borough  
Rose Tree Media School District  
Roseto Borough  
Roseville Borough  
Ross Township - Allegheny  
Royalton Borough  
Rush Township - Clearfield  
Rush Township - Dauphin  
Rutland Township  
Sadsbury Township - Chester

Salem Township - Clarion  
Sandy Township  
Saucon Valley School District  
Saxton Borough  
Schellsburg Borough  
Schuylkill Township - Chester  
Scrubgrass Township  
Sellersville Borough  
Sewickley Borough  
Sewickley Heights Borough  
Sewickley Hills Borough  
Shaler Area School District  
Shaler Township  
Sharon Hill Borough  
Sharpsburg Borough  
Shippen Township - Tioga  
Shippenville Borough  
Silverdale Borough  
Sligo Borough  
Smith Township  
Snake Spring Township  
Solebury Township  
Somerset Township - Washington  
South Allegheny School District  
South Annville Township  
South Bethlehem Borough  
South Coatesville Borough  
South Coventry Township  
South Franklin Township  
South Hanover Township  
South Lebanon Township  
South Londonderry Township  
South Strabane Township  
South Versailles Township  
South Woodbury Township  
Southampton Township - Bedford  
Southeastern Greene School District  
Southern Tioga School District  
Speers Borough  
Springdale Borough  
Springdale Township  
Springfield Township - Bucks  
Springhill Township - Greene  
St. Clairsville Borough



St. Petersburg Borough	Upper Nazareth Township
Steel Valley School District	Upper Oxford Township
Steelton Borough	Upper Paxton Township
Steelton-Highspire School District	Upper Southampton Township
Stockdale Borough	Upper Uwchlan Township
Stockertown Borough	Uwchlan Township
Stowe Township	Valley Township - Chester
Strattanville Borough	Verona Borough
Sullivan Township	Versailles Borough
Susquehanna Township - Dauphin	Wall Borough
Susquehanna Township School District	Wallace Township
Swatara Township - Dauphin	Wallacetown Borough
Swatara Township - Lebanon	Ward Township
Swissvale Borough	Warminster Township
Sykesville Borough	Warrington Township
Tarentum Borough	Warwick Township
Tatamy Borough	Warwick Township - Chester
Thornbury Township - Chester	Washington City
Thornbury Township - Delaware	Washington School District
Tinicum Township	Washington Township - Clarion
Tinicum Township - Delaware	Washington Township - Dauphin
Tioga Borough	Washington Township - Greene
Tioga Township	Washington Township - Northampton
Toby Township	Wayne Township - Dauphin
Todd Township	Wayne Township - Greene
Tower City Borough	Waynesburg Borough
Trainer Borough	Wellsboro Borough
Trinity Area School District	Wellsboro Area School District
Troutville Borough	West Alexander Borough
Trumbauersville Borough	West Bethlehem Township
Turtle Creek Borough	West Bradford Township
Tussey Mountain School District	West Branch Area School District
Twilight Borough	West Brandywine Township
Twin Valley School District	West Brownsville Borough - Washington
Union School District	West Caln Township
Union Township - Clearfield	West Chester Area School District
Union Township - Jefferson	West Chester Borough
Union Township - Lebanon	West Cornwall Township
Union Township - Washington	West Deer Township
Upland Borough	West Easton Borough
Upper Chichester Township	West Finley Township
Upper Dauphin Area School District	West Goshen Township
Upper Makefield Township	West Greene School District
Upper Mount Bethel Township	West Grove Borough





West Hanover Township  
West Homestead Borough  
West Keating Township  
West Lebanon Township  
West Marlborough Township  
West Middletown Borough  
West Mifflin Area School District  
West Nantmeal Township  
West Nottingham Township  
West Pike Run Township  
West Pikeland Township  
West Providence Township  
West Rockhill Township  
West St Clair Township  
West View Borough  
West Vincent Township  
West Whiteland Township  
Westfield Borough  
Westfield Township  
Westover Borough  
Westtown Township  
White Oak Borough  
White Township - Cambria  
Whitehall Township  
Whitehall-Coplay School District  
Whiteley Township  
Wiconisco Township  
Wilkins Township  
Wilkinsburg Borough  
Wilkinsburg Borough School District  
Williams Township - Dauphin  
Williams Township - Northampton  
Williams Valley School District  
Williamstown Borough  
Willistown Township  
Wilmerding Borough  
Wilson Area School District  
Wilson Borough  
Wind Gap Borough  
Winslow Township  
Wood Township  
Woodbury Borough  
Woodbury Township - Bedford  
Woodland Hills School District

Woodward Township - Clearfield  
Wrightstown Township  
Yeadon Borough

EXHIBIT "I"

Ohio Casualty Insurance  
Company of Liberty Mutual Bond



# COPY

Interchange Corporate Center  
450 Plymouth Road, Suite 400  
Plymouth Meeting, PA. 19462-1644  
Ph. (610) 832-8240

## TAX COLLECTOR BOND

Bond Number: 601011779

**Know all men by these presents:** That we, Kratzenberg & Associates, Inc.d/b/a Keystone Collections Group as Principal and West American Insurance Company, a corporation organized and existing under the laws of the State of Indiana and authorized to transact surety business in the Commonwealth of Pennsylvania as Surety, are held and firmly bound unto Clearfield County Tax Collection Committee, as Obligee, in the penal sum of Five Hundred Ten Thousand Dollars (\$510,000.00), lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, legal representatives, successor and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the above bounden Principal has entered into a Tax Collection Agreement with the Obligee beginning 01/01/2012 and ending on 12/31/2014 (the "Term") to collect taxes (the "Agreement").

**Now, Therefore, the condition of this Obligation is such**, that, if the Principal shall well, truly and faithfully execute all of the duties required of the tax officer pursuant to: a) 53 P.S. § 6924 (d)(3) and b) the Agreement, both during the Term of the Agreement and the Maintenance Term, then this obligation shall be void; otherwise it shall remain in full force and effect.

### **Provided and subject to the following conditions precedent:**

1. This Bond is for the Term set forth above.
2. Pursuant to article V section G "Bond Continuing After Termination" of the Agreement, this Bond shall continue to cover obligations of the Principal for an additional six (6) month period following the earlier of: a) the cancellation or termination of the Agreement, or b) the date on which the Term expires (the additional six (6) month period as described above shall be referred to as the Maintenance Term). During the Maintenance Term, the penal sum set forth above shall be automatically reduced to twenty five (25%) percent of the bond amount required immediately prior to the end of the Term, for losses occurring during the Maintenance Term.
3. In no event shall the liability of the Surety exceed the penal sum of this Bond stated herein regardless of the number of years the Bond shall continue in effect or the number of claims that are made under the Bond.
4. Neither non-renewal by the Surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute a loss recoverable hereunder.
5. Any modification of this Bond, including but not limited to a change in the penal sum, the Term or any other condition of this Bond shall be accomplished through a rider issued by the Surety; such modification shall only become effective thirty (30) days after such rider is received by Obligee.

6. This Bond may be cancelled by the Surety effective thirty (30) days from the date of written notice of such cancellation to the Principal and Oblige named herein at their last known address, provided no such cancellation shall affect or abridge the liability of the Principal or the Surety to the Oblige for losses occurring prior to the effective date of cancellation or termination of this Bond.
7. This Bond shall not cover and the Surety shall not be liable hereunder for loss of any public moneys or funds occurring through or resulting from the failure of, or default in payment by, any banks or depositories in which any public moneys or funds have been deposited, or may be deposited, or placed to the credit, or under the control of the Principal, whether or not such banks or depositories were or may be selected or designated by the Principal or by other persons; or by reason of the allowance to, or acceptance by the Principal of any interest on said public moneys or funds any law, decision, ordinance or statute to the contrary notwithstanding.
8. This Bond shall be for the benefit of the named Oblige and for any other political subdivision or tax collection district for which income taxes or local services taxes shall be collected or distributed pursuant to the Agreement. Notwithstanding any language in the Agreement to the contrary, no claim can be made or asserted, directly or indirectly under this Bond for any indemnification requirements of Principal to any insurance company.
9. Any claim under this Bond must be made within one (1) year following the date of termination or cancellation of this Bond, whichever is sooner and should be sent to Liberty Mutual Surety, 450 Plymouth Road, Suite 400, Plymouth Meeting, PA 19462.

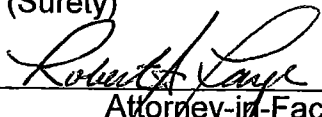
Dated this 28th day of October, 2011.

\_\_\_\_\_  
(Principal)

By: \_\_\_\_\_

**West American Insurance Company**  
(Surety)

By: \_\_\_\_\_

  
Attorney-in-Fact  
Robert S. Faye

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

CERTIFIED COPY OF POWER OF ATTORNEY  
THE OHIO CASUALTY INSURANCE COMPANY  
WEST AMERICAN INSURANCE COMPANY

No. 43-873

Know All Men by These Presents: That THE OHIO CASUALTY INSURANCE COMPANY, an Ohio Corporation, and WEST AMERICAN INSURANCE COMPANY, an Indiana Corporation, pursuant to the authority granted by Article III, Section 9 of the Code of Regulations and By-Laws of The Ohio Casualty Insurance Company and West American Insurance Company, do hereby nominate, constitute and appoint: Gary E. Faye, Robert S. Faye or Stacey L. Knupp of Ligonier, Pennsylvania its true and lawful agent (s) and attorney (s)-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all BONDS, UNDERTAKINGS, and RECOGNIZANCES, not exceeding in any single instance **TWENTY MILLION (\$20,000,000.00) DOLLARS**, excluding, however, any bond(s) or undertaking(s) guaranteeing the payment of notes and interest thereon

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Companies at their administrative offices in Fairfield, Ohio, in their own proper persons.

The authority granted hereunder supersedes any previous authority heretofore granted the above named attorney(s)-in-fact.

In WITNESS WHEREOF, the undersigned officer of the said The Ohio Casualty Insurance Company and West American Insurance Company has hereunto subscribed his name and affixed the Corporate Seal of each Company this **25th** day of **October**, 2010.



*J. Timothy D'Errico*

J. Timothy D'Errico, Assistant Secretary

STATE OF OHIO,  
COUNTY OF BUTLER

On this **25th** day of **October**, 2010 before the subscriber, a Notary Public of the State of Ohio, in and for the County of Butler, duly commissioned and qualified, came **J. Timothy D'Errico, Assistant Secretary** of THE OHIO CASUALTY INSURANCE COMPANY and WEST AMERICAN INSURANCE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn deposes and says that he is the officer of the Companies aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at the City of Hamilton, State of Ohio, the day and year first above written.



*Audria M. Coleman*

Notary Public in and for County of Butler, State of Ohio  
My Commission expires August 17, 2013.

This power of attorney is granted under and by authority of Article III, Section 9 of the Code of Regulations and By-Laws of The Ohio Casualty Insurance Company and West American Insurance Company, extracts from which read:

Article III, Section 9. Appointment of Attorneys-in-Fact. The Chairman of the Board, the President, any Vice-President, the Secretary or any Assistant Secretary of the corporation shall be and is hereby vested with full power and authority to appoint attorneys-in-fact for the purpose of signing the name of the corporation as surety to, and to execute, attach the seal of the corporation to, acknowledge and deliver any and all bonds, recognizances, stipulations, undertakings or other instruments of suretyship and policies of insurance to be given in favor of any individual, firm, corporation, partnership, limited liability company or other entity, or the official representative thereof, or to any county or state, or any official board or boards of any county or state, or the United States of America or any agency thereof, or to any other political subdivision thereof

This instrument is signed and sealed as authorized by the following resolution adopted by the Boards of Directors of the Companies on October 21, 2004:

**RESOLVED**, That the signature of any officer of the Company authorized under Article III, Section 9 of its Code of Regulations and By-laws and the Company seal may be affixed by facsimile to any power of attorney or copy thereof issued on behalf of the Company to make, execute, seal and deliver for and on its behalf as surety any and all bonds, undertakings or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment. Such signatures and seal are hereby adopted by the Company as original signatures and seal and shall, with respect to any bond, undertaking or other written obligations in the nature thereof to which it is attached, be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATE

I, the undersigned Assistant Secretary of The Ohio Casualty Insurance Company and West American Insurance Company, do hereby certify that the foregoing power of attorney, the referenced By-Laws of the Companies and the above resolution of their Boards of Directors are true and correct copies and are in full force and effect on this date.

IN WITNESS WHEREOF, I have hereunto set my hand and the seals of the Companies this **28th** day of **October**, 2011



*Mark L. Schmidt*

Assistant Secretary

To confirm the validity of this Power of Attorney call  
1-513-867-3671 between 9:00 am and 4:30 pm EST on any business day.

EXHIBIT "J"

Act 192 Resolution



**RESOLUTION NO.**

**NORTHUMBERLAND COUNTY TCD**

**A RESOLUTION OF THE NORTHUMBERLAND COUNTY TAX COLLECTION DISTRICT, NORTHUMBERLAND COUNTY, PENNSYLVANIA ESTABLISHING REASONABLE COSTS OF COLLECTION FOR DELINQUENT TAXES AND IMPOSING THE COST OF SUCH COLLECTION UPON THE DELINQUENT TAXPAYER.**

**WHEREAS**, the Local Tax Enabling Act of December 31, 1965, P.L. 1257 No. 511, commonly known as “Act 511”, provides for the collection of certain enumerated taxes in this tax collection district, including penalties for the non-payment thereof; and

**WHEREAS**, Act 192 of 2004 amended Act 511 by authorizing the cost of delinquent tax collection to be imposed against the delinquent taxpayer; and

**WHEREAS**, this tax collection district anticipates considerable expense in collecting its delinquent Act 511 taxes and further deems it to be in the best interest of the tax collection district to have the costs of these collections paid by the delinquent taxpayer.

**NOW, THEREFORE**, be it resolved and it is hereby resolved that the governing body of this tax collection district hereby establishes the following:

- (1) From and after the enactment of this Resolution, to each delinquent Act 511 tax, levy or obligation owed to any taxing authority within the tax collection district, there shall be added such costs, attorney’s fees, charges and expenses incurred in the delinquent collection process. Such additional charges shall be collected in addition to all interest and penalties as are allowed by law.
- (2) Such fees and charges shall be reasonable and the same are hereby established in a cost rate schedule as attached herein and made a part hereof as Schedule “A”. Said schedule of costs is hereby deemed to be reasonable, fair and necessary in order to allow the tax collection district to collect such sum due. This schedule may be amended from time to time by resolution of the governing body of this tax collection district.
- (3) Any entity empowered to collect sums on behalf of the tax collection district is directed to add such costs of collection as are incurred to the

extent allowed as set forth in Schedule "A". Such entity shall be entitled to retain an amount equal to such sums from delinquent collections. Such sums collected pursuant to this Resolution shall be in addition to any tax penalty, interest or other costs already part of the delinquent account or assessment.

- (4) Any Resolution in conflict with this Resolution shall be deemed to have been repealed to the extent of that conflict. If any portion of this Resolution is deemed to be void, unenforceable or unconstitutional, then it is the intent of the governing body of this tax that it would have enacted the balance of this Resolution irrespective of said invalid portion.
- (5) This Resolution shall become effective this \_\_\_\_\_ day of \_\_\_\_\_.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

ATTEST:

NORTHUMBERLAND COUNTY TCD

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_

**COSTS OF COLLECTION TO BE IMPOSED AND ADDED  
TO DELINQUENT TAX**

**TAXPAYER NOTIFICATION AND ADMINISTRATION**

1)	Taxpayer late filing or underpayment notice.	\$10.00
2)	Employer late filing notice or underpayment penalty notice for quarterly or annual earned income tax or local services tax return. 10% of the tax, penalty and interest due—minimum charge \$50.00.	\$50.00
3)	Delinquent account servicing fee, including records imaging or other detailed recordkeeping, office staffing, computer equipment and software, office space, telephone, printing and imaging equipment, supplies and postage used to generate delinquent notices and to establish monthly payment plans—10% of tax, penalty and interest due—minimum charge \$50.00	\$50.00
4)	Partial payment fee—where payment received does not pay account in full.	\$3.00
5)	Fee for check returned from bank (NSF, Acct. Closed, etc).	\$29.00
6)	Notice of intent to file civil suit	\$50.00

**WAGE ATTACHMENT**

1)	Taxpayer notice prior to wage attachment	\$25.00
2)	Employer wage attachment notice.	\$25.00

**LITIGATION**

1)	Prepare Magisterial District Court complaint.	\$75.00
2)	Prepare for Magisterial District Court hearing.	\$100.00
3)	Attend Magisterial District Court trial or hearing.	\$150.00
4)	Attend Constable execution sale.	\$350.00
5)	Prepare Arbitration complaint/appeal.	\$150.00
6)	Attend Arbitration trial.	\$350.00
7)	Enter default judgment.	\$150.00
8)	Issue Sheriff Writ of Execution.	\$250.00
9)	Attend Sheriff sale.	\$250.00
10)	Non-litigation legal work.	\$70.00/hr
11)	Litigation legal work.	\$80.00/hr
12)	All other clerical work not itemized above.	\$50.00/hr