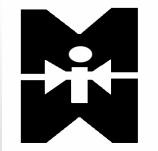


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**MITCHELL/MARTIN, INC.**

**VENDOR MANAGEMENT  
PAYROLL SERVICES**



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## **THE CAPABILITY AND RESOURCES TO HANDLE PAYROLL SERVICES**

Mitchell/Martin Inc. (MMI) has been providing Payroll Services to Fortune 100 clients for the past 10 years. Our payroll services are concentrated within the Information Technology departments of these clients. As a provider of payroll services to the financial services IT community, we understand the large role played by Third Parties, Independent Contractors and manager sourced candidates. Our understanding of the critical role played by contractors and the importance of keeping the contractor focused on the project objectives is our differentiator within the payroll business. MMI's Finance Department of 7 and the Customer Care Team of 5 currently process 600 consultants biweekly..

## **INDEPENDENT CONTRACTOR –VS- THIRD PARTY FIRM**

There are a number of ways to determine whether a consultant is from a Third Party or is an Independent Contractor. Independent Contractors are normally 1 person companies that employ only the principal of the company and carry the basic minimum insurance needed to be compliant. MMI will not engage any 1099 Independent Contractors, we only accept contractors that have a valid corporation and Federal ID number. In general, Third Party companies employ candidates that are restricted by visa issues and employment eligibility. Third party companies have staff, billing departments, general liability, workers' compensation and disability insurances, share visa information and are the employer of record. To avoid any co-employment or compliance issues, Mitchell/Martin Inc. has the same contract and payment terms for both Third Parties and Independent Contractors.

## **NO ADDITIONAL RESTRICTIVE COVENANTS**

MMI, would NOT dictate restrictive covenants in our contract with Third Party vendors or other contractors prohibiting other work to be done at your company outside of our standard contract.

## **SERVICE CONTINUITY & ASSURANCE**

MMI has transparency built into our master services agreements with our subcontractors and Third Party companies. Should the Third Party be found to be negligent in its responsibility to pay their contractors, MMI would step in and take over the resources to make sure the contractor gets paid and your company will not suffer any interruption in service. Our Master Services Agreement includes the following clause:

*Subcontractor warrants that it will render professional quality services that conform to generally accepted industry practices. In the event that subcontractor is found to be negligent in paying their employee to the point that it interferes with MMI client's ability to do business, MMI will take over the responsibility of paying that employee and become the employer of record for that employee.*

## **RAPID NEW CLIENT SET UP**

The transition period on setting up your company as a new client for Mitchell/Martin Inc. can be accomplished within one week. Once an agreement is signed, a certificate of insurance naming your company as additionally insured is issued and our Customer Care team will be prepared to on-board any new contractors.

## CENTRALIZED US BASED OPERATIONS

MMI has a centralized timesheet and accounting team located in our New York City headquarters. All timesheets, related payments to consultants and client invoicing are all managed from this centralized location.

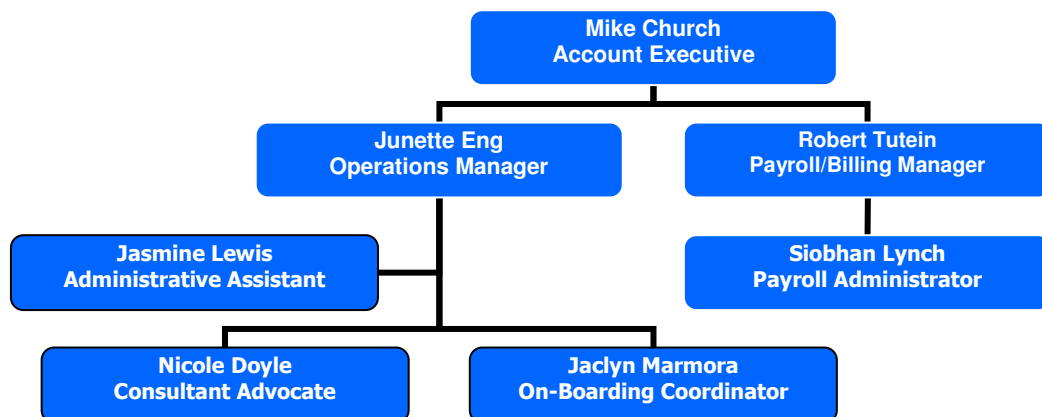
Consultants submit their time to MMI in a variety of methods. Often our clients have proprietary time entry and tracking systems along with a self invoicing process. In these cases, all consultants are required to comply with client needs and enter their time into the client system. MMI can also accommodate traditional manual time sheets with managers' approvals. MMI has set a dedicated email account [pay@itmmi.com](mailto:pay@itmmi.com) to receive all timesheets and invoices and this email account is monitored by a member of the payroll staff.

Our W2 consultants are required to submit timesheets on a biweekly basis. All of our Independent Contractors and Third Party companies are required to submit copies of their timesheets along with formal invoices as a way to mitigate co-employment risk.

## DEDICATED ACCOUNT MANAGEMENT

Each account has an account manager along with the Customer Care team dedicated to on-boarding, timesheets, benefits and other human resource issues are available to the contractors at all times. Junette Eng, Jaclyn Marmora and Nicole Doyle will assist with the on-boarding process as well as answer any ongoing questions such as benefits or other employment questions that the contractors may have. Robert Tutein and Siobhan Lynch will be the key contacts for payroll, invoicing and accounts payable/billing questions.

### MMI CUSTOMER CARE TEAM



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## **CUSTOMIZED INVOICING**

MMI has the ability to generate invoices using a variety of methodologies based on the specific needs of our clients. You have requested a consolidated Monthly statement which we can easily accommodate. The bill rate will be inclusive of all charges including consultant cost, overhead, payroll taxes and mark-up. It is anticipated that we will supply a consolidated invoice approximately the 15th of the month for the previous month and included will be copies of all associated manager approved timesheets.

## **MULTISTATE COMPLIANCE**

MMI has very strict policies regarding the Payroll Tax regulations as we want to minimize all co-employment liability issues for both ourselves and our clients.

MMI deducts all required Income Tax withholdings and OASDI and Medicare taxes from our W2 consultants' paychecks. In addition, MMI pays all employer OASDI and Medicare taxes, state Unemployment, Federal Unemployment, Disability and Worker's compensation for all W2 employees.

For Independent Contractors with their own corporations or Third Party Companies we have signed contractual relationships with them that clearly state they are responsible for all employment related issues including payroll taxes as well as carry their own corporate insurance and workers compensation coverage.

In terms of Sales Taxes, MMI charges and collects sales taxes in those jurisdictions that require it. In the NY-Tri-State area, the only state that requires sales taxes collection is Connecticut and this is based on where the services are provided. MMI is merely a conduit where sales taxes paid by clients are forwarded to the appropriate state agency upon payment by the client and as required by individual state regulations.

## **DIRECT DEPOSIT**

Yes, MMI can offer direct deposit to all its consultants. The direct deposit process takes about two biweekly cycles to establish since we follow a "pre-note" process. The pre-note process is where we send a test deposit to the consultant to ensure all deposits will be made flawlessly. During the pre-note process, the consultant would be mailed a check for the first two payroll cycles, after that all payroll payments are made by direct deposit. This applies to W2 consultants, Independent Contractors and Third Party firms.

## **BI WEEKLY PAY**

The table below outlines our current payment schedule terms to our Payroll Services consultants.

<u>CONSULTANT TYPE</u>	<u>CURRENT PAYMENT TERMS</u>
W2 consultants	These consultants are paid on a biweekly basis.
Independent contractors (Corp to Corp Basis)	These consultants are paid on a biweekly basis.
Third Party Firms	These consultants are paid on a biweekly basis.

## **WHEN DO PAYROLL STATEMENTS START?**

<u>PAYROLL STATEMENT TYPE</u>	<u>START</u>
W2 consultants	<ul style="list-style-type: none"><li>a) First Check issued 4 days after timesheet submissions – see time sheet process question 7.</li><li>b) First Direct deposit – third “paycheck” will be direct deposit.</li></ul>
Independent contractors (Corp to Corp Basis)	<ul style="list-style-type: none"><li>a) First Check issued 4 days after timesheet submissions – see time sheet process question 7.</li><li>b) First Direct deposit – third “paycheck” will be direct deposit.</li></ul>
Third party Firms	<ul style="list-style-type: none"><li>a) First Check issued net 30 days after timesheet submissions – see time sheet process question 7.</li><li>b) First Direct deposit – third “paycheck” will be direct deposit.</li></ul>
Invoicing statements	<ul style="list-style-type: none"><li>a) Invoicing would begin on the 16th of the month, for the previous month.</li></ul>

Consultants who are either W-2 hourly or salaried employees of MMI can elect medical/dental insurance, vacation days and 401K coverage. Any benefit elect by consultants would have no additional cost to you. MMI offers no benefits to third party consultants or Independent Contractors paid on a corp. to corp. basis.

## **CUSTOMIZED MANAGEMENT REPORTS**

MMI can provide a multitude of reports including billing summaries sorted by dept/cost center number or consultant name, or by time period. In addition, MMI has experience in doing reporting for other clients including rate compliance or diversity tracking. MMI has invested heavily

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in its back office systems in order to provide customize reporting to our clients at no additional charge.

### **RAPID RESOLUTION**

MMI has a formal resolution process set up through [help@itmmi.com](mailto:help@itmmi.com). In addition to an assigned representative, a dedicated customer service portal is monitored in real time by the Customer Care Team. Once a Payroll, Invoice or Human Resource issue is emailed to the portal, a Customer Care Representative immediately responds with a commitment that MMI will resolve this issue within 48 hours. A dedicated Customer Care representative will route the issue through MMI to the appropriate department and see the problem through to resolution. Once the problem has been resolved, the contractor is contacted via email and or phone that the problem has been resolved.

All contractors will be given the email and phone numbers of the Customer Care team when they sign up with MMI as part of our on-boarding process. Informally, the Customer Care team can be contacted at any time to answer questions or provide guidance to the contractors should the need arise.

### **MITCHELL/MARTIN, INC. AT A GLANCE**

Established in 1984, MMI specializes in the recruitment and selection of Information Technology professionals. We have provided staff augmentation, permanent placement, temp to perm and payroll services to Fortune 500 clients for over 24 years. Headquartered on Wall Street in New York City, 70% of our business is in the financial and investment banking community. We are on the preferred vendor lists of clients including Citigroup, Credit Suisse, New York Stock Exchange, Deutsche Bank, UBS, Lehman Brothers, Bear Stearns, Northern Trust, TIAA, HSBC, Morgan Stanley and Bank of America.

Although much of our business is in the NYC Tri-state area, we service our clients throughout the United States. Approximately 35% of our business is outside the New York Tri-state area and is serviced by our corporate offices at 80 Wall Street, Suite 1215, New York, NY 10005.

Eugene Holtzman is the founder and President of MMI. Michael Church is a Vice President of Client Managed Services and leads our Payroll Services Team. Joseph Schimpf is our CFO overseeing all Accounting and Kevin Case is our COO supporting all operational issues at MMI. The Custom Care team consists of Junette Eng, a 10 year veteran of MMI who heads up our Customer Care Team, Jaclyn Marmora who is our On-Boarding Specialist and Nicole Doyle who is the primary contact for all Customer Care issues. Also supporting Payroll/Billing and Invoicing is Robert Tutein, who has 11 years of processing payroll and accounting for MMI. Robert is supported by Siobhan Lynch.

For over 10 years, MMI has offered Payroll Services to all of its clients as part of our total account services. MMI currently offers Payroll Services to: Citigroup, Deutsche Bank, Credit Suisse, UBS, Bear Stearns and others. The current Payroll Service was started by Mike Church in 1995 allowing clients to rehire past employees and manager sourced candidates while using MMI as a conduit to employ consultants without having the liability of hiring them directly. MMI is the employer of record for all payrolled W-2 consultants and the agency of record for all I/C's as well.

MMI's dedicated Consultant Care Team is responsible for on-boarding, orientation and all Human Resource issues for payrolled consultants. MMI also maintains a help desk for any issues regarding benefits, payroll, taxes and human resources.