

River City Bank  
Tax Division Administrative Guide



Your guide to the program, bank products, services, and procedures of River City Bank's Tax Division.

Revised 11/7/2013

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The contents of this guide are subject to change at any time without prior notice.



## River City Bank Tax Division

River City Bank's Tax Division would like to welcome you to another promising and profitable tax season. We have worked hard to make sure that this will be another successful year. We are pleased that you have chosen River City Bank as the provider of your tax refund related bank products. Our goal is to provide you and your clients with the best customer service in the business while offering a timely, cost-effective and competitive product. We take great pride in our customer service and truly believe that a prosperous operation begins and ends with the flexibility and communication provided by our customer service staff!

### Staff

Our staff has many years of experience in the bank product industry and is able to provide quality service that your office can depend on. We pride ourselves on our dedication to quality customer service. When you call, a live representative will always answer the phone and help you with any questions or issues you are experiencing.

During the month of December, our customer service hours are 8am-4pm EST. As tax season nears, our hours are extended to accommodate your busy tax season schedule. If you reach us after hours, you may leave a message and we will call you back the following morning.



## Communicating with the Bank

We hope this administrative guide will help you understand our program and provide a quick reference for you to use during tax season. However, we encourage you to contact the bank any time you need assistance.

**Phone** (888) 820-7848

(270) 547-5151

**Check Info Line** (866) 730-2274

**Fax** (800) 896-9793

(270) 547-4403

**Website** [www.rcbtaxdivision.com](http://www.rcbtaxdivision.com)

### **Mailing Address**

River City Bank  
PO Box 389  
Irvington, KY 40146

### **Shipping Address**

River City Bank  
303 Hillview Drive  
Irvington, KY 40146

Customer service can be emailed at [csr@rcbtaxdivision.com](mailto:csr@rcbtaxdivision.com). When sending emails to the bank, NEVER include social security numbers or any other sensitive data; email is *not* secure.

River City Bank will send communications to your office by email informing you of program changes, office hours, and other memos to keep you informed with what is happening at the bank. The bank will also send you notices by mail of important actions that need to be taken. There are a range of administrative tasks that may require the bank to contact you by phone or fax. For this reason it is imperative that you have access to both a phone and fax machine and ensure that the bank is always able to contact you during normal business hours.

## Getting ready for tax season

### River City Bank's online ERO account

A new provision for 2014 is that every ERO must create an online ERO account through [www.rcbtaxdivision.com](http://www.rcbtaxdivision.com) before the season begins. This online account will be used for completion of the Compliance Training and Exam. Additionally, it will allow you access to status reports and other forms that may be needed throughout the season. From the Home page of the website, click on "Enrollment" then "New ERO Enrollment" to setup your online ERO account. If you created an account last year, you may click on "Login" and use the same account information which you setup last year.

### River City Bank's Tax Division Agreement

During the enrollment process, you were required to execute the River City Bank Tax Division Agreement electronically when you submitted your ERO Application. You will be mailed a copy of the executed agreement for your records.

### Storing check stock

The check stock mailed to you must be kept secure. Adequate precautions must be taken to ensure the check stock cannot be accessed by unauthorized persons. Only appropriately trained employees should have access to the check stock. You may be held liable for the loss or theft of those materials.

### Placing your marketing materials

Marketing materials must be ordered online using your ERO online account. Once you have logged into your account, you may access the "Marketing Materials" order form link below the "ERO Account" tab. Marketing materials will NOT automatically be sent to your office however many materials are still available at no cost to you. All orders should be placed no later than December 2, 2013 to ensure shipment before tax season begins. As always, please verify with your federal, state and local regulatory agencies, that you are displaying marketing materials regarding bank services in a manner that follows any applicable laws in your area. Any materials that are not provided by the Bank that discuss ANY information, directly or indirectly, about the Bank or bank products must be sent to the Bank for approval prior to use. The Bank will ensure that all information is disclosed in an appropriate manner and that no UDAAP (Unfair, Deceptive or Abusive Acts or Practices) issues are present within the material. Following are examples of practices that are potentially deceptive: making misleading cost or price claims, using bait-and-switch techniques, offering to provide a product or service that is not, in fact, available, omitting material limitations or conditions from an offer, selling a product unfit for the purposes for which it is sold and

failing to provide promised services. UDAAP is further defined in the Regulation Training section of this guide.

### Setting up your software

If you are a direct e-filer and require the use of the River City Bank Remote software to submit bank products, you will download the 2013 River City Bank Remote using your RCB online ERO account. Simply follow the on-screen prompts to complete the installation. After installing the software, activate the program and test your communications. Installation of the software is not required if you will be printing checks in your tax preparation software.

If you are printing checks through your tax software but wish to use the Remote for reporting purposes, you must have indicated such on your ERO Application. You may contact technical support to ensure your account is set up properly and that you have completed the steps required to activate your software.

### Training tutorial and exam

The bank provides a training tutorial to better inform you of the bank's policies and procedures. Each employee in your office who will be working with customers to explain bank products, complete bank applications and who will interact with the bank on the phone should view this tutorial and complete a brief exam over the topics discussed. Anyone who has been assigned a PTIN and will be transmitting bank applications to the bank with that PTIN must complete the training and compliance exam. If applications are received from PTINs that have not taken the exam, your office may be restricted from sending additional applications until the exam is complete. Viewing the tutorial and taking the exam will take approximately one hour.

The tutorial and exam may be accessed via your RCB online ERO account at <https://enroll.rcbtaxdivision.com/default.aspx>. If you have already created your online account, you will click "**LOGIN**" and follow the prompts to access the training and exam. If you have not yet created an account, you must do so to complete the training and exam by clicking "**Sign Up**". After completing the exam, you can print the results page for your records. Your results will be automatically registered at the bank. If you have difficulty and do not pass the exam, you may review the tutorial and this guide and take the test again. It is important that this test be completed by every applicable person in your office before the season begins. Should there be a change in employees working in your office who deal with River City Bank products, please contact the bank to ensure that the new employee completes training and the compliance exam.

## Responsibilities of an ERO

As an ERO, you have many responsibilities to your customers and to the bank. Many of these are outlined in the Tax Division Agreement. The following is a list of basic things the bank expects EROs to be proactive and compliant with.

### Compliance with Bank procedures

In order to comply with FDIC regulations, to better help your customers understand the products they are applying for, and to help you understand the data that must be collected to facilitate their application, the bank expects you to familiarize yourself with bank procedures. These procedures are in place to ensure compliance with bank regulations, including the Truth in Savings Act, Bank Secrecy Act, Electronic Funds Transfer Act, Gramm–Leach–Bliley Act, and USA Patriot Act, among others.

### Due diligence

The bank expects you to follow the due diligence guidelines set forth by the IRS to ensure the tax returns you are completing are accurate. This includes making adequate efforts to verify the eligibility of dependents, requiring proper documentation for income, credits, and deductions, and taking other reasonable precautions to verify your customers' data.

### IRS compliance

The bank expects your office to remain in full compliance with all the regulations of the Internal Revenue Service and to follow the guidance and advice issued by the agency in their circulars, handbook, and other documentation. You should notify the bank if any preparer in your office is assessed preparer penalties, had their EFIN revoked or suspended, or any other adverse action taken against them by the IRS.

### Explaining products to the customer

When working with your customers, it is important to explain all their options for obtaining their refund, including methods that do not involve a bank product such as a direct deposit or a check by mail. It is important that they understand that by choosing a direct deposit from the IRS to their personal bank account they will receive their refund just as quickly as with a bank product.

For customers applying for a bank product, be sure they understand they are opening a temporary special use bank account and paying a fee for that service. Explain that a bank product will allow preparation fees to be collected from their refund. Also, explain that if they do not have a bank account, an ERC would allow them to receive their



refund a week or more sooner than waiting for a check to be mailed to their home, and that the IRS typically deposits refunds three to fourteen days after filing their taxes. Ensure the customer understands that the timing of the refund payment is not guaranteed. The timing of their deposit depends on factors that are determined by the IRS during the processing of their return.

### Fully completing applications

You must ensure you are fully completing your customers' bank applications and following proper procedures when doing so. This includes following the customer identification program, properly recording identification information, providing proper contact information, ensuring completion of the application and River City Bank Deposit Account Agreement and ensuring that the customer is provided with the River City Bank Disclosure Booklet. You must also sign the customer's River City Deposit Account Agreement, confirming you have followed appropriate procedures and have verified the customer's identity with the IDs that were provided. Instructions for the proper procedures to follow when completing applications, the account agreement and verifying IDs can be found on pages 16, 17, 21, 22 and 23 of this guide.

### Providing timely service

It is your responsibility to the customer to provide a timely service. This includes e-filing your tax returns on a regular schedule, following up on bank product applications via your reports to ensure they were received by the bank, and printing and disbursing checks to your customer in a timely manner. If you have to close your office for an extended period of time, or become unable to process your customers' applications, or disburse their checks for any reason, contact the bank to make arrangements for your customers to continue receiving checks by mail.

### Maintain communication with the bank

If your office is not open every business day, provide alternate contact information to the bank so you may be reached on the days your office is not open. Regularly check your messages and emails for communication from the bank, and always keep an open line of communication so the bank can contact you as needed. You should always contact the bank as soon as possible to update any changes in address, phone number or ownership information. If the bank is regularly unable to contact you, you may be removed from the program.

### Customer Complaints

Should any customer or potential customer forward a complaint, formally or informally, to the ERO relating to a River City Bank account or product in any regard, the customer should be advised to contact the Bank. All customer complaints will be resolved by the Bank in a timely manner.

### Distribution of disclosures

The River City Bank Disclosure Booklet includes important disclosures relating to Truth in Savings, Electronic Fund Transfer, Privacy of Consumer Financial Information and Funds Availability, among other regulations. The ERO is responsible for providing **EVERY** River City Bank customer with this disclosure booklet prior to the application being transmitted and prior to the customer signing the River City Bank Deposit Account Agreement. Additionally, distribution of the customer's Statement of Activity upon receipt of their check is also required and **MUST** be provided to the customer at that time. Customer's receiving a Refund Electronic Transfer (RET) will be mailed a Statement of Activity when their refund has been direct deposited to their designated personal bank account.

A copy of the River City Bank Disclosure Booklet should be provided to any consumer, upon request of any disclosures, terms or any other information regarding a River City Bank Deposit Account.



## Fraud Prevention and Data Protection

River City Bank expects all EROs to follow the fraud prevention guidance included in the IRS [Handbook for Electronic Filers of Individual Income Tax Returns](#) and the data protection guidance in the IRS publication [Safeguarding Taxpayer Data](#). In addition to the IRS guidance, the bank also provides guidance for protecting customer data in compliance with regulations established in the Gramm–Leach–Bliley Act of 1999.

### Scrutinize W-2s

Look closely at your customers' W-2 forms to see if they are noticeably altered: erasures, hand-written entries, or unusual marks can be indicative of a fake W-2. When presented with W-2s with unusually high withholding or W-2s that are different than those typically seen from a particular employer, it could be a sign of a fake W-2. In such cases, the bank recommends you contact the issuer of the W-2 to confirm its validity or report the W-2 to the IRS and the bank before filing the return.

### Unusual activity

If the same person accompanies multiple people to your office or if multiple customers have W-2 data with identical or similar information, it can be a sign that a fraud ring is attempting to exploit your office's services. Be wary of customers who ask you to complete their taxes using only their paystub; the IRS prohibits filing tax returns before the customer can supply copies of all their W-2s and other official income statements.

Do not accept and file pre-prepared tax returns from other tax preparers. In many cases EROs requesting you to do this are under IRS sanctions or have been barred from e-filing because of their practices. Never submit any return for a bank product unless you have personally completed the customer's return, personally interviewed the customer and witnessed them signing their paperwork. If at anytime you notice such unusual activities, promptly contact the bank so the situation can be investigated and applications can be thoroughly reviewed.

### Require documentation

You should always require customers to present documentation to support claims being made on their tax return. Schedule A deductions and Schedule C income and expenses are of particular importance to verify, along with all credits the customer seeks to claim. If your customer is unable to provide documentation to substantiate their claims, then appropriate action should be taken in accordance with the IRS Handbook.

▶ Reviewing Tax Returns

If you operate an office with multiple tax preparers, ensure that you or a staff member in your office are regularly reviewing tax returns. Fraud rings sometimes attempt to infiltrate existing offices by getting one of their members hired as an employee and working to submit fraudulent returns on their behalf. In extreme situations, these fraud rings will be using stolen identities and false documentation to submit mass numbers of fake returns in a short period of time. If you see suspicious activity like this occurring, such as returns being filed for customers who you don't recall visiting your office, be sure to investigate and notify the bank immediately.

▶ Protecting records

Tax preparation offices can be the target of identity theft. Because of this, it is important that adequate precautions are taken to protect your customers' sensitive data. Though the River City Bank Deposit Account Agreement that is signed by the customer does not contain sensitive customer information, it should still be kept secure.

Equally important is securing your customers' electronic data. Proper security measures must be taken to prevent unauthorized access of your computers and data networks. Your PCs must be running anti-virus software. Be wary of installing software from the internet and limit web browsing on work PCs. Only allow authorized employees to access your workplace PCs and internet. Media on which customer records are stored should be kept secure and only accessible by authorized employees. Customer data must be password protected, using firewalls where appropriate, and network hardware should be kept in modes where unauthorized devices are not permitted to join the network. Offices with multiple computers should consider having a networking professional to audit their network security. You or your business can be held liable by your customers if their data is compromised.

You must also take care when disposing of documents with sensitive information and unused River City Bank Disclosure Booklets and checks. Bank documents must be destroyed beyond recognition by utilizing a method such as shredding or burning.

If you are unable to maintain the security of your customers' records, you should return bank records to the bank where they can be properly stored. In any event that your customers' bank records have been or may have been compromised, it is imperative that you immediately contact the bank so proper action can be taken.

## Bank Products

### Electronic Refund Check (ERC) and Refund Electronic Transfer (RET)

When a customer applies for a bank product, the bank will open a special use account to receive the customer's tax refund from the IRS. Once the IRS deposits the refund at the bank, all preauthorized fees including tax preparation fees, tax software transmission fees, and bank fees are deducted from the refund and paid to the appropriate entity which charged the fee. The bank will then disburse the remainder to the customer based on their product selection.

An ERC is designed for a customer without a personal bank account. The customer can choose to have a check for the balance of their refund printed at your office, or the balance can be disbursed to a prepaid debit card you issue to the customer at the time they file their return.

A RET is designed for customers with a personal bank account. With a RET, the bank will deposit the balance of the customer's refund into the customer's personal bank account.

The bank charges a \$32.95 fee for a federal bank product. There are additional fees associated with a prepaid debit card, but those fees are not deducted from the disbursement amount. Consult The XR Card fee schedule for more information.

### State Products (SERC & SRET)

State refunds can be processed by the bank and disbursed to customers as either a check or direct deposit. The disbursement will occur in the same manner as the customer chose for their federal refund. The bank charges a \$9.95 fee for this service.

An ERO can elect to have tax preparation fees withheld from their customer's state refunds. EROs can make this decision when completing their ERO application or by contacting the bank at any time.

### Timing

The IRS advises taxpayers that they should receive their refund within 21 days of filing their tax return. There are always exceptions and the IRS can delay the payment of any refund for various reasons. The timing of the refund payment is not guaranteed. The timing of their deposit depends on factors that are determined by the IRS during the processing of their return.

## Fees

### Bank fees

All bank fees are collected from your customer's tax refund. The bank will only charge fees for the refunds received: for example, if only a state refund is received, only a state fee will be charged; if only a federal refund is received, only a federal fee will be charged.

### Software provider fees

Most tax software providers charge fees to customers applying for bank products. The amount of fees vary between companies and are typically broken down as a *Technology Access Fee* and a *Bank Product Transmission Fee*. The fees will be withheld from the customers' refunds and paid directly to your software provider. Check with your software provider for the details and amounts of these fees.

### Preparer Fees

State laws prevent the charging of facilitation or document preparation fees. Only fees directly related to the preparation of the tax return are permitted to be charged from the customer's refund check.

## Bank Product Requirements

To qualify for any bank product applicants must:

- Be at least 18 years of age (both applicants on joint returns)
- Present two forms of valid identification in compliance with the bank's Customer Identification Program
- Provide a physical street address on the bank application
- Have at least one working contact phone number (i.e.; home, work, nearest relative)
- Have their ERO witness their signature on the River City Bank Deposit Account Agreement
- Have their ERO verify their identification information
- Complete a Consent to Disclose and Consent to Use authorization form (Section 7216 compliance forms)

It is very important that the customer's information be entered accurately onto their application. An ERO's information, such as phone number or address, should **never** be entered onto the customer application.

Please note, other restrictions may apply when an application is being considered for approval.

## Customer Identification Program

To comply with the bank's Customer Identification Program, all applicants must provide two forms of identification to be eligible to apply for any bank product. Both applicants on joint returns must provide two forms of ID. Following is the identifying information that is required by the USA Patriot Act to be collected for each applicant:

- Date of birth
- Legal name
- Address of the applicant's residence
- Social Security number (Or Taxpayer Identification Number for non-citizens)

When a customer presents their IDs, they must present one primary and one secondary or two primaries. The only IDs that a preparer can accept as a primary or secondary identification are listed below. The information on the IDs will be used to enter the name, date of birth, address, and Social Security Number (or taxpayer identification number) on the bank application. It is the responsibility of the ERO to ensure the information entered on an application matches the applicant's IDs; EROs must sign every River City Bank Deposit Account Agreement to confirm they have verified the applicant's IDs.

Primary forms of identification are:

- Valid State Driver's License
- Valid State ID card
- Military ID
- Valid Passport

Primary forms of identification for non-U.S. persons:

- Resident Alien Card
- Valid Passport
- Valid Visa
- Matricula Consular

Secondary forms of identification are:

- Form W-2
- Insurance card
- Social Security card
- Utility bill
- Medical bill
- Driver's license not issued by a State of the US
- Property tax bill
- Voter Registration card
- Student ID card
- Firearm license
- Prior year tax return
- Certified birth certificate
- Employer ID card
- Marriage certificate
- Divorce Decree
- Vehicle registration
- Work Visa
- Government or benefits check
- Proof of insurance
- Soc Sec Award Letter
- Benefits card



- ❖ Only IDs from this list may be used
- ❖ Any noticeably altered ID may not be used
- ❖ Expired IDs may not be used
- ❖ If the DOB, Name, Address, or SSN on the ID does not match what is entered on the application, the ID cannot be used.

### Ensure IDs are valid

- Examine the picture and compare it to the individual
- Check for any logos or holograms that should be present on the ID
- Check for evidence that the ID has been tampered with or altered
- Check the age listed on the ID and compare to the age of the individual
- Compare the signature on the ID to the signature on other forms for similarity
- Compare the information on the ID to other given information for consistency
- Ensure the ID has a valid date and is not expired

## Product Procedures

### Canceling a product

A customer is permitted to cancel any product they apply for up until they cash their check or receive their direct deposit. Once funds have been disbursed, no cancellation can occur. To cancel a product, the ERO must contact the bank and request the customer's refund be returned to the IRS. The bank will require any collected fees be returned and any issued checks must be voided. Customers should be made aware that once the funds are returned to the IRS it may take up to 90 days for the IRS to issue a check to the customer by mail.

### Deceased Taxpayers

The bank prohibits the use of bank products in situations where all of the taxpayers on a return are deceased. If an applicant is filing as married-filing-joint or qualifying-widower, the living applicant may opt for a bank product. The bank recommends that a taxpayer claiming a refund for a deceased person should select a RET or a prepaid card if they have chosen a bank product for delivery of the refund.

### Preparation fees

Preparation fees collected by the bank on behalf of a preparer must be fully disclosed on the customer's account agreement which reflects the fees that were entered on the customer application. In the event that the tax preparation fees exceed \$450, the office may be contacted by the bank for individual explanations.

EROs may opt to have their tax preparation fees deducted from their customer's state refunds. To enable this option, an ERO must have indicated such on their ERO Application, or contact the bank and request the setting be placed on their ERO account.

### Prior debt collection

Delinquent tax loan debts owed to the bank will be deducted from any bank product the customer may choose. All customers should carefully review the Debt Collection Authorization in the River City Bank Deposit Account Agreement and the River City Bank Disclosure Booklet, and you should point out the Debt Collection Authorization to each applicant to alert them to its presence. River City Bank only collects debts owed to itself; it will not collect debts owed to other institutions.

## **Check Procedures**

### Check cashing

River City Bank customers have several options available to them when cashing their checks. Customers with personal bank accounts, or access to banks indemnified by River City Bank, can take their check to that location to have their check cashed; the cashier should utilize the toll-free Check Verification number provided on the check to verify its validity before cashing it. Even though River City Bank verifies checks as valid, some institutions may still place a hold on the checks based on their own policies.

Customers may also take their check to locations that use Positive Pay® from Certegy FIS to verify checks. These locations scan the checks through an automated system to determine if they are valid. The institutions will not contact the bank directly but will rely only on the information they receive from the Positive Pay system. The fees and maximum check amount that can be cashed will vary by location.

For the bank to authorize any check to be cashed, the bank must have first received a confirmation of check printing from the tax office. The confirmation information, including the check number, must have been recorded properly for authorization to occur. Check authorization will not occur immediately after printing and the timing will

depend on the processing schedule of your tax software provider. This may sometimes take several minutes and possibly up to 30 minutes. To ensure authorization occurs properly and in a timely manner, the bank recommends that EROs print checks as soon as they are available to print and that they review the check printing reports to ensure the check numbers were recorded properly. You should also ensure that you are sending the confirmation information for checks according to your tax software's instruction to ensure that the bank receives that information.

### Check reprints

If a check needs to be reprinted after printing has already been finalized, EROs must complete a check rehang form and fax it to the bank. The form must be filled out completely with all the known information, including the customer's social security number, and the ERO's EFIN. If the original check is legible, the ERO may fax a voided copy of that check in lieu of the rehang form. This form can be downloaded via your RCB online ERO account, accessible from the bank's website [www.rcbtaxdivision.com](http://www.rcbtaxdivision.com) or by contacting a RCB representative and requesting that the form be faxed to you.

### Distributing checks

Before releasing a check to a customer, EROs must first verify the customer's identity to ensure the check belongs to them. The customer must sign the upper portion of the check stub, which must be detached and retained by the ERO. The customer **MUST** be given the "Statement of Activity" portion, complying with the Truth in Savings Act. The statement contains required information including the final fees and charges that were deducted from the customer's refund, along with other required disclosures.

### Duplicate checks

According to the River City Bank Tax Division Agreement, in the event that an ERO prints and distributes a duplicate check and both checks are presented to the bank for payment, the ERO may be responsible for the check.

### Expired checks

All checks expire sixty days after they are printed. All check stock has a final expiration date of June 16, 2014. To have an expired check reissued, void it and return it to the bank. If the check has expired because the customer has not returned to pick it up, it can be held by the bank and reissued when the customer does come to retrieve it, up to three years.

### Forged signatures

When a customer's check has been stolen and cashed, an Affidavit of Forgery must be completed. Please contact the bank so that appropriate action can be taken.

### Lost and stolen checks

Checks that have been lost, stolen, or destroyed while in the customer's possession can be reissued after the customer completes a Client Lost Check Affidavit. Checks that have been lost, stolen, or destroyed while in the ERO's possession can be reissued after the ERO completes an ERO Lost Check Affidavit. In either event, please contact the bank so that appropriate action may be taken. In both cases, there may be a waiting period before the check can be reissued.

### Unclaimed checks

If a customer does not pick up or cash their check, the bank will hold the customer's funds up to three years. After three years the funds must be escheated to the State of Kentucky as unclaimed property. Customers' checks from prior tax years that are still being held by the bank can be retrieved at the customers' request. If the original check is still available, it must be voided and returned to the bank. If it has been lost, then a lost check affidavit should be completed. The customer's check will be printed by the bank and mailed to the ERO's office.

## Completing a bank application

When a customer applies for a bank product it is important that the application be completed properly. Most tax software providers and the bank's remote software will complete an application for the ERO. The ERO should then verify that the River City Bank Deposit Account Agreement prints correctly. This is the one page agreement which contains only the customer's name, last 4 digits of their social security number, anticipated refund amount, total fees and the date. This page also provides some account disclosures and verifies, upon execution, that the customer has received the River City Bank Disclosure Booklet which **MUST** be given to each customer who receives a product through the bank. By signing the River City Bank Deposit Account Agreement, the ERO is also certifying that they have verified the identifying information that was entered on the application from the customer IDs. As part of the internal audit process (see page 26), the Bank will be verifying that this Deposit Account Agreement is being properly signed by the customer and the ERO and that the electronic application is complete.

The tax software will populate the majority of the information into the RCB customer application, however, some information will need to be entered by the ERO including the customer's date of birth and identification information. All information for the primary applicant must be complete. The joint-applicant section must also be completed when the filing status is married-filing-joint. Follow the Customer Identification Program from pages 16 and 17 of this guide and use the customer's IDs to complete this section. The disbursement option will also be selected in this section. If the customer has opted for a RET, their account and routing number will be entered here. If the address used on the customer tax return was a P.O. Box, it must be updated at this point to reflect the customer's physical address. Lastly, the preparer's PTIN must be entered before transmission.

When the option to print has been chosen, only the River City Bank Deposit Account Agreement will print. This Deposit Account Agreement must be signed and dated by all applicants and the ERO. This agreement contains only the customer's name, the last 4 digits of the primary's Social Security Number, the date, the anticipated refund amount and all applicable fees. No other sensitive customer information prints with this agreement.

Prior to signing the account agreement, the customer **MUST** be given a River City Bank Disclosure Booklet which has been provided to the ERO by the bank. A customer must not sign the Deposit Account Agreement or accept a bank product if they have not received a River City Bank Disclosure Booklet. This booklet provides required disclosures pertaining to their special use deposit account including Truth in Savings, Electronic Fund Transfer, Privacy of Consumer Financial Information and Funds Availability, and other required information. This disclosure booklet also

contains the bank privacy policy which explains how the bank will use the information provided by the customer and what limits the customer can place on that use as applicable under Regulation P, Privacy of Consumer Financial Information.

The signed copy of the Deposit Account Agreement must be retained on file in your office and stored according to the Storage/Document Destruction Agreement or returned at the end of the season to the bank for storage.

As noted in the Protecting Records section of this guide, even though the agreement does not contain sensitive information, it should still be kept secure. Signed customer agreements must be maintained and stored according to the Storage/Document Destruction Agreement or returned at the end of the season to the bank for long term storage. See page 24 of this guide for document retention instructions.

A copy of the River City Bank Deposit Account Agreement can be seen at right.

John J. Doe      \*\*\*-\*\*-1134

EFIN 222222      Date 1/1/2001

2014 RIVER CITY BANK DEPOSIT ACCOUNT AGREEMENTS

DEPOSIT ACCOUNT/FEDERAL ELECTRONIC REFUND CHECK (FEDERAL ERC) AGREEMENT, AND (IF SO DESIGNATED) FEDERAL REFUND ELECTRONIC TRANSFER (FEDERAL RET) AGREEMENT, AND (IF APPLICABLE) STATE ELECTRONIC REFUND CHECK (STATE ERC) AGREEMENT, AND (IF APPLICABLE) STATE REFUND ELECTRONIC TRANSFER (STATE RET) AGREEMENT TO RIVER CITY BANK, INC. (AND ITS SUCCESSORS AND/OR ASSIGNS)

THIS IS AN AGREEMENT FOR A FEDERAL ERC OR RET FROM THE BANK. THIS MAY ALSO BE AN AGREEMENT FOR A STATE ERC/RET.

Where used in this "Agreement" the terms "I," "my," "we," and "our(s)" mean the applicant applying for a deposit account. The term "Bank" refers to River City Bank, Inc.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

I certify that I have reviewed my personal information above and that it is true and accurate. I hereby agree and understand that by way of my signature below I am authorizing the Bank to establish a special single-use deposit account in my/our name(s) ("Deposit Account") at the Bank to receive our 2013 Federal Income Tax Refund ("Federal Refund") from the Internal Revenue Service ("IRS") and my 2013 State Income Tax Refund ("State Refund"), if applicable, in the Total Anticipated Federal Refund amount and in the Total Anticipated State Refund amount, if applicable, listed on this page, or such other amount as the IRS shall determine to be our Federal Refund or such other amount as the State Treasury shall determine to be our State Refund ("Direct Deposit").

I certify that I have received the RIVER CITY BANK DISCLOSURE BOOKLET containing all applicable disclosures regarding my Electronic Refund Check or Refund Electronic Transfer, and (if applicable) State Electronic Refund Check or State Refund Electronic Transfer.

By signing this page, I/we authorize the Bank to establish a special use deposit account in my/our name for the purpose of receiving a direct deposit of my/our federal tax refund from the Internal Revenue Service as designated on Form 8879 or 8453 and/or my/our state tax refund. A Federal ERC or RET must be applied for in order to apply for a State ERC/RET.

I/We acknowledge that the ERO/TRANSMITTER has served as my/our agent in the completion and transmission of the Application(s) to the Bank and I/we fully understand that the ERO/TRANSMITTER is an independent contractor and has no authority whatsoever, from the Bank or otherwise, to approve a Federal ERC or RET Application or State ERC/RET Application or to otherwise negotiate the terms thereof. By signing this agreement, I/we hereby certify that I/we have read, understand and agree to all of the terms and provisions set forth in the RIVER CITY BANK DISCLOSURE BOOKLET, including the disclosures set forth above and herein, and including the Arbitration Provision. SEE ABOVE AND ALL PAGES OF THE RIVER CITY BANK DISCLOSURE BOOKLET FOR ADDITIONAL TERMS WHICH ARE INCORPORATED HEREIN BY THIS REFERENCE ABOVE THE SIGNATURE LINES. ACCEPTANCE OF THE APPLICATION(S) DOES NOT CONSTITUTE APPROVAL.

THE APPLICANT MUST NOT SIGN THIS AGREEMENT IF HE/SHE HAS NOT RECEIVED THE RIVER CITY BANK DISCLOSURE BOOKLET. IF A DISCLOSURE BOOKLET IS NOT PROVIDED, RIVER CITY BANK SHOULD BE CONTACTED AT (888) 820-7848. THE APPLICANT MUST ALSO VERIFY THE IDENTIFYING INFORMATION ABOVE BEFORE SIGNING THIS AGREEMENT.

<b>ESTIMATION OF FEDERAL ERC/RET NET PROCEEDS</b>	
TOTAL ANTICIPATED FEDERAL REFUND AMOUNT.....	\$ _____
Less TOTAL DEPOSIT ACCOUNT CHARGES.....	\$ _____
Less TAX PREPARER FEES.....	\$ _____
Less ELECTRONIC PREP FEES.....	\$ _____
Less ELECTRONIC FILING FEE 1.....	\$ _____
Less ELECTRONIC FILING FEE 2.....	\$ _____
Less ELECTRONIC FILING FEE 3.....	\$ _____
TOTAL FEES AND CHARGES PAID BY TAXPAYER.....	\$ _____
ESTIMATED FEDERAL ERC/RET PROCEEDS.....	\$ _____

<b>ESTIMATION OF STATE ERC/RET NET PROCEEDS (if applicable)</b>	
TOTAL ANTICIPATED STATE REFUND AMOUNT.....	\$ _____
Less TOTAL DEPOSIT ACCOUNT CHARGES.....	\$ _____
TOTAL FEES AND CHARGES PAID BY TAXPAYER.....	\$ _____
ESTIMATED STATE ERC/RET PROCEEDS.....	\$ _____

\*\*\*DEBT COLLECTION AUTHORIZATION\*\*\*

If I/we have any delinquent indebtedness from prior years to River City Bank, that has not been discharged in bankruptcy, I/we authorize and instruct River City Bank to deduct from the proceeds of my/our Federal ERC/RET or State ERC/RET, an amount equal to the balance owed on my/our delinquent indebtedness and to pay such amount to River City Bank, as payment on/of such delinquent indebtedness. In addition, if my spouse and I are filing a joint tax return, and we have, or either one of us individually has, any delinquent indebtedness from prior years to River City Bank, that has not been discharged in bankruptcy, I/we authorize and instruct River City Bank to deduct from the proceeds of my/our Federal ERC/RET or State ERC/RET, an amount equal to the balance owed on my/our or either one of our delinquent indebtedness and to pay such amount to River City Bank, as payment on/of such delinquent indebtedness.

I/we understand and agree that the Bank will deduct and disburse to the appropriate recipients thereof, and is HEREBY AUTHORIZED TO DEDUCT AND DISBURSE, THE ABOVE FEES AND CHARGES FROM THE PROCEEDS OF MY/OUR FEDERAL ERC/RET, STATE ERC/RET, AND/OR OVERAGE CHECK(S), as designated above and in accordance with the terms contained herein and in the RIVER CITY BANK DISCLOSURE BOOKLET.

In addition, in the event that I/we have applied for a State ERC/RET along with either a Federal ERC/RET and the IRS, for whatever reason, fails to deposit my/our Federal Refund into my/our Deposit Account, I/we understand, agree and authorize the Bank to deduct from the proceeds of my/our State Refund and disburse to the appropriate recipients thereof, any and all of the fees associated with and/or related to the State ERC/RET and/or Federal ERC/RET.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

Joint Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

ERO/TRANSMITTER or Preparer Signature certifying verification of Applicant's ID's and Joint Applicant's ID's \_\_\_\_\_ Date \_\_\_\_\_



## Document retention

All signed documents relating to bank products must be completed properly and retained on file. At the end of tax season, the ERO will have the option of storing these documents at their location by signing a Storage/Document Destruction Agreement or by returning the documents to the bank for storage.

When a bank application is completed, the ERO must retain the copy of the River City Bank Deposit Account Agreement which prints and is signed by the ERO and the customer.

The top portion of checks contain a stub with a summary of the check. When a check is issued to your customer, the check stub must be detached and retained on record. The stub contains a customer signature line and date line providing a distribution record for the bank. By signing this, the customer is also verifying that they have received their Statement of Activity which is the second part of the check. The Statement of Activity **MUST** be given to the customer as it contains required disclosures in accordance with the Truth-in-Savings Act.

The originals of any additional bank documentation which may have been submitted to the bank during the tax year, including lost check affidavits, rehang forms and/or forgery affidavits should also be filed with the customer's records and kept secure.

The bank is not required to store copies of your customers' tax returns, income documentation, 7216 compliance forms, or other tax related documents; these documents should not be sent to the bank for long term storage. Maintenance of these documents should be done in accordance with IRS requirements.

## After-season

As tax season ends, there are a number of items EROs need to do to satisfy their obligations to the bank:

- You will be mailed a notice when it is time to complete a Storage/Document Destruction Agreement or return your retained documents. You must respond to the notice by returning the agreement or sending a copy of all signed customer agreements and signed check stubs to the bank. Compiling these documents during tax season will make this process easier. If you have a paperless office, you may return a copy of all bank documents on a disk.
- All unused check stock and River City Bank Disclosure Booklets must be returned to the bank or destroyed beyond recognition by utilizing a method such as shredding or burning. If unused check stock and/or disclosure booklets are returned to the bank, the ERO's EFIN should be included.



- Beginning in June, all checks will be printed by River City Bank and mailed to the ERO. If an ERO should require the bank to begin doing this at an earlier date or would prefer the bank mail the checks directly to customers, the bank must be contacted to make arrangements.
- If an ERO's office closes for the remainder of the year or is not open on a regular basis, the bank should be provided with alternate contact information so the ERO can be contacted if necessary.
- The bank should be notified of any checks that customers have not claimed; the checks will have expired and should be returned to the bank to be held until the customer calls to claim them.

## Administrative processes

### Automated phone line/ABC Voice

The bank partners with ABC Voice/Versicom to provide an automated, toll-free line customers may call to check the status of their refund, (866) 730-2274. Customers may also choose to take advantage of text messaging options which are available via this service as well. This is a free service offered to EROs automatically upon enrollment to the Tax Division. In addition to this free service, there are many additional features also available to EROs to personalize their customer's experience. These features are offered exclusively for River City Bank EROs by Versicom at discounted rates. Details and rates for these services can be found at [www.abcvoice.com](http://www.abcvoice.com) or by contacting a Versicom representative (937) 438-3700.

### Fee payments

Tax preparation fees are collected and paid daily during the peak of season and at least weekly after peak. The bank will pay fees collected on customers who have received an IRS or state treasury (if an ERO has selected the option for fees to be deducted from state) deposit. No fees will be paid before a deposit is received. Funds are deposited to the account supplied at enrollment. It may take 1-5 business days for the funds to be available in your account, depending on the policies of your financial institution. Fee reports are made available through the ERO's tax software, in the River City Bank Remote software and through the ERO's **RCB** online account.

### Indemnification

River City Bank can set up an indemnification agreement with banks local to the ERO's area, providing customers a convenient check cashing option. Banks which have an existing relationship with the ERO tend to be the best target for setting up such arrangements. An ERO may provide River City Bank with a contact person, phone number, fax number, and address of the bank and an indemnification agreement can be arranged.

### Internal audits

The bank will conduct random internal audits to ensure all EROs are in compliance with the bank's procedures and guidelines. In the event that an ERO's customer is flagged for a random audit, the ERO will be contacted by the audit department and client information will be requested. In most circumstances, the River City Bank Deposit Account Agreement will be requested to satisfy the audit. It is important to promptly respond to these audits. The ERO has 72 hours to provide the requested documentation to the bank or the audit will fail. If an ERO fails an audit, they will be contacted and the reasons why the audit failed will be discussed. If an ERO fails more than one audit, the ERO may be permanently removed from the program. All documentation requests should be faxed to (800) 886-3705.

### Fee Forward

River City Bank provides a fee advance loan to approved EROs which have already enrolled with the Tax Division. Contact a River City Bank representative for more information.

### Ordering supplies

Additional check stock may be ordered any time during tax season. Orders may be placed by calling customer service. Orders placed before 12:00 pm EST will be shipped the same day and sent regular mail and should arrive within 3 to 5 business days. Orders can be shipped overnight only when the ERO provides a FedEx account number for overnight charges. Marketing materials and reminder postcards (postcards are available for renewing EROs only) may be ordered by completing the online marketing order form at <https://surveygizmo.com/s3/1024045/MarketingForm>. No marketing materials will be sent unless an online order has been placed.

### Trace requests

In the event that the bank makes a direct deposit to a customer's personal account and the customer claims to have not received the deposit, the bank can conduct a trace request to confirm deposit of the funds and find a resolution to the situation. The customer should wait five business days from the date the deposit was issued before a trace request can be conducted. A trace request is subject to the policies and procedures of the financial institution to which the deposit was sent.

### Unpostables

In certain situations it may be possible for the Bank to receive a deposit for a client without first receiving a bank application. When funds are received for a customer that does not have an account, it is referred to as an Unpostable. In order to disburse the funds, a bank application must be transmitted to the Bank so that an account can be established for the customer. There are two ways an account can be created: (1) Using the Bank's Remote software, or (2) Using the Bank's online application. To create the application using the Remote it must be properly installed. Installation for the Remote is available using the ERO's RCB online account which is accessible at <https://enroll.rcbtaxdivision.com/default.aspx>.

### Using the Bank's Remote software

On the main screen of the Remote13 software, click "Create Bank Application" then type the client's social security number in the box provided. Within the section "Application Details", complete each field. The tab or enter key may be used to move from field to field more easily. Continue through each screen by clicking "Next Page" when a screen is complete. When the last screen is complete, click "Accept" to finish the application and begin transmission to the Bank. A print screen of the Deposit Account Agreement will appear. This must be printed and signed by the customer before the electronic application is transmitted. When printing is complete, close the print preview and a verification report will appear, indicating the amount of fees that will be deducted along with the product type. If all is correct, click "Okay". If you need to make corrections, click "Cancel". Another box will appear, indicating how many records there are to transmit. Click "Yes" to send the application that was just completed.

### Using the Bank's online application

Login to the ERO's RCB account at <https://enroll.rcbtaxdivision.com/default.aspx>. If an ERO account has not previously been established, select the "Sign Up" option to create an account. Once logged in, the ERO web account must be linked to the ERO application. If already linked this step may be skipped. To link, hover over the "ERO Account" menu and click the "Account Validation" submenu. Fill in the required information and submit the link request. If the information provided is correct, the web account and ERO application will be successfully linked. Once the web account is linked, access the Online Bank Application by hovering over the "Taxpayer Accounts" menu and select the "Bank Application" submenu. Proceed to fill out all fields with the correct information. Once complete, click "Submit" to transmit the application to the Bank.

Once the bank receives the application via the Remote or the online application, an account will be created and the funds will be manually processed through the account. Once processed, the funds will be disbursed in the method indicated when the application was completed. Unpostables are normally processed twice a day; once in the morning and once in the afternoon.

### ► Updating ERO account information

If at any point during the season an ERO needs to update information such as bank account information, contact person, address, or phone number, the ERO must contact the bank for instructions on how to do so. The ERO may be required to send the updated information in writing or may be able to make the changes through the ERO's RCB online account.

## Regulations

*Below you will find a brief explanation of why the bank has certain procedures and why it is important for you to follow them. Most all of our procedures are in place to mirror regulatory requirements. It is important to remember that when a customer chooses a bank product through River City Bank, the Bank is opening an account for that customer and regulatory requirements must be met to remain in compliance and to ensure consumer protection.*

**Reg P (Gramm-Leach-Bliley Act) Privacy:** This regulation governs the use of nonpublic information about consumers by financial institutions. This Act includes provisions for privacy notices and prohibits the disclosing of nonpublic personal information to third parties without consumer's consent.

***What we said...***

Procedures discussing this regulation are found within the Administrative Guide and they include: (1) precautions the ERO must take in protecting customer information, (2) requirements for paperwork to be out of sight of other customers, (3) instructions to the preparer on how to treat documentation after the season (4) emphasis on keeping customer records secure and (5) the proper distribution of all disclosures, which contain the Bank's privacy notice.

**Bank Secrecy Act-Customer Identification Program (BSA/CIP):** This regulation pertains to obtaining customer information in order to properly identify the customer. As of the inception of the USA PATRIOT Act, this identifying information is also compared to the OFAC list to ensure we are not engaging in prohibited bank transactions with persons believed, by the US Government, to be involved in terrorism or the funding of terroristic activities.

***What we said...***

The River City Bank Tax Division Agreement, Administrative Guide and training tutorial all outline the procedures relating to this regulation. The essence of the training is to ensure the ERO is collecting all CIP information in a proper manner. The Bank, in some instances, will also ask for CIP documentation to be forwarded to the bank for further identity verification.

**Fair Credit Reporting Act & Fair and Accurate Credit Transactions Act (FACT Act), Red Flags & Identity Theft:** These regulations and guidelines govern the detection, prevention and mitigation of identity theft.

***What we said...***

The training tutorial and Administrative Guide outline the Bank's procedures required to prevent identity theft. A key component of identity theft prevention is ensuring that all CIP requirements outlined by the Bank are enforced. The training and guide also outline the importance of detecting fraud in your office.

**Reg DD (Truth in Savings Act):** This regulation promotes and mandates that Banks consistently disclose account fee information and other disclosure requirements to its customers.

***What we said...***

The Administrative Guide and training tutorial detail the importance of providing the customer with a copy of the River City Bank Disclosure Booklet which includes all fees that will be assessed, as well as the Statement of Activity that the customer receives when they claim their check. Both the Disclosure Booklet and Statement of Activity provide required disclosures to the customer.

**Reg E (Electronic Fund Transfer Act):** This regulation establishes consumer rights regarding documentation of transfers and liability while establishing responsibilities for consumers and financial institutions utilizing electronic transfer services.

***What we said...***

The Administrative Guide and training tutorial detail the importance of providing the customer with a copy of the River City Bank Disclosure Booklet, which contains required Reg E disclosures, and the Statement of Activity which also contains required disclosures regarding EFT.

**Reg CC (Expedited Funds Availability Act):** This regulation establishes specific limitations and disclosure requirements for delaying availability of certain deposits.

***What we said...***

The Bank's Disclosure Booklet states that electronic direct deposits will be available on the day we receive the deposit and explains the various methods that funds may be withdrawn from the customer's account.

**UDAAP:** Unfair and deceptive acts or practices are prohibited by Section 5(c) of the Federal Trade Commission Act.

Title X Dodd-Frank Act empowers the Consumer Financial Protection Bureau to prevent unfair, deceptive, or abusive acts or practices (UDAAP).

The training below provides general rules relating to Unfair, Deceptive or Abusive acts or practices.

### Unfair Acts and Practices

The guidelines use a three-pronged approach to determine whether an act or practice is unfair:

- The practice causes or is likely to cause substantial injury to consumers,
- It cannot be reasonably avoided by consumers, and
- It is not outweighed by countervailing benefits to consumers or to competition.

### Deceptive Acts or Practices

A three-pronged test is also used to determine whether a representation, omission, or practice is deceptive. An act or practice is deceptive if:

- It misleads or is likely to mislead from the consumer's perspective;
- If the consumer's interpretation is reasonable under the circumstances; and
- If the representation, omission, or practice is material.

All three elements must be established for a practice to be deemed deceptive.

### Abusive Acts and Practices

The Dodd-Frank Act makes it unlawful for any covered person or service provider to engage in an “abusive act or practice.” An abusive act or practice:

Materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service or takes unreasonable advantage of :

- A lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service;
- The inability of the consumer to protect its interests in selecting or using a consumer financial product or service; or
- The reasonable reliance by the consumer on a covered person to act in the interests of the consumer.