

Dear client:

Columbia EDP is committed to providing the highest quality of service. We feel it is vitally important that you are aware of your ability to verify that we have made your federal tax payments. Please carefully read the following information taken directly from the IRS' website regarding how you can verify Columbia EDP is making your federal tax deposits in a timely manner:

The Electronic Federal Tax Payment System (EFTPS) is the free system used by businesses and individuals to pay their federal tax liabilities. Businesses that outsource their employee payroll taxes to a payroll service provider who uses EFTPS have an added incentive to enroll in, and access EFTPS. A business can use the system to verify the company they hired to make the tax payments did so, on time, and in the proper amount.

An employer cannot avoid the responsibility of making timely federal tax deposits by hiring a payroll service provider. Each business is ultimately responsible for ensuring that deposits of payroll taxes are made timely and in the correct amount. Most payroll service providers offer professional, honest help to their clients, allowing the employer to concentrate on business operations, not payroll taxes. However, there have been instances where payroll service providers failed to deposit their clients' payroll taxes.

Using a payroll service provider that is enrolled in and uses EFTPS to make your payroll tax deposits can be a good business decision. Another wise business decision is to use EFTPS to verify your federal tax deposits are being made by your payroll service provider. Both the payroll provider and the employer can each enroll and obtain a separate PIN through EFTPS for the same company. The employer uses it to verify payments and make any tax payments their payroll service provider is not making on their behalf. The payroll service provider uses it to make deposits on the employer's behalf.

It is easy to ensure that your payroll service provider is timely and correctly depositing your business's payroll taxes. After enrolling in EFTPS, you will receive a confirmation package sent to your address of record with the IRS within 15 business days. The confirmation package contains the enrollment confirmation materials and other important forms needed to make certain changes to enrollment information in the future. Simply log in using your employer identification number, PIN and Internet password, and click "Payment History."

EFTPS will display all EFTPS payments made by Internet, phone or third party within the last 16 months paid under your business' employer identification number. You will be able to confirm that the funds you turned over to your payroll service provider for employment tax deposits were credited to your account.

Source: <http://www.irs.gov/businesses/small/article/0,,id=179898,00.html>

We have provided a couple of links to the IRS at our website. Please go to Columbiaedp.com - the following are located under "Links" on our homepage:

www.eftps.gov

How to enroll in EFTPS via the Internet:

<http://www.irs.gov/pub/irs-pdf/p4132.pdf>

To enroll in EFTPS, you will need the following information:

1. Your Employer Identification Number
2. Your financial institution routing and account number (Please note that even though Columbia EDP is making your tax deposits, you will need to provide your bank account number and routing number when you register).
3. The exact spelling of your business name and address as it appears on your IRS tax documents- you can get this off of form 941 (copy provided at the end of each quarter).
4. Go to www.eftps.gov to enroll. Follow the steps for enrolling your business.

If you have any questions about this process, please call Carl or Linda in the tax department at 573-474-8431 or email Carl at cbaker@columbiaedp.com or Linda at lwisdon@columbiaedp.com