

MEMORANDUM OF UNDERSTANDING
BETWEEN
TOWNSHIP OF WEST ORANGE AND FINCREDIT, INC.
FOR THE
SHOP WEST ORANGE PROPERTY TAX REWARD PROGRAM

DEFINITIONS

“Township” shall mean the Township of West Orange, with principal offices located at 66 Main Street, West Orange, New Jersey 07052

“Administrator” shall mean Fincredit, Inc., with a mailing address of P.O. Box 43, Marlboro, New Jersey 07746, and a physical address at 2271 Rt. 33, Suite 106, Hamilton, New Jersey 08690. Fincredit is charged with implementation of the Shop West Orange Program, including entering into agreements with Participating Merchants and Taxpayer Consumers.

“Participating Merchant(s)” shall mean business(es) with a location in the Township, or located outside the Township but not competing with any local business, which voluntarily register and enter into an agreement with Applicant to participate in the Shop West Orange Program.

“Taxpayer Consumer(s)” shall mean Township property owners, renters, residents of other municipalities who work in the Township, or any individual who voluntarily registers with and enters into an agreement with the Administrator and qualifies for receipt of tax credits or rebates.

“Property Tax Reward Cards” shall mean Shop West Orange Program swipe cards issued to Taxpayer Consumers for use at Participating Merchants.

DESCRIPTION

The Shop West Orange Property Tax Reward Program the (“Shop West Orange Program”), will utilize technology similar to that utilized in connection with traditional “gift and loyalty card” programs in addition to Administrator proprietary software. The goal of the program is to provide Township taxpayers with a financial incentive to patronize participating Township businesses in the form of a Property Tax Reward or other such rebate, and at the same time provide Township-based businesses with a financial incentive, in the form of increased patronage and revenues, to enroll in the program.

In summary, a Taxpayer Consumer who patronizes a Participating Merchant will receive a corresponding percentage-of-sale credit on his or her property taxes. Where a non-resident Taxpayer Consumer is an employee in a Township business, or where a Consumer is a resident who is a tenant in the Township, these Taxpayer Consumers may receive a rebate.

The key aspects of the program involve:

1. Program promotion and marketing;
2. Participating Merchant registration;
3. Taxpayer Consumer registration via a secure web portal through the Administrator's Web site, and through issuance of Property Tax Reward Cards;
4. Taxpayer Consumers patronizing Participating Merchants;
5. Taxpayer Consumers receiving a Property Tax Reward credit based upon a percentage of a purchase made at a Participating Merchant, as a reward for patronizing the Participating Merchant, and where the percentage credit to be awarded to the Taxpayer Consumer will be chosen by the Participating Merchant;
6. Administrator receiving a fee for the cost of administering the program, which shall equal to twenty-five (25%) percent of the Property Tax Reward for each transaction between a Taxpayer Consumer and Participating Merchant; and
7. The Township receiving **weekly** money transfers from Administrator in the amount of property tax reward credits earned by Taxpayer Consumers.

Administrator Responsibilities

1. Strict adherence to the terms of the Township Reward Program ordinance, and any other applicable Township ordinances.
2. Program Promotion, including but not limited to:
 - a. Assisting with the design of the Property Tax Reward Cards for the Shop West Orange Program
 - b. Assisting in the production of "infomercials" to be aired on Local Cable TV Channel(s)
 - c. Attending meetings with the Township or designated association(s) including program kick offs with local businesses
3. Entering into agreements with Participating Merchants and establishing all terms including, but not limited to:
 - Responsibility for hardware
 - Software and training in use of software
 - Reward card processing
 - Percentage of transaction credit to Taxpayer Consumer
 - Percentage of transaction credit to Administrator
 - Incorporating language indicating voluntary nature of program and legal indemnification language

4. Hosting a Web portal/Web site whereby Administrator may register and enter into agreements with Taxpayer Consumers establishing all terms including but not limited to:
 - A statement of the percentage of a transaction credit which will go to Taxpayer Consumer
 - A statement of the percentage of a transaction credit which will go to Administrator
 - The timing of posting of credits earned (annually)
 - Policy regarding data privacy and sharing of information for marketing purposes
 - Specific limits and restrictions relative to program participation
 - A statement that a taxpayer in the Township must be current on its property taxes to participate
 - No refunds will be issued
 - Credits on accounts that are current will result in prepayments of property taxes for future periods
 - A statement that the Administrator is not responsible for impact of program participation on mortgage escrow calculations.
 - A statement that neither the Administrator nor the Township is responsible for credits with respect to changes in property ownership
 - Posting language indicating the voluntary nature of program and legal indemnification language satisfactory to the Association
5. Assisting with the recruiting of merchants and supporting Participating Merchants, including but not limited to by posting a list, with contact information, of all participating Merchants on the Administrator's Web site.
6. Providing Taxpayer Consumers with access to a listing of all Participating Merchants, and providing each Participating Merchant with access to a listing of e-mail addresses of all participating Taxpayer Consumers patronizing its business.
7. Providing Taxpayer Consumers with 24-hour online access to the dollar amount of property tax credits earned by the Taxpayer Consumers to date.
8. Establishing FDIC insured dedicated bank account(s) for the Township Shop West Orange Program, unless the Taxpayer Consumer's property tax credit funds will be immediately directed to and held in the Township's own FDIC insured dedicated bank account, in which case the Administrator need not establish such a bank account. No funds for any other program or purpose shall be commingled. A copy of the statement for such accounts shall be provided to the Township upon request.
9. Generating an annual download file, as applicable, in accordance with Township specifications, including necessary flags and filters, to ensure that delinquent accounts are rejected. The file shall be transmitted to the Township on or about June 1 of each year. This includes coordinating with Township software administrator(s) or other such Township employee(s) to give authorized personnel the ability to review, accept or reject annual downloads prior to generating the annual download file.
10. Initiating a **weekly** wire transfer (or ACH) to a Township-specified account for the property tax credits. The amount of the wire transfer must equal the total dollar amount of valid transactions to be posted to Taxpayer Consumers' accounts.

11. Providing customer service support Monday – Friday, 9:00 am to 5:00 pm EST for Participating Merchants, Taxpayer Consumers and the Township.
12. Submitting to the appropriate Township official(s) any application from a business with a location outside the Township who wishes to be a Participating Merchant with respect to the Township's Shop Local Program.

Township Responsibilities

1. Distributing Property Tax Reward Cards to Taxpayer Consumers through existing Township mailings, through mailings at the Township's discretion.
2. Strictly upholding and enforcing the terms of the Township Reward Program Ordinance, and any other applicable Township ordinances.
3. Providing dedicated bank account information for the **weekly** wire transfers to the Township.
4. Absorbing any applicable bank fees relating to the wire transfers to the Township.
5. Providing the software administrator(s) contact information to the Administrator to facilitate the Shop West Orange Program implementation and integration with Township software.
6. Providing access to staff and other such resources for pre-launch program testing.
7. Acquiring and distributing the Property Tax Reward Cards.
8. Acquiring a "Mobile App" from Administrator, at a cost of approximately \$600 to the Township, if required or requested. This is a discretionary feature and is not required.
9. Ongoing program marketing and promotion including, but not limited to, email blasts, social media, paper ads, billboards, so long as funds are available to support these marketing and promotion activities.
10. Updating Applicant regarding any known changes in status of Participating Merchants.
11. Recruiting merchants and support applicant in Participating Merchants' recruiting efforts.
12. Reviewing and/or approving applications, in its discretion, from businesses with a location outside the Township who wish to be a Participating Merchant with respect to the Township's Shop Local Program.

IDENTITY OF PARTICIPATING MERCHANTS

The Applicant shall coordinate, receive and review all applications by local businesses to become a Participating Merchant. In the event that the Applicant receives an application to become a Participating Merchant from a business located outside the Township, the Applicant shall review same, and any approvals shall be subject to the review and approval of the Township's Chief Financial Officer and/or Business Administrator, which approval shall not be unreasonably withheld.

DISCLOSURE OF PROGRAM FEES

It is understood that certain fees will be incurred in connection with administration of the Shop West Orange Program, and a listing of such fees shall be submitted with the Administrator's application for a license to operate the Shop West Orange Program. Such fees are currently as follows:

1. Costs to Participating Merchant:

- Hardware Costs are a \$160, one-time cost for the dial up processing machine (\$230 dual comm. IP). They may also opt for processing via the Administrator's Web site in which case the cost is \$0, or \$50 if the Participating Merchant wishes to purchase a card reader. The cost of equipment is subject to change.
- \$10 monthly processing fee.
- No additional costs will apply. Administrator agrees to waive its customary \$0.15 cents per swipe fee.

2. Other costs :

- For providing ongoing services as Administrator of the Shop West Orange Program, Administrator will retain twenty-five (25%) percent of the Property Tax Reward credit provided by Participating Merchants to Taxpayer Consumers.
- Example: A Participating Merchant chooses a ten percent (10%) property tax credit on sales. If a homeowner makes a \$100 purchase, creating a \$10 property tax credit, the homeowner will receive \$7.50 and the Administrator will retain \$2.50 for program expenses and administration fees.

APPLICABILITY OF ORDINANCE AND LICENSE APPLICATION TERMS

In addition to the terms set forth in this Memorandum of Understanding, the terms and conditions set forth in any applicable Township Ordinances, as well as those stated in the license application to operate a Shop West Orange Program in the Township, shall apply. The terms stated in this Memorandum of Understanding are contingent on: (i) Administrator's completion of a license application; (ii) approval of a license to operate the Shop West Orange Property Tax Reward Program. Should there be any changes to this Memorandum of Understanding, such changes shall be proposed and agreed to in writing by all parties.

TOWNSHIP OF WEST ORANGE

Dated: _____

Signed: _____
Robert D. Parisi, Mayor

Dated: _____

Attest: _____
Karen J. Carnevale, Municipal Clerk

FINCREDIT, INC.

Dated: _____

Signed: _____
Carmine DeFalco, Managing Director

Dated: _____

Witness: _____
Name: _____

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