



Financial Institution Record Match

General Information Booklet

This booklet provides background information, participant instructions, required forms, and media specifications for financial institutions to exchange data with the Franchise Tax Board.

State of California
Franchise Tax Board

Reference Material

Draft Publication for Use at 2nd Interested Parties Meeting

September 27, 2011

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The FIRM Record Layout portion of this booklet is considered confidential data between the Franchise Tax Board and financial institutions. This Record Layout has been removed from this booklet. To request this information, state the appropriate business need and send your written request to:	
STATE OF CALIFORNIA PIT Collection Response and Resolution Section MS A482 FRANCHISE TAX BOARD Attn: Pam Laffitte PO BOX 942840 SACRAMENTO CA 94240-0040	
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Draft Publication

For Use at 2nd Interested Parties Meeting of 9.27.11

Introduction

Legislation SB 86 (Stats 2011, ch. 14), chaptered March 24, 2011, authorizes the Franchise Tax Board (FTB) to operate and administer a Financial Institution Records Match (FIRM) that utilizes automated data exchanges to the maximum extent feasible to identify accounts of delinquent tax debtors (as defined under Revenue and Taxation Code (R&TC) Section 19266(h)(3)) held at financial institutions (as defined under R&TC Section 19266 (h)(2)) doing business in California. FIRM is an enforcement tool used to collect delinquent taxes and non-tax debts of individuals and business entities.

The FIRM data exchange is generally intended to be similar to the Financial Institution Data Match (FIDM) program. FIDM is operated for purposes of child support collection (utilizing a Method 1 or Method 2 secured data exchange process), except that the statute uses the term "delinquent tax debtors" as defined by R&TC Section 19266.

Background

Under R&TC Section 19266, FTB is authorized to implement a quarterly data match process to match specified debtor data against accountholder information of financial institutions doing business in California. FTB has entered into a contract with (Vendor Name) (FIRM Program Administrator) to manage the day-to-day operations of the FIRM program, administer the quarterly data exchange, and provide customer service, education and outreach services to financial institutions regarding the FIRM program.

General Provisions

FTB's Authority:

- R&TC Section 19266.
- R&TC Section 19560.5.
- FTB may institute civil proceedings to enforce R&TC Section 19266(f).

Definitions Under R&TC Section 19266(h)

"Account" means a demand deposit account, share or share draft account, checking or negotiable withdrawal order account, savings account, time deposit account, or money market mutual fund account regardless of whether the account bears interest. (R&TC Section 19266 (h)(1))

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"Financial institution" means:

- (A) A depository institution, as defined in Section 1813(c) of Title 12 of the United States Code.
- (B) An institution-affiliated party, as defined in Section 1813(u) of Title 12 of the United States Code.
- (C) A federal credit union or state credit union, as defined in Section 1752 of Title 12 of the United States Code, including an institution-affiliated party of a credit union, as defined in Section 1786(r) of Title 12 of the United States Code.
- (D) A benefit association, insurance company, safe deposit company, money-market fund, or similar entity authorized to do business in this state. (R&TC Section 19266 (h)(2))

"Delinquent tax debtor" means any person liable for any income or franchise tax or other debt referred to the Franchise Tax Board for collection as imposed under Part 5 (commencing with R&TC Section 10701), Part 10 (commencing with R&TC Section 17001), Part 10.2 (commencing with R&TC Section 18401), or Part 11 (commencing with R&TC Section 23001), including tax, penalties, interest, and fees, where the tax or debt, including the amount, if any, referred to the Franchise Tax Board for collection remains unpaid after 30 days from demand for payment by the Franchise Tax Board, and the person is not making current timely installment payments on the liability under an agreement pursuant to R&TC Section 19006. (R&TC Section 19266 (h) (e))

Disclosure

Unless otherwise required by law, a financial institution is prohibited from disclosing to a depositor or accountholder the name, address, social security number, or other identifying information of that delinquent tax debtor that has been received or furnished to FTB. (R&TC Section 19266(d))

The FIRM program will not be subject to any limitation set forth in the California Government Code Section 7560 et seq (California Right to Financial Privacy Act). However, any use of the information provided pursuant to R&TC Section 19266 for any purpose other than the collection of franchise or income tax or other nontax debts referred to FTB for collections shall be a violation of R&TC Section 19542. (R&TC Section 19560.5)

Protection for Financial Institutions

R&TC Section 19266(e) states a financial institution shall incur no obligation or liability to any person arising from any of the following:

- Furnishing information to FTB as required by this section.
- Failing to disclose to a depositor or accountholder that the name, address, social security number or other taxpayer identification number, or other identifying information of that delinquent tax debtor was included in the data exchange with us required by this section.
- Any other action taken in good faith to comply with the requirements of this section.

Noncompliance Penalty

Under Revenue and Taxation Code section 19266, subdivision (f), FTB may institute civil proceedings to enforce the provisions of Revenue and Taxation Code section 19266.

Any financial institution that willfully fails to comply with the rules and regulations promulgated by the FTB for the administration of delinquent tax collections, unless it is shown to our satisfaction that the failure is due to reasonable cause, shall be assessed a penalty upon notice and demand, and collected in the same manner as tax. The penalty imposed under this section shall be in an amount equal to fifty dollars (\$50) for each record not provided, but the total imposed on that financial institution for all such failures during any calendar year shall not exceed one hundred thousand dollars (\$100,000). (R&TC Section 19266(g))

Employment of Third Party Vendor (Transmitter)

A financial institution may use a transmitter for the automated data exchanges. If a transmitter is used, the financial institution shall provide the name and contact information of its transmitter to the FIRM Program Administrator on the FIRM Election Form provided by FTB. By designating a transmitter on the FIRM Election Form and filing it with the FIRM Program Administrator, the financial institution grants the FIRM Program Administrator permission to exchange data and records as well as communicate with the transmitter on behalf of the financial institution.

The use of a transmitter by a financial institution does not relieve that financial institution of liability for any penalty under R&TC Section 19266 (g) of for failure to provide one or more records.

Temporary Exemption

FTB is authorized to exempt a financial institution from the requirements of R&TC Section 19266(a)(2)(C), if FTB determines that the financial institution's participation would not generate sufficient revenue to be cost effective for FTB.

A temporary exemption applies to financial institutions holding less than 250 open accounts, unless it would be cost effective for FTB to require the financial institution to comply with the requirements of the FIRM data match process. A financial institution holding less than 250 open accounts may submit a Temporary Exemption Request to the FIRM Program Administrator under forms and instructions provided by FTB.

FTB reserves the right to require a financial institution that has been granted temporary exemption to complete and file an Election Form with the Firm Program Administrator and participate in the FIRM data match process. The FIRM Program Administrator shall notify the financial institution in writing of the date that the FIRM Election Form is to be submitted and the date that the financial institution shall begin participating in the FIRM data match process.

If a financial institution believes facts exist for FTB staff to grant a temporary exemption, the financial institution may submit and file a Temporary Exemption Request with the FIRM Program Administrator. The financial institution shall provide sufficient detail for FTB staff to evaluate its request.

Example: Financial institution B has merged with Financial Institution A. The institutions are undergoing a major data processing change at the end of a quarter. Financial Institution A (the surviving financial institution) can apply to FTB for a Temporary Exemption Request stating that the additional cost to participate in the data match for that quarter would be significant and not cost effective. Based on the facts, FTB may grant a temporary exemption for one quarter.

FTB shall consider a financial institution's Temporary Exemption Request and respond in writing to the financial institution within sixty (60) calendar days of receipt of the Temporary Exemption Request. Unless otherwise stated, the temporary exemption remains in effect for twelve months from the date of approval or until the FIRM Program Administrator receives written notice from the financial institution that a change has occurred in the underlying facts that warranted the temporary exemption.

Sixty days prior to expiration of the temporary exemption, a financial institution that seeks to renew its temporary exemption status shall complete and submit a new Temporary Exemption Request to the FIRM Program Administrator. Within sixty (60) calendar days of determining that the facts upon which the temporary exemption no longer exists, the financial institution shall notify the FIRM Program Administrator of the change and shall file a FIRM Election Form with the FIRM Program Administrator to begin participation in the exchange process.

Submit notices or requests for temporary exemptions to the FIRM Program Administrator on the *Temporary Exemption/Suspension Form*. See Appendix B for FTB XXXX, *Temporary Exemption/Suspension Request*.

Temporary Suspension

FTB is authorized to temporarily suspend a financial institution from the requirements of R&TC Section 19266(a)(2)(D), if the financial institution provides FTB with a written notice from its supervisory banking authority that it is determined to be undercapitalized, significantly undercapitalized, or critically undercapitalized as defined by FDIC Regulation 325.103(b)(3), (4), and (5), or NCUA Regulation 702.102.

The notice from the supervisory banking authority provided pursuant to this subsection shall be subject to the non-disclosure protections of R&TC Section 19542.

A financial institution that requests a temporary suspension shall submit a Temporary Suspension Request to the FIRM Program Administrator under forms and instructions provided by FTB. FTB shall consider the request and respond to the financial institution in writing within sixty (60) calendar days of the request. If granted, the temporary suspension remains in effect for twelve months from the date of approval. Sixty (60) calendar days prior to the expiration of the grant of the temporary suspension, a

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financial institution that seeks to renew its temporary suspension status shall complete and submit a new Temporary Suspension Request to the FIRM Program Administrator.

Within sixty (60) calendar days of receipt of a written notice from its supervisory banking authority removing the determination, the financial institution shall notify the FIRM Program Administrator of its change in financial condition and shall file a FIRM Election Form with the FIRM Program Administrator to begin participation in the exchange process.

Submit notices for temporary suspension, along with accompanying documentation, to the Program Administrator on the *Temporary Exemption/Suspension Request*. See Appendix B, for FTB XXXX, *Temporary Exemption/Suspension Request*.

Filing the FIRM Election

Financial institutions doing business in the State of California, within the meaning of Section 23101 of the Revenue and Taxation Code, shall complete and file with the FIRM Program Administrator the FIRM Election Form, which establishes FIRM program participation, the chosen method of data matching, and the name of the transmitter (if one is used).

Once the financial institution submits and files a completed Election Form with the FIRM Program Administrator, the election on the FIRM Election Form remains binding until the financial institution submits a new form. The financial institution shall submit and file any changes to the financial institution's name with the FIRM Program Administrator on a new FIRM Election Form within thirty (30) calendar days of approval of a name change from its primary regulator. Any new contact information shall be submitted and filed with the FIRM Program Administrator on a new FIRM Election Form as soon as the change is established at the financial institution.

The financial institution shall submit and file any changes to the financial institution's transmitter or election method with the FIRM Program Administrator on a new FIRM Election Form at least sixty (60) calendar days in advance of the next calendar quarter. See Appendix A, for FTB XXXX, *Financial Institution Record Match (FIRM) Election Form*.

Acknowledgement of Election Form: Notification to FIRM Participation

Following the Program Administrator's receipt and review of the FIRM Election Form for completeness, the FIRM Program Administrator shall notify the financial institution in writing that it has received the financial institution's completed FIRM Election Form. The FIRM Program Administrator shall notify the financial institution in writing if the information is incomplete. The financial institution shall submit a new FIRM Election Form within thirty (30) calendar days of receiving notification of an incomplete FIRM Election Form.

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The FIRM Program Administrator shall notify the financial institution in writing as to the calendar quarter the financial institution shall begin its quarterly participation under the Participation Schedule. Unless otherwise directed in writing by the FIRM Program Administrator, all subsequent data matches shall continue as described in the Participation Schedule.

Data Match Procedures

The financial institution shall complete and submit to the FIRM Program Administrator a FIRM Election Form, which establishes the financial institution's chosen method of data matching with FTB using either Method 1 or Method 2.

Method 1

Pursuant to the FIRM Participation Schedule, the financial institution or its transmitter shall submit a data file via a secured internet transfer application to the FIRM Program Administrator that contains records of all open accounts held by the financial institution ("All Account File"). Submitted files are matched against FTB delinquent tax debtor file ("Debtor File") by the FIRM Program Administrator.

A financial institution shall select Method 1 only if it does not have the technical ability to process the data exchange or the ability to employ a third party data processor to process the data exchange. A financial institution may utilize a transmitter to assist in submitting a data file via a secured internet transfer application to the FIRM Program Administrator. For all subsequent quarters, the financial institution or its transmitter shall submit a file containing either records of accounts opened, closed, or changed during a particular quarter ("Update File"), or an All Accounts File.

Method 1 - Reporting "No Updates"

If the Method 1 update selection process results in "No Updates" for a particular quarter send an email to the FIRM email address below with "No Updates" in the subject line and include the following information in the body of the email. Do not submit a file if there are "No Updates:"

- Method type
- Quarter
- Institution FEIN
- Contact person
- Contact person phone number
- Contact person email address
- Transmitter name

FIRM email address: (To be determined)

Method 2

Pursuant to the FIRM Participation Schedule, the financial institution or its transmitter shall retrieve a downloaded delinquent tax debtor file (the "Franchise Tax Board Inquiry File") via a secured internet transfer application pursuant to forms and instructions provided by FTB.

The financial institution or its transmitter shall match FTB Inquiry File against all open accounts maintained by the financial institution regardless of the accountholder's residence for the calendar quarter; and submit a file of matched records to the FIRM Program Administrator via a secured internet file transfer application in accordance with forms and instructions provided by FTB.

If the financial institution determines its transmitter is unable to process the data exchange as required, the financial institution shall complete and submit a new Election Form to the FIRM Program Administrator stating its change in transmitter or election method.

The financial institution and its transmitter shall protect the confidentiality of FTB Inquiry File and any data and records supplied to the financial institution by the FIRM Program Administrator.

Method 2 Reporting - "No Matches"

If the Method 2 match process results in "No Matches," send an email to the FIRM email address below with "No Updates" in the subject line and include the following information in the body of the email. Do submit a file if there are "No Updates:"

- Method type
- Quarter
- Institution FEIN
- Contact person
- Contact person phone number
- Contact person email address
- Transmitter name

The residence of the accountholder of a financial institution is irrelevant for the purpose of conducting the data match.

FIRM email address: (To be determined)

Participation Schedule

The FIRM Participation Schedule is shown below. The schedule includes the Inquiry File Availability Date for the Method 2 Inquiry File provided by the FIRM Program Administrator and the Due Date for financial institutions to submit the Method 1 and 2 Matched Files (Method 1 & 2 Matched Files Due Date).

Quarter	Quarter Months	Quarter Ending Date	Inquiry File Availability Date (Method 2)	Method 1 & 2 Matched Files Due
1 st Qtr	Jan, Feb, Mar	Mar 31	Apr 15	May 30
2 nd Qtr	Apr, May, Jun	Jun 30	July 15	Aug 30
3 rd Qtr	Jul, Aug, Sep	Sep 30	Oct 15	Nov 30
4 th Qtr	Oct, Nov, Dec	Dec 31	Jan 15	Feb 28

If the due date falls on a weekend or holiday, the due date shall be the next business weekday.

To assist in program administration, the Inquiry File Availability Dates (Method 2) and the Method 1 & 2 Match Files Due Dates may be modified at any time by FTB, but in no event shall such dates be earlier than the dates specified in the table above. The FIRM Program Administrator shall provide written notice to the financial institutions prior to any change in the schedule.

Media Type

The FIRM Program Administrator will provide participants the FTB Inquiry File through a secured internet transmission application. The FIRM Program Administrator does not accept data provided on tape cartridge, CD diskette, or written reports.

Submitting Files to FTB

To submit a file using the Method 1 AllAccounts File, the Method 1 Update File, or the Method 2 Match File, follow these specifications unless specifically stated otherwise:

- All records must be a fixed length of 420 bytes (tape positions).
- All records, except the header and trailer labels, must be in fixed block format, not variable. The number of records within a block must be constant in every block, except the last block, which may be shorter.
- Records may not span blocks.
- All blocks must be even multiples of the record length which is 420 bytes. For example, if the records are blocked at 50 records per block, the block size must be exactly 21,000 bytes.
- A block must not exceed 32,760 bytes (tape positions).

Internet Data Exchange

To exchange files, your financial institution must:

- Meet the due date. We conduct exchanges on a quarterly basis. See **Schedule** for due dates.
- Use a Secured Internet Transmission service.
- Use required layouts. The record layout and specifications are located on pages X through XX.

(Specifications to be provided at a later date by the FIRM Program Administrator)

Additional Instructions:

- **Financial institutions** Use your financial institution's name (which can be abbreviated) and FEIN as the file name. If you send more than one file for a particular quarter, you may add an alpha character after the name and FEIN (sequential order: a, b, c, etc.).
- **Transmitters** If the file only has data exchange information for one financial institution, use the financial institution's name (which can be abbreviated) and FEIN as the file name. If you send more than one file for a particular quarter, add an alpha character after the name and FEIN (sequential order: a, b, c, etc.).
- **Transmitters with multiple participants** If the file has data exchange information for more than one financial institution, use your business name (which can be abbreviated) and FEIN as the file name. If you send more than one file with multiple financial institutions, you may add an alpha character after your business name and FEIN (sequential order: a, b, c, etc.).
- The FIRM Program Administrator only accepts .txt and .zip files. The FIRM Program Administrator cannot accept self-extracting zipped files, which end with an .exe file extension.

File names are limited to 32 characters with no spaces between characters in the first name. File transfers will fail if the file name has spaces between the characters.

FIRM Program Administrator Contacts

(The FIRM Program Administrator's name and telephone number will be provided at a later date.)

Replacement Files

The FIRM Program Administrator may request the financial institution to submit a data match replacement file if there were errors encountered while processing the original file. If the FIRM Program Administrator requests a replacement file, it will submit a written request to the financial institution; the financial institution shall return the entire file to the FIRM Program Administrator for processing within thirty (30) calendar days of the date of the written request and in accordance with forms and instructions provided by FTB.

FIRM Record Layouts – Confidential Data

The FIRM Record Layout portion of this booklet is considered confidential data between FTB and financial institutions. This Record Layout has been removed from this booklet. To request this information, state the appropriate business need and send your written request to:

STATE OF CALIFORNIA
PIT Collection Response and Resolution Section MS A482
FRANCHISE TAX BOARD
Attn: Pam Laffitte
PO BOX 942840
SACRAMENTO CA 94240-0040

Common Data Match Errors

The FTB requires financial institutions to verify the content of their data match files to ensure data accuracy and reduce the need for FTB to return files for correction. Verification is especially important to financial institutions that have their reports prepared by a reporting agent.

FTB returns rejected files with an explanation to the financial institution or the transmitter for replacement. The financial institution must correct the errors and resubmit the file as instructed in the explanation.

To avoid errors during Internet filing, the financial institution must:

- Submit a revised FTB XXXX, *Election Form* when changing transmitters.
- Notify the FIRM Program Administrator when there is a new contact for the financial institution.
- Use specified file formats in the Record Layout Format. Files submitted through the FIRM Internet process must be text files ending with a file extension of .txt, or ending with .zip if the file is compressed.
- Zip large files to avoid "Run Time Error" results. Zipped files naming conventions must end with a file extension of .zip if the file is compressed. We cannot accept self-extracting zipped files, which end with an .exe file extension.

Reimbursement to Financial Institutions

A financial institution may be entitled to reimbursement for submitting the information specified under R&TC Section 19266 and this regulation in the following amounts:

- Actual costs for FIRM one-time start-up operations of no more than \$2,500.
- Actual costs for FIRM data matching (other than one-time start up operations) of no more than \$250 per calendar quarter.

Procedure for Requesting Reimbursement

A financial institution is not entitled to reimbursement unless it has participated in the FIRM data exchange under the written direction and schedule established by the FIRM Program Administrator. Once the financial institution's participation has occurred under the written direction of the FIRM Program Administrator, a financial institution may submit a completed FIRM Reimbursement Invoice for its initial start-up costs and quarterly data matching no later than 30 calendar days following the end of the State's fiscal year (by July 30).

- Reimbursement is based on the FIRM data match services performed during the State's fiscal year ending June 30.
- For quarterly matching that has occurred, up to four quarters may be submitted at one time.
- Any FIRM reimbursement invoice received after July 30 for the prior fiscal year ending June 30 will not be honored.
- Financial Institutions are responsible for maintaining supporting documentation of these expenditures for three years.

See Appendix C, for FTB XXXX, *Reimbursement Invoice*



Financial Institution Record Match (FIRM) Election Form

Financial institutions use this election form to participate in the Financial Institution Record Match program with the Franchise Tax Board (FTB). Please refer to the reverse side of this form and the FIRM General Information Booklet for additional information. When completed and signed by an authorized representative of your institution, this form will serve as the official data processing document with FTB.

Institution Information

Institution Name: _____ FEIN: _____

Primary Contact Name: _____ Email: _____

Telephone Number (including area code): _____ Fax: _____

Secondary Contact Name: _____ Email: _____

Telephone Number (including area code): _____ Fax: _____

Institution Address: _____ Mailing Address (if different from street address): _____

ATTN (optional): _____ ATTN (optional): _____

Action

Effective Date of Election or Change

- Initial election
- Change election
- Add or change transmitter

Exchange Method (Choose One)

- Method 1 All Accounts Method. The first quarter of participation, you submit a file to us of all open accounts via a secured transfer application. For subsequent quarters, the file may contain all open accounts or just updates of opened, closed or changed accounts. By selecting this method you are stating your financial institution does not have the technical ability to process the data exchange, or to employ a third party data processor to process the data exchange.
- Method 2 Matched Accounts Method. You or your authorized third party designee must retrieve a downloadable file of a list of debtors (the Inquiry File) via a secured internet transfer application. You match the Inquiry File against all open accounts and return a file (the Match File) of the matched accounts. The matched file is returned via a secured internet transfer application.

Transmitter Information

If you use a transmitter or third party (transmitter) to exchange FIRM data with FTB, please provide the following transmitter's contact information. By designating a transmitter, the financial institution grants FTB permission to exchange FIRM data and communicate with the transmitter on behalf of the financial institution.

Transmitter Name: _____ FEIN: _____

Address: ATTN (optional): _____

Contact: _____ Phone: _____

Email: _____ Fax: _____

Authorized Representative for Financial Institution

Name (please print): _____ Title: _____

Signature: _____ Date: _____

Subdivision (e) of R&TC Section 19266 provides: e) A financial institution shall incur no obligation or liability to any person arising from any of the following: (1) Furnishing information to FTB as required by this section. (2) Failing to disclose to a depositor or accountholder that the name, address, social security number or other taxpayer identification number, or other identifying information of that delinquent tax debtor was included in the data exchange with FTB required by this section. (3) Any other action taken in good faith to comply with the requirements of this section.

Purpose

Financial institutions doing business in the State of California shall complete and file with the FIRM Program Administrator the FIRM Election Form, which establishes FIRM program participation, the chosen method of data matching, and the name of the transmitter.

Once the financial institution submits and files a completed Election Form with the FIRM Program Administrator, the election on the FIRM Election Form remains binding until the financial institution submits a new form. The financial institution shall submit and file any changes to the financial institution's name with the FIRM Program Administrator on a new FIRM Election Form within thirty (30) calendar days of approval of a name change from its primary regulator. Any new contact information shall be submitted and filed with the FIRM Program Administrator on a new FIRM Election Form as soon as the change is established at the financial institution.

The financial institution shall submit and file any changes to the financial institution's transmitter or election method with the FIRM Program Administrator on a new FIRM Election Form at least sixty (60) calendar days in advance of the next calendar quarter. Complete the form and include the authorized signature and fax it to (XXX) XXX-XXXX or mail it to: FIRM Program Administrator, XXX.

The FIRM Program Administrator shall notify the financial institution in writing as to the calendar quarter the financial institution shall begin its quarterly participation under the Participation Schedule. Unless otherwise directed in writing by the FIRM Program Administrator, all subsequent data matches shall continue as described in the Participation Schedule.

Participation Schedule

The due date to make program changes (e.g., change contact information or transmitter) and to submit a new FIRM Election Form to the FIRM Program Administrator is 60 calendar days prior to the data exchange due date. To receive a Method 2 Inquiry File according to the Participation Schedule, we must receive the Election Form prior to the FTB Inquiry File Available date below.

Quarter	Quarter Months	New Election Form Due Date	FTB Inquiry File Available (Method 2)	Method 1 & 2 Data Due Date
1st Qtr	Jan, Feb, Mar	Mar 30	Apr 15	May 30
2nd Qtr	Apr, May, Jun	June 30	July 15	Aug 30
3rd Qtr	Jul, Aug, Sep	Sept 30	Oct 15	Nov 30
4th Qtr	Oct, Nov, Dec	Dec 31	Jan 15	Feb 28

If the due date falls on a weekend or holiday, the due date shall be the next business weekday.

To assist in program administration, the Inquiry File Availability Dates (Method 2) and the Method 1 & 2 Match Files Due Dates may be modified at any time by FTB, but in no event shall such dates be earlier than the dates specified in the table above. The FIRM Program Administrator shall provide written notice to the financial institutions prior to any change in the schedule.

Your Institution: Complete the Institution Name line with the exact name that you will enter as the institution name in the "A" Record of the Method 1 or Method 2 file that you will submit to FTB.

Transmitter Information: Enter the contact information about the transmitter that will perform the FIRM data exchange on behalf of your institution. The Method 2 Inquiry File will be available via a secured internet application. Do not enter your institution on the form as its own transmitter unless you are also submitting a separate file on behalf of another financial institution.

Authorized Representative: An officer of your institution.

FTB FIRM Program Contacts

Tracy Vaca
(916) 845-6580
[Vaca, Tracy@ftb.ca.gov](mailto:Vaca,Tracy@ftb.ca.gov)

Pam Laffitte
(916) 845-4974
Robertson-Laffitte,Pam@ftb.ca.gov

Assistance: (Vendor Name), FIRM Program Administrator operates a call site Monday through Friday to answer questions related to the Financial Institution Data Match Process.

Telephone: (xxx) xxx-xxxx

Hours of Operation: 7 a.m. to 4:00 p.m.

Email Address: FIRMhelp@xxxxxx

Draft Publication

For Use at 2nd Interested Parties Meeting of 9.27.11



Financial Information Record Match (FIRM) Temporary Exemption/Suspension Request

Financial institutions use this form to request a Temporary Exemption or Temporary Suspension from the Financial Institution Record Match program with the Franchise Tax Board (FTB). Please refer to the reverse side of this form and the FIRM General Information Booklet for additional information.

Financial Institution's Name:		Federal Employer Identification Number (FEIN):	
Street Address:		Telephone Number:	
		Fax:	
City:	ZIP:	Mailing Address (if different from street address): Street address:	
		City:	ZIP:
Attn:		Attn:	

Type of Action Submitted:

_____ 1. Temporary Exemption (Less than 250 accounts). My institution is requesting a temporary exemption because it has less than 250 open accounts: _____

_____ 2. Temporary Exemption (Other). My institution is requesting a temporary exemption. Facts exist to grant a temporary exemption under the requirements of R&TC Section 19266(a)(2)(C). Please provide sufficient detail.

_____ 3. Temporary Suspension. My institution qualifies for a temporary suspension because it has been classified as undercapitalized, significantly undercapitalized, or critically undercapitalized its supervisory banking authority. Please provide the notice from R&TC Section 19266(a)(2)(D).

Authorized Representative for Financial Institution

Officer's Name (please print): _____ Title: _____

Signature: _____ Date: _____

Financial Information Record Match (FIRM) Temporary Exemption/Suspension Request

Temporary Exemptions

FTB is authorized to exempt a financial institution from the requirements of R&TC Section 19266(a)(2)(C), if FTB determines that the financial institution's participation would not generate sufficient revenue to be cost effective for FTB. A temporary exemption applies to financial institutions holding less than 250 open accounts, unless it would be cost effective for FTB to require the financial institution to comply with the requirements of the FIRM data match process. A financial institution holding less than 250 open accounts may submit a Temporary Exemption Request to the FIRM Program Administrator.

FTB reserves the right to require a financial institution that has been granted temporary exemption to complete and file an Election Form with the FIRM Program Administrator and participate in the FIRM data match process. The FIRM Program Administrator shall notify the financial institution in writing of the date that the FIRM Election Form is to be submitted and the date that the financial institution shall begin participating in the FIRM data match process. If a financial institution believes facts exist for FTB staff to grant a temporary exemption, the financial institution may submit and file a Temporary Exemption Request with the FIRM Program Administrator. The financial institution shall provide sufficient detail for FTB staff to evaluate its request.

FTB shall consider a financial institution's Temporary Exemption Request and respond in writing to the financial institution within sixty (60) calendar days of receipt of the Temporary Exemption Request. Unless otherwise stated, the temporary exemption remains in effect for twelve months from the date of approval or until the FIRM Program Administrator receives written notice from the financial institution that a change has occurred in the underlying facts that warranted the temporary exemption.

Sixty days prior to expiration of the temporary exemption, a financial institution that seeks to renew its temporary exemption status shall complete and submit a new Temporary Exemption Request to the FIRM Program Administrator. Within sixty (60) calendar days of determining that the facts upon which the temporary exemption no longer exists, the financial institution shall notify the FIRM Program Administrator of the change and shall file a FIRM Election Form with the FIRM Program Administrator to begin participation in the exchange process.

Temporary Suspension

FTB is authorized to temporarily suspend a financial institution from the requirements of R&TC Section 19266(a)(2)(D), if the financial institution provides FTB with a written notice from its supervisory banking authority that it is determined to be undercapitalized, significantly undercapitalized, or critically undercapitalized as defined by FDIC Regulation 325.103(b)(3), (4), and (5), or NCUA Regulation 702.102. The notice from the supervisory banking authority provided pursuant to this subsection shall be subject to the non-disclosure protections of R&TC Section 19542.

A financial institution that requests a temporary suspension shall submit a Temporary Suspension Request to the FIRM Program Administrator under forms and instructions provided by FTB. FTB shall consider the request and respond to the financial institution in writing within sixty (60) calendar days of the request. If granted, the temporary suspension remains in effect for twelve months from the date of approval. Sixty (60) calendar days prior to the expiration of the grant of the temporary suspension, a financial institution that seeks to renew its temporary suspension status shall complete and submit a new Temporary Suspension Request to the FIRM Program Administrator. Within sixty (60) calendar days of receipt of a written notice from its supervisory banking authority removing the determination, the financial institution shall notify the FIRM Program Administrator of its change in financial condition and shall file a FIRM Election Form with the FIRM Program Administrator to begin participation in the exchange process.

Where to Send the Temporary Exemption/Suspension Form

Complete and sign this form. Fax it to (XXX) XXX-XXXX or mail to: FRANCHISE TAX BOARD, FIRM, (Vendor Name) FIRM Program Administrator, PO Box XXXXXX, XXXXXXXXXXXX, CA XXXXXXXXX.

Form Instructions

Your Institution's Name and Contact Information: Enter your institution's name exactly how it appears on the FIRM Election Form (FTB XXXX). Provide the name and phone number of the person within your financial institution designated to answer questions about FIRM.

Type of Action Submitted: Answer one of the three categories and provide sufficient information for item 2, or 3 (if applicable).

FIRM Authorization: An authorized officer of your financial institution must sign the form.

Assistance: The (Vendor Name) FIRM Program Administrator operates a call-site Monday through Friday from x:00 am to xx: pm to answer questions related to FIRM. Call the FIRM Program Administrator at XXX.XXX.XXXX or email FIRMhelp@.



Franchise Tax Board
 Accounting & Financial Resources Section
 PO Box 2800
 Sacramento, CA 95812-2800

**Financial Institution Record Match (FIRM) Reimbursement Invoice
 for Fiscal Year Ending June 30, 20__**

Financial Institutions may be entitled to reimbursement from the Franchise Tax Board (FTB) for a FIRM one-time start up cost not to exceed \$2,500 and up to \$250 per quarter for conducting the FIRM data match (Revenue and Taxation Code Section 19266.) Reimbursement is based on the FIRM data match services performed during the State's fiscal year ending June 30. Please refer to the FIRM General Information Booklet for additional information.

Participating FIRM financial institutions must complete and submit a Reimbursement Invoice no later than 30 days following the end of the State's fiscal year (by July 30). Any FIRM reimbursement invoice received after July 30 for the prior fiscal year ending June 30 will not be honored.

Institution Name:	Federal Employer Identification Number(FEIN):
Mailing Address:	Telephone Number (including area code):
Institution Contact Name:	Telephone Number (including area code):
Contact Name's Email Address:	

A. One -Time Start Up Cost and Reimbursement

The one time start up cost may only be claimed once by the participating FIRM financial institution.

Date(s) start up costs were incurred: _____ Actual cost (not to exceed \$2,500.) _____

B. Quarterly Data Match and Reimbursement

Up to four quarters may be submitted at one time. Quarterly matched files are due May 30, August 30, November 30 and February 28, unless the date is changed by the FTB.

Date (by Quarter) the data match was submitted to FTB: _____ Actual cost (not to exceed \$250 per quarter.) _____

Total Cost of Quarters: _____

Total Amount of (A) and (B) requested: \$

Financial Institutions are responsible for maintaining supporting documentation of these expenditures for 3 years.

The above financial institution has approved this cost for submission.

Officer's Name (please print): _____ Title: _____

Signature: _____ Date: _____

Upon completion, please send this Reimbursement Invoice to:

Franchise Tax Board
 Accounting & Financial Resources Section
 PO Box 2800
 Sacramento, CA 95812-2800

For Internal Use:
Invoice Number: _____
Approval Signature: _____

If you have any questions, please contact _____ at _____ or send an email to _____

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