

# Bailment Contract

1. Agency name	2. Agency number
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This is a bailment contract between the Comptroller of Public Accounts (hereinafter referred to as the "Comptroller") and the state agency listed above in box 1 (hereinafter referred to as the "Bailee").

### Section 1 - Term of the Contract

This contract takes effect February 1, 2012, and remains in effect unless the contract is terminated in accordance with SECTION 6. The contract is binding on the successors in office or employment of the Comptroller and the Bailee.

### Section 2 - Purpose of the Contract

The Comptroller enters into this contract as a service to the Bailee. The contract authorizes the Bailee to take early possession of state payroll and payroll deduction warrants. Early possession will enable the Bailee to make better arrangements for distributing the payroll warrants on payday.

### Section 3 - The Bailee's Obligations

The Bailee shall protect all payroll warrants in the Bailee's possession from mutilation, damage, destruction or loss. To this end, the Bailee shall store the payroll warrants in a safe location until the Bailee properly distributes the warrants to the payees. The Bailee is liable if the Bailee fails to perform the obligations under this contract. The Bailee has no ownership interest in any payroll warrant that the Comptroller delivers to the Bailee in accordance with this contract.

### Section 4 - Preparation and Delivery of Warrants

The Bailee shall submit its payroll documentation to the Comptroller on the dates specified by the Comptroller. The Comptroller shall prepare the necessary payroll warrants after receiving the Bailee's documentation. The Comptroller shall make the payroll warrants available for pickup by the Bailee on the first workday after the warrants are prepared on the condition that the warrants will be delivered to the payees on payday. If the Bailee's place of employment is not located in Travis County, the Comptroller may mail the payroll warrants to the Bailee at an address mutually agreed upon by the Comptroller and the Bailee. The Bailee may authorize the Bailee's employees to perform the actions that this contract would otherwise require or authorize the Bailee to perform. However, the Bailee is liable for damages or losses caused by those employees' failure to comply with this contract. The Bailee shall take or cause to be taken appropriate disciplinary actions against employees who violate this contract.

### Section 5 - Delivery of Payroll Warrants to Payees

The Bailee shall deliver the payroll warrants in the Bailee's possession to the payees on payday. The Bailee may not deliver any payroll warrants before payday. When the Bailee knows in advance that a particular payee will not be working on payday, the Bailee may mail the payee's payroll warrant to the payee. However, the Bailee must ensure that the payee does not receive the warrant before payday.

### Section 6 - Amendments, Termination and Violation of this Contract

Neither the Comptroller nor the Bailee may amend this contract unless the amendment is in writing and acceptable by both parties. The Comptroller or the Bailee may terminate this contract at any time as long as the terminating party ensures that the other party receives the written notice of the termination at least 30 days before the effective date of the termination. In the event a payee's warrant is presented to a financial institution or the Comptroller's Treasury Operations Division prior to payday, the division may not honor and shall return the payroll warrant. The Bailee is responsible for the violation. Upon the first and second violation, the Comptroller will notify the Bailee of the violation and require the Bailee to list corrective steps that the agency will take to ensure future compliance. Upon the third violation within a two year period, the Comptroller may notify the agency that the contract has been terminated.

### Section 7 - Notices

All written notices must be delivered by mail or hand to the address specified by the receiving party.

3. Signature of chief fiscal officer or agency head 		4. Printed name	
5. Title	6. Phone (Area code and number)	7. Email address	8. Date