**BILLING AND COLLECTION SERVICES AGREEMENT**

**BY AND BETWEEN \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ AND \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Billing and Collection Services Agreement**

This Billing and Collection Services Agreement (Agreement) is effective as of the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_“Telephone Company” ( ), a Michigan corporation, whose principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Customer”), a \_\_\_\_\_\_\_\_\_\_\_\_corporation, whose principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

WHEREAS, [insert company name] is interested in providing billing and collection services to Customer for certain services provided by Customer to its end users, and

WHEREAS, Customer is a provider of \_\_\_\_\_\_ services to its end users and desires to subscribe to [insert company name] billing and collection services;

THEREFORE, in consideration of the promises and covenants contained herein, the parties do mutually agree as follows.

1. **Scope**

A. This Agreement specifies terms and conditions under which [insert company name] shall provide billing and collection services to Customer for \_\_\_\_\_\_\_\_\_\_\_\_\_services provided by Customer to its end users.

2. **Description of Billing and Collection Services**

A. [insert company name] agrees to provide billing and collection for \_\_\_\_\_\_services to Customer as described in Exhibit A. [insert company name] agrees to provide billing and collection for \_\_\_\_\_\_services as described in Exhibit B. The applicable rates for billing and collection of \_\_\_\_\_\_\_services are stated on Exhibit C. The charges to Customer for billing and collection services for charges shall be included with the monthly access charge bill and shall be due at the same time and subject to the same payment terms and conditions as the monthly access charge bill.

B. The billing and collection services, as described in Exhibits A and B are subject to change upon written agreement by [insert company name] and Customer.

C. Customer is not required to pay [insert company name] for billing and collection charges associated with unbillable adjustments.

D. Customer shall have the option upon thirty (30) days written notice provided to [insert company name] to require Telephone Company to provide the billing and collection services provided hereunder for additional \_\_\_\_\_\_\_\_\_services provided by Customer or an affiliate of Customer. The rates for such additional billing and collection services to be charged in such case shall be as negotiated between the parties.

**3. Bill Process Services**

A. Bill Processing Service. [insert company name] bill processing service is provided for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_\_\_\_services offered by Customer. In providing bill processing service, [insert company name] agrees to the following:

[NOTE: If [insert company name] Billing and Collection Services Agreement includes toll services, use 1, 2 and 3 below. If the Agreement includes data or other services, use 4.]

1. [insert company name] shall separately identify Customer’s toll messages and charges as Customer’s toll revenue on end user bill, which shall result in a separate bill page. Customer’s logo shall be included on at least the initial bill page.

2. [insert company name] shall provide monthly detail of toll messages by current Customer segments, Customer discount toll plans, and Customer service plans on the Purchase of Accounts Receivable Statement.

3. Extended Calling Area Service. If toll traffic becomes an Extended Area Service (EAS) or other local service offering by order of the Michigan Public Service Commission (MPSC), such traffic shall cease being covered by this Agreement, which means that no compensation under the purchase of accounts receivable process shall be made to Customer by [insert company name] for such traffic and no billing and collection services shall be performed under this agreement by [insert company name] for Customer for such traffic.

4. [insert company name] shall separately identify Customer’s \_\_\_\_\_\_\_\_services charges as Customer’s \_\_\_\_\_\_services charges on end user bill, which shall result in a separate bill page. Customer’s logo shall be included on at least the initial bill page.

B. Bill Processing Service Procedures. The following procedures apply to bill process services.

1. For message-billed accounts, [insert company name] shall post rated messages to the appropriate end user account when it identifies a message to be billed to an end user. [insert company name] then shall bill the end user for the message. The bill to the end user for that message shall be at the rates contained in Customer’s published tariffs, price schedules, or other price documentation provided to [insert company name] by Customer.

2. [insert company name] shall bill the end user for other Customer message-billed charges, such as third number billing or collect calls, etc., at the rates in Customer’s then current tariffs, price schedules, or other price documentation provided to [insert company name] by Customer.

3. For bulk-billed accounts, [insert company name] shall establish an end user account for each end user and shall treat it as a bulk-billed account. [insert company name] shall bill end user at Customer’s then current bulk-billed rates, contained in its tariffs, price schedules, or other price documentation provided to [insert company name] by Customer. Customer shall compensate [insert company name] on a per message basis using applicable rates on Exhibit C.

4. For \_\_\_\_\_\_\_\_\_service accounts, [insert company name] shall bill the end user for the rates associated with that end user’s service plan pursuant to the rates contained in Customer’s price schedules or other price documentation provided to [insert company name] by Customer.

C. Inquiry. [insert company name] shall make contact and arrangements with the end user concerning the billing, collecting, crediting and adjusting of the end user’s bill for \_\_\_\_\_\_\_\_\_\_\_\_\_\_ services provided by Customer covered by this Agreement.

**4. Application and Procedures for Taxes**

When billing end users for services provided by the Customer, [insert company name] shall apply the following tax procedures:

1. [insert company name] shall bill and collect Michigan Use Tax and Federal Excise Tax on intrastate long distance calls from customers of the Customer located in [insert company name] telephone exchanges and shall remit those taxes directly to the State of Michigan and the Internal Revenue Service, respectively, using the taxpayer identification number of [insert company name].
2. [insert company name] shall be responsible for responding to any questions and audits of the State of Michigan and Federal Departments of Treasury regarding those tax payments and remittances more fully described in Paragraph 4A.
3. Customer agrees to notify the affected [insert company name] of an audit or formal inquiry initiated by the State of Michigan or Internal Revenue Service with respect to the tax payments and remittance of taxes that are the subject of this contact if Customer is permitted to do so by law and with the consent of the appropriate taxing authority. [insert company name] shall cooperate fully with the Customer and the applicable tax authority in responding to statutorily appropriate state and federal audits.
4. If any tax, interest, penalty or fine is levied, imposed, charged or made by the State of Michigan or Internal Revenue Service or any other aggrieved party with respect to any issues relating to accuracy, validity, and the remittance of the tax payments described above, [insert company name] shall indemnify and hold harmless the Customer, its successors and assigns, its employees and agents against all liability for the tax, interest, penalties, or fines relating to or arising out of any failure, any negligence, or any willful misconduct by [insert company name] or its agents or employees, that may be imposed because of any determination, finding, ruling or conclusion by the administrative agency, tax tribunal or any court with respect to the excise of use payments on long distance calls from customers of Customer located in [insert company name] telephone exchanges and the remittance of those taxes by [insert company name] to the State of Michigan or the Internal Revenue Service. [insert company name] agrees to defend any suit or claim brought against the Customer for any such liability covered by this paragraph, including all costs of defense and actual attorney fees. Customer agrees to notify [insert company name] promptly and in writing of any such suits or claims for which [insert company name] is responsible and to cooperate in every reasonable way to facilitate defense or settlement.
5. The same terms and conditions governing the obligations of [insert company name] to indemnify, defend, and hold harmless the Customer against any claim, tax, interest, penalty, or fine with regard to the collection and payment of state use taxes apply to the collection and payment of the federal excise tax on communications under Section 4251 et seq. of the United States Internal Revenue Code.
6. The obligations of [insert company name] to indemnify the Customer for liabilities occurring during the term of this contact shall survive the expiration or termination of this agreement.

**5. Bill Collection Procedures**

A. [insert company name] shall receive and process payments from Customer’s end users and shall apply all payments against the end user’s total balance and not as separate payments for Customer’s services, unless otherwise provided herein or required by law or order of the Michigan Public Service Commission or other regulatory agency.

B. Except as otherwise agreed in writing by [insert company name] and Customer, [insert company name] shall employ its standard collection and treatment methods for collecting payment, including, but not limited to, timely suspension and denial of local service for delinquent accounts to the extent permitted by law or rules or orders of any regulatory authority having jurisdiction, and initiation of normal collection efforts, including legal action. [insert company name] shall not regard any amount as uncollectible until after termination of service has taken place.

C. Apportionment shall be used to determine Customer’s portion of realized uncollectibles, recoveries, payments, or deposits. The apportionment percentages used shall be based on the Customer’s portion of outstanding charges for services rendered on final customer bills written off during the previous quarter.

**6. Purchase of Accounts Receivable**

A. The amount due Customer shall include the purchase of Customer’s accounts receivable by [insert company name] with recourse adjustments as set forth below to account for amounts due Customer that Telephone Company is unable to collect from the end users of Customer’s services covered by this Agreement.

B. [insert company name] shall complete a Purchase of Accounts Receivable Statement (PARS) in a format to be mutually agreed upon, and send it, along with supporting detail, to Customer. The PARS must be submitted on a monthly basis and no later than 15 business days after the last customer bill date reflected on the PARS.

C. A summary of the amounts due Customer for the purchase of its accounts receivable is described as follows:

Total Billed Revenue (Not including taxes)

+Billing Adjustments

* Uncollectible Adjustments

+ Unbillable Adjustments

**= Amount Due Customer**

D. The amounts due Customer for the purchase of its accounts receivable shall be determined as follows:

1. Total Current Amount Billed (Total Billed Revenue). For each end user bill date, [insert company name] shall determine from its records the total current amount lawfully billed to Customer’s end users for \_\_\_\_\_\_\_\_\_\_services, including all taxes applicable to such services. A total current amount billed shall be determined for each end user bill date.

2. Billing Adjustments. For each bill date, [insert company name] shall make billing adjustments to the total current amount billed. Billing adjustments are adjustments made to the customer-billed amounts to reflect increases or decreases to the lawfully earned revenues billed on behalf of Customer.

3. Uncollectible Adjustments (Bad Debt Allowance). [insert company name] shall report uncollectible adjustments to Customer using actual uncollectible write-offs. Actual uncollectible adjustments shall be reported in the month in which they are realized.

4. Uncollectible – Direct. Uncollectible – Direct uncollectibles is the amount of other uncollectibles associated with previously billed revenues. These uncollectibles include compromise adjustments to customer bills in the interest of customer relations, adjustments due to fraudulent use of services which cannot be billed, and coin shortages.

5. Unbillable Adjustment. If records are determined to be unbillable as a result of failure of services provided by [insert company name] (e.g., lost, damaged or destroyed records and data transmission and wiring errors), [insert company name] shall be liable for the lost revenue. [insert company name] shall estimate the records and associated revenues based upon previously known values by using a method that is mutually agreeable to [insert company name] and the Customer. [insert company name] shall add, as an adjustment, the amount estimated lost revenues, net of an appropriate uncollectible amount.

E. Notification of Disputed Accounts Receivable Amount. Should either party dispute any portion of the amount due, said disputing party shall notify the other party in writing of the nature and basis of the dispute within a reasonable period of time from the date of discovery of that which gave rise to the dispute. The substantiated claim should be provided by the disputing party with sufficient detail to allow investigation by the other party.

F. Payment of Disputed Accounts Receivable Amount. Should the dispute not be resolved by the payment date of the amount due, the disputing party shall, notwithstanding the continuing existence of the dispute, pay the billed amount in accordance with the terms and conditions of this Agreement but said disputing party shall reserve and have claim against the other party for reimbursement after the dispute is resolved.

G. Ultimate Settlement of Disputed Accounts Receivable Amount. In the event that either party files a substantiated claim, the receiving party shall have thirty (30) business days from the notification date, or other mutually agreed period, to process the claim and inform the disputing party of the claim status. Should the claim, in whole or in part, ultimately be resolved in favor of the disputing party, that party shall be entitled to a refund, with interest, from the other party to the extent the claim was sustained. The amount of said refund, including interest, shall be an amount equal to the sustained claim amount plus interest calculated using the late payment penalty formula, set forth in the Agreement.

1. If the claim is received within six (6) months of the end user bill date, the interest shall be calculated according to the penalty factor described in this Agreement from the date the disputed amount was paid or ten (10) business days following the payment date, whichever is later, through claim resolution and remittance.

2. If the claim is received after six (6) months of the end user bill date, the interest shall be calculated according to the penalty factor described in the Agreement from receipt of the claim notification until claim resolution and remittance.

Payment must result in immediately available funds on the payment date. The

total amount of the refund, with interest, shall be paid no later than thirty-one (31)

business days after notice to both parties that the claim has been sustained is given

in writing.

1. [insert company name] shall have thirty (30) days from the date shown on the PARS to remit payment.
2. Retention of Supporting Data Concerning Disputed Amount. Both parties shall retain such detailed information as may reasonably required for resolution of the disputed amount during the duration of the dispute.

1. If Customer does not receive payment within the 30 day time period, then a late payment penalty shall be due. The late payment shall be the past due amount times a late factor. The late factor shall be the lesser of:

0.0003082 per day, compounded daily for the number of calendar days from the payment date to and including the date that [insert company name] actually makes the payment.

2. Customer shall bill late payment charges through a separate notification process.

**7. Customer’s Obligations**

1. Customer shall furnish in a timely manner all information and records necessary for [insert company name] to provide the billing service.
2. Customer shall notify [insert company name] promptly following discovery of any fraudulent use of the Customer’s or [insert company name] service, or discovery of facts which give a reason to believe that such services are being fraudulently used.
3. Customer shall promptly provide such other information, schedules, and data as [insert company name] may reasonably require to provide the services ordered under this Agreement including updates to price schedules, tariffed rates, or other terms and conditions governing the Customer’s provision of services to its end users.

**8. Additional Services**

[insert company name] agrees to implement changes in, or additions to, the services provided by it under this Agreement as mutually agreed upon between the parties. Such changes or additions may include, but are not limited to, new methods for maintaining customer accounts and performing billing, collection and other activities associated with new service offerings by Customer.

**9. Customized Development**

1. Customer may require customized programming to accommodate Customer’s billing requirements. Customer shall bear the full cost of such customized programming. [insert company name] understands and agrees that any software developed at Customer’s request and expense during the term of the working relationship shall be the sole property of Customer (including any trade secrets, copyrights, or other intellectual property rights herein and any documentation associated herewith).
2. [insert company name] shall not sell, license, or otherwise make available to any other party such Customer developed software or any product or service utilizing such Customer developed software without prior written consent of Customer.
3. Such Customer developed software shall also be protected by [insert company name] in accordance with confidentiality provisions under Section 16 of this Agreement.

**10. Audit**

1. Customer or its authorized representatives may audit or examine the

accounting practices of [insert company name] through its source documents, system records and procedures, which contain information bearing upon: (i) amounts subject to [insert company name] billing and collection services; (ii) the charges to Customer for the provision of billing and collection services; and (iii) revenue for service usage remitted to Customer.

1. Customer shall provide thirty (30) days written notification to [insert company name] prior to the commencement of an examination, and forty-five (45) days written notification prior to the commencement of an audit. The parties may mutually agree to shorter written notification periods. The written notification shall identify the date upon which the audit or examination shall commence, the location of the representatives, the subject matter of the audit or examination, and the [insert company name] or [insert company name] representative.
2. Any audit or examination shall be conducted during normal business hours.
3. Not more than one audit of different services may be conducted during any twelve (12) month period during the term of the Agreement.
4. Examinations may be conducted as necessary without limitations on the frequency; provided that Customer act reasonably and examinations are not used to circumvent the frequency restrictions on the audits.
5. During the audit or examination, [insert company name] shall provide the information listed below. This is by way of illustration and not intended to narrow the scope of audit or examination. [insert company name] shall not be required to produce any records or reports which are not maintained in the normal course of business.
6. Provision by [insert company name] for an audit trail to ensure that all components of the bill are substantiated by adequate source documentation and statistical data.
7. Provision by [insert company name] to perform a sample of billing data for the auditor’s use in conducting a test of message and bill processing (assembly, editing, rating) for the purpose of auditing Customer revenues and billing & collection charges.
8. The costs and expenses of any audit or examinations shall be the sole responsibility of the Customer and its representatives.

**11. Dispute Resolution**

In the event of any dispute between [insert company name] and Customer with respect to the terms and conditions of this Agreement, or any subject matter referred to in or governed by this Agreement, except disputes in which a party seeks equitable relief, then such disputes shall be settled as follows:

1. Escalation Procedures

All disputes between the parties with respect to any billing and collection services provided herein shall be escalated through normal business procedures to the officer level prior to the commencement of any arbitration or court proceeding.

1. Arbitration

Any claim, dispute, or other matter in question arising out of, or relating to this Agreement, shall be subject to arbitration upon written demand of either party, in accordance with the rules of the American Arbitration Association in effect, unless the parties agree otherwise. The arbitration hearing shall take place in a mutually agreeable location.

**12. Data Retention**

All data associated with the billing for Customer services shall be maintained for the period described in A, B, or C, whichever is greatest.

1. The retention time required by law for maintaining federal, state, or local tax information.
2. The retention time required by law or regulation in order to substantiate or reconstruct an end user invoice.
3. The retention time currently used by [insert company name] for its own billing information, in compliance with legal or regulatory rulings.
4. Additional requirements and procedures in this area shall be mutually agreed upon in writing by the parties.

**13. Costs**

[insert company name] agrees to work with Customer in projecting all relevant costs related to this Agreement and make available these projections to Customer prior to the commencement of services to ensure that Customer is aware of the full projected cost of the Agreement, including programming charges, uncollectibles, taxes, and data transmission costs.

**14. Term and Termination**

1. This Agreement shall become effective on \_\_\_\_\_\_\_\_\_\_\_\_\_, 201\_\_\_. The Agreement shall continue in effect until \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ unless terminated by either party upon ninety (90) days written notice. During the term of this Agreement period, Customer agrees not to take back any billing and collection services provided by [insert company name].
2. If written notice of termination of this Agreement given by either party and, after such notice, each party continues to provide or accept the services covered by this Agreement, both parties shall continue to abide by the terms, rates and conditions set out in this Agreement.
3. Customer reserves the right, on a case-by-case basis, to make alternative billing and collection arrangements, to meet the needs of specific end users in situations in which [insert company name] billing arrangements do not fully support the end user’s request for customer billing, e.g., multiple geographic locations on a single bill, or multiple accounts combined on a single bill. However, [insert company name] shall be given the first opportunity to meet the end users’ needs.
4. If Customer elects to terminate this Agreement before the end of the term included in the Agreement, Customer shall pay [insert company name] a sum equal to an amount calculated by applying the rates in Exhibit C to [insert company name] for billing and collection services to the services provided hereunder for the \_\_\_\_\_\_\_ month period ending on the effective date of the cancellation. Said sum is to be paid within ninety (90) days of the termination.

**15. Notices and Demands**

Except as otherwise provided under this Agreement or in the Exhibits hereto, all notices, demands, or requests which may be given by either party to the other party shall be in writing and shall be deemed to have been duly given on the date delivered in person or deposited, postage prepaid, in the United States mail, via certified mail return receipt requested, or sent via overnight delivery and addressed as follows:

To Telephone Company:

**Telephone Company**

Address

City State Zip

To Customer:

**Company**

Address

City State Zip

**16. Confidentiality**

1. [insert company name] and the Customer shall not disclose the terms and conditions, in particular the rates, of this Agreement to any third party without the prior written consent of Customer.
2. Any information such as specifications, drawing, sketches, models, samples, data, computer programs and other software and documentation of one party that is furnished or made available or otherwise disclosed to the other party pursuant to this Agreement (“Proprietary Information”) shall be deemed the property of the disclosing party. Proprietary information, if written, shall be marked “Confidential” or “Proprietary” or by other similar notice, and, if oral or visual, shall be transmitted by the disclosing party to the receiving party within ten (10) days after disclosure. Unless proprietary information was previously known by the receiving party to be free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the receiving party, or is explicitly agreed in writing not to be regarded as confidential, it (a) shall be held in confidence by the receiving party and its employees, contractors, agents and affiliates; (b) shall be disclosed to only those employees, contractors, agents or affiliates who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used only for such purposes; and (c) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in writing by the parties.
3. The provisions of this Section 16 shall survive the termination of this Agreement, and, at the same time of termination, the receiving party shall, if practicable and upon request, return the proprietary information of the disclosing party which is in tangible form.

**17. Limitation of Liability**

1. [insert company name] agrees to use all reasonable efforts to maintain a performance level with respect to the billing and collection services provided hereunder which is consistent with [insert company name] own service measurement criteria applied to its own services. The above described warranty is the only warranty provided in connection with this Agreement.
2. Absent intentional and willful misconduct by [insert company name], Customer’s sole and exclusive remedy for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys’ fees, regardless of theory, shall be limited to the amount of actual damages directly caused by [insert company name].
3. Customer’s liability to Telephone Company (as distinct from Customer’s obligation to pay for services provided pursuant to this Agreement) for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys’ fees, regardless of theory, shall be limited to the amount of actual damages directly caused by Customer.
4. The parties may be liable to the other for any indirect or special damage arising out of or in connection with knowing or willful misconduct. In no event shall either party be liable to the other for consequential damages.

**18. Indemnification**

1. Each party (the “Indemnifying Party”) shall indemnify and hold harmless the other party (the “Indemnified Party”) from and against all loss, costs, claim, liability, damage expense (including reasonable attorney’s fees) to third parties, relating to or arising out of negligence, or wanton and willful misconduct by the indemnifying party, its employees, agents, or contractors in the performance of this Agreement.
2. The indemnifying party shall defend any action or suit brought against the indemnified party for any loss, cost, claim, liability, damage, or expense relating to or arising out of negligence or wanton or willful misconduct by the indemnifying party, its employees, agents, or contractors, in the performance of this Agreement.
3. The indemnified party shall notify the indemnifying party promptly in writing of any written claims, lawsuits, or demand by third parties for which the indemnified party alleges that the indemnifying party is responsible under this section and shall make a written request for the defense of such claim, lawsuit, or demand to the indemnifying party.
4. Both parties shall cooperate in every reasonable manner in the defense or settlement of such claim, demand, or lawsuit. The indemnifying party shall not be liable under this subparagraph for settlements by the indemnified party of any claim, demand, or lawsuit unless the indemnifying party has approved the settlement in advance or unless the defense of the claim, demand, or lawsuit has been requested in a writing to the indemnifying party and the indemnifying party has failed to promptly undertake the defense.

**19. Assignment**

Any assignment or delegation by either party of any right, obligation or duty, in whole or in part or any other interest hereunder, without the written consent of the other party shall be void; provided however, that such consent is not required when the proposed assignment or delegation is to be made to any parent, subsidiary of parent, affiliate or other successor of the assigning party. Written consent, if required, shall not be unreasonably withheld or delayed. All obligations and duties of any party under this Agreement shall be binding on all successors in interest and assigns of such party.

**20. Choice of Law**

This Agreement shall be construed in accordance with, and governed by, the internal laws of the State of Michigan.

**21. Severability**

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability or any other part or provision of this Agreement.

**22. Force Majeure**

Customer and [insert company name] shall not be liable for any delays in the performance of any of its obligations hereunder due to causes beyond its reasonable control, including, without limitation, fire, strike, war, riots, acts of any civil or military authority, acts of God, judicial action, unavailability or shortages of labor, materials, or equipment, failure or delays in delivery of vendors and suppliers or delays in transportation.

**23. Non-Waiver**

No course of dealing or failure of a party to enforce strictly any term, right, obligation or provision of this Agreement or to exercise any option provided hereunder shall be construed as a waiver of such provision.

**24. Entire Agreement**

This Agreement and all Exhibits attached hereto, constitute the entire agreement between the parties and supersedes all previous proposals, both verbal and written.

Attached and incorporated herein are:

Exhibit A Description of Billing and Collection Services for Toll and Data

Services

Exhibit B Description of Billing and Collection Services for \_\_\_\_\_Services

Exhibit C Rates for Billing and Collection Services

In Witness Whereof, each Company has caused this Agreement to be executed in its behalf this \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 20\_\_\_.

Telephone Company Customer

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Name

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exhibit A

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**EXHIBIT A**

**Description of Billing and Collection for Toll and Data Services**

Attached to and made a part of the Billing and Collection Services Agreement which is

effective as of the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ between\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_“Telephone Company” ( ), a Michigan corporation, whose principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Customer”), a \_\_\_\_\_\_\_\_\_\_\_\_corporation, whose principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

I. Recording Service

1. General Description

“Recording” is the entering on digital media of the details of messages. Recording shall be performed twenty-four (24) hours a day, seven (7) days a week.

“Assembly and Editing” is the aggregation of recorded message details for a particular call into individual messages and verification to assure that the date required for rating is present.

1. Recording Service Conditions
2. Recording service includes recording and assembly and editing.
3. [insert company name] shall provide recording service for messages for all toll services that can be recorded by [insert company name].
4. Customer shall provide such signal as may be required for the proper operation of [insert company name] automatic message accounting equipment used to perform recording service.
5. Assembly and editing may be performed for messages for all toll services recorded during the billable period established by [insert company name].
6. All data associated with the performance of services thereunder shall be maintained for the longer of the following periods: The retention time required by law for maintaining federal, state and local tax information; the time required by law or regulation in order to substantiate or reconstruct end user invoices; or the retention time currently used by Customer for its own billing information in compliance with legal or regulatory rulings.

Exhibit A

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1. Rating Service
2. General Description

“Rating Service” is the transformation of assembled and edited details of calls into rated messages in preparation for billing, at the applicable charges, based on Customer provided schedule of rates. Rating includes the preparation of rated messages for input to bill processing service.

1. Rating Service Conditions

[insert company name] shall process messages originating or recorded within the operating territory of [insert company name].

1. A record of assembled and edited message detail is required for the provision of rating service. If Customer provides the message detail, the records shall be in standard industry format.
2. In order to provide rating service, [insert company name] is required to develop Customer’s schedule of rates into the rating program. Any change in Customer’s schedule or structure of rates including those changes required by regulatory or legal orders will require changes to the rating program and shall be subject to additional charges. Implementation of a changed rate schedule or structure may also require editing, in which case appropriate assembly and editing charges shall be imposed by [insert company name]. Changes in Customer’s schedule of rates shall be made effective as of the date specified by Customer, provided [insert company name] receives written notice from Customer of a schedule change twenty (20) days in advance. Implementation dates of any structure changes shall be mutually agreed to by [insert company name] and Customer.
3. Billing and Bill Processing Service
4. General Description
5. “Billing Service” consists of bill processing service, message investigation, inquiry and master file maintenance.

Exhibit A

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1. “Bill Processing Service” is provided for message-billed and bulk-billed toll services. The components of bill processing service are:

a. Bill Rendering (which includes account establishment, posting of rated Customer messages, and rendering of bills).

1. Collection and Master File Maintenance (which includes receiving payments, maintenance of accounts, and treatment of accounts).
2. “Account Establishment” is the creation of an end user record so that a bill can be sent to that end user.
3. “Posting of Rated Messages” is (1) the processing for billing purposes if rated messages, and (2) the examination and identification of all the ratable elements to be billed to an end user.
4. “Rendering of Bills” is the preparation and mailing of statements of the amount due from the end user for Customer toll services.
5. “Receiving Payments” and “Maintenance of Accounts” is the collecting of monies from end users for Customer toll services and maintenance of records of all transactions.
6. “Treatment of Accounts” is the forwarding of notices of delinquent or unpaid accounts, posting of credits and adjustments, and denial of services.
7. Bill Processing Service Conditions

For message-billed accounts, [insert company name] shall post rated messages to the appropriate end user account when it identifies a message to be billed to the end user, and shall bill the end user for the message. [insert company name] shall bill the end user for other Customer message-billed charges, such as third number billing, etc. in compliance with the Customer’s lawfully established tariffs.

Exhibit A

Page 4 of 4

For bulk-billed accounts, [insert company name] shall establish an end user account for each end user that should be treated as a bulk-billed account and shall bill Customer’s bulk-billed charges to the end user.

1. Message Investigation

Rated messages which [insert company name] cannot bill for any reason shall be forwarded to Customer’s message investigation group. However, messages rated less than $1.00 shall not be forwarded.

1. Inquiry

[insert company name] shall make contacts and arrangements with the end user concerning the billing, collecting, crediting and adjusting of the end user’s bill for services provided by Customer.

Approved as of this \_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

Telephone Company Customer

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Name

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exhibit B

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**EXHIBIT B**

**Description of Billing and Collection for \_\_\_\_\_\_\_ Services**

­ Attached to and made a part of the Billing and Collection Services Agreement (Agreement) which is effective as of the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_“Telephone Company” ( ), a Michigan corporation, whose principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Customer”), a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_corporation, whose principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. **Billing and Collection Services**

From the effective date hereof, \_\_\_\_\_\_ services billing and collection services provided to the Customer by [insert company name] shall be as set forth below.

1. **Definitions**
2. “Billing Information Service” is the provision of information to the Customer from [insert company name] end user, bill records, billing files and account databases.
3. “Bill Insert” is a printed insert provided by Customer to [insert company name] for inclusion in [insert company name] bills to Customer’s local service end users. Bill insert size, weight, content and scheduling are subject to the prior approval of [insert company name].
4. “Bill Processing” is the combined offering of the following billing and collection service elements: Bill rendering, record keeping, and inquiry.
5. “Bill Rendering” is the inclusion of Customer’s service records and related charges as part of [insert company name] bill to an end user. Bill rendering includes the following: bill preparation, paper, printing, postage, collection and treatment. [insert company name] shall post invoices as rendered, to its accounts receivable and shall perform certain collection, treatment and end user service functions as specified in its existing procedures. Customer’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_ services shall be displayed in a format substantially the same as that presently being provided for other carriers.

Exhibit B

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1. “Customer Bill Date” is the date of [insert company name] end user bill with respect to an end user that is also an end user of Customer.
2. “Customer Bill Format” is the design of the billing medium in a manner that shall convey to the end user the charges for Customer’s services.
3. “End User Customer” is Customer’s subscriber who is located within [insert company name] territory.
4. “Inquiry” is the taking and responding to end user calls or written inquiries to [insert company name] inquiring about Customer’s charges appearing on [insert company name] bill. Where necessary, [insert company name] may issue the end user customer a post billing adjustment (“PBA”) by crediting the end user customer’s account and recoursing the amount of the PBA credit on the purchase of accounts receivable.
5. “Program Development” is programming work required to make programming changes to [insert company name] billing system to meet the billing needs of Customer.
6. “Record Keeping” is the maintenance of account information by [insert company name] for Customer’s end users billed by [insert company name] including, but not limited to, service order and billing history data necessary for [insert company name] to support performance of billing and collection services for Customer.
7. “Special Work” is any work performed by [insert company name] at the express request of Customer other than the following billing and collection services: Bill processing, billing information service, and program development. Special work includes, but is not limited to, creation of special reports and analyses, special retrieval of data, special billing outside of [insert company name] normal billing processes and/or cycles.
8. “Statement of Amount Due Customer” is a statement sent to Customer by [insert company name] summarizing the purchase of accounts receivable.

Exhibit B

Page 3 of 4

1. “Treatment and Collection of End User Accounts” are the activities performed by [insert company name] in an attempt to collect outstanding balances due for previously billed end user charges.
2. **General Terms and Conditions**

[insert company name] may, if feasible, and at the option of the Customer, provide any of the groups of billing and collection services or stand-alone services described herein.

Services and prices have been established under this Agreement assuming standard implementation, as determined by [insert company name], but the Customer may request billing and collection services that are not specifically addressed in this description or may request modification to the services described. All such requests shall be reviewed to determine the feasibility of implementing the request, with determination by [insert company name] whether [insert company name] wishes to provide the requested service or modification. In such cases where [insert company name] has agreed to fulfill the Customer’s request, the applicable additional charges, rates, terms and conditions shall be determined on an Individual Case Basis (“ICB”).

1. **Billing and Collection Services**

A. Bill Processing

Bill processing includes bill rendering, record keeping and inquiry. Bill processing and the individual elements comprising bill processing are defined at Section 1.C herein. [insert company name] shall not perform any of the elements of bill processing apart from bill processing as a whole unless by amendment to this Agreement, to the billing and collection rates at Exhibit C and to this Exhibit. If Customer orders bill processing as a whole, [insert company name] agrees to purchase the accounts receivable related to any of Customer’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_ services billed by [insert company name] in accordance with the procedures for purchase of accounts receivable described in the Agreement. Customer shall pay [insert company name] for the bill processing service as specified in Exhibit A.

Exhibit B

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B. Billing Information Service

[insert company name] shall provide billing information services, as mutually agreed upon between Customer and [insert company name], on an ICB.

C. Program Development

[insert company name] shall provide program development, as mutually agreed upon between the Customer and [insert company name], on an ICB.

D. Special Work

[insert company name] shall provide special work, as mutually agreed upon between the Customer and [insert company name], on an ICB.

Approved as of this \_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

Telephone Company Customer

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Name

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exhibit C

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**EXHIBIT C**

**Rates for Billing and Collection Services**

The rates described in this Exhibit C apply to the Billing and Collection Services for Toll Services described in Exhibit A and Billing and Collection for \_\_\_\_\_\_\_\_\_\_\_\_\_ Services described in Exhibit B. For toll billing, these rates apply to billing and collection services for interstate, international and nonregulated messages and services and, where no intrastate tariff governs billing and collection services, to intrastate messages and services. These rates apply only to the volumes of messages or bills for which [insert company name] performs the indicated service.

1. **Billing Processing for Toll & Data Services**
   1. Bill Processing for Toll – Message Rate **$\_\_\_\_\_\_\_\_\_/Message**
   2. Bill Processing for Data – Bill Rate **$\_\_\_\_\_\_\_\_\_/Bill**
2. **Billing Information Services ICB**
3. **Program Development ICB**
4. **Special Work ICB**

[insert company name], in its sole discretion, may update its billing and collection rates on an annual basis upon sixty (60) days notice to Customer.

Approved as of this \_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

Telephone Company Customer

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Name

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_