

MEMORANDUM

To: All New York City Virtual Enterprise (VE) Firms
From: Charan Singh, Gotham Central
cc: John Jastremski, Regional Office Director
Tyshawn Davis, WBL-Coordinator
Subject: Announcement of Late Fee Implementation
Effective: September 6th, 2015 Until Further Notice

Virtual Enterprise Firms,

In accordance with the changing policies of the New York City Virtual Regulatory Commission, it has been determined that if certain financial requirements defined herein are not filed and/or scheduled by the pre-determined due dates outlined on the following pages, your firm will be charged interest on any outstanding balance and/or assessed a one-time penalty which *must* be remitted immediately. The minimum interest charge across all accounts will be one month's interest. Penalties & interest rates will be assessed according to the schedules following this document.

Please Note:

The penalties and/or interest will be billed to your firm. Please **DO NOT** pay the late fee **UNTIL** you receive an invoice from the Central Office. You are still required to pay the amount due to the respective account each month.

Ex: Firm misses rent payment due on the first. Firm pays missed payment ASAP. The Central Office then sends out an invoice within 30 days regarding late fee. The firm pays the late fee ASAP.

The Virtual Regulatory Commission thanks you in advance for your cooperation in this matter.



Charan Singh,
Gotham Central

SCHEDULE OF LATE FEES¹

As Set by the New York City Virtual Regulatory Commission

Section A: Sales Tax

If Applicable

If the amount of sales tax due falls between:	the penalty will be:
0 and \$500	5%
\$501 and \$1,000	10%
\$1,001 and \$2,500	15%
\$2,501 and \$5,000	20%
\$5,001 and \$10,000	25%
\$10,001 and \$15,000	40%
\$15,001 and \$25,000	60%
\$25,001 and \$50,000	75%
\$50,001 and \$75,000	100%
Greater than \$75,000	150%

NOTE: In addition to the schedule above, monthly interest will be computed on all outstanding balance at the rate of 1.5% per month (18% APR).

Section B: Rent & Utilities

- Payments of Heat, Electric, Telephone, Internet, & Rent may be assessed a late fee of 1.5% per month (18% APR) of the outstanding balance.
 - For example, Rent is due on January 1st. Your rent payment must be posted by January 6th in order to not receive a late fee charge.
- Rent payments can be made to VEI-NYC Realty (Account # 100002655). Monthly rent expense shall remain defined by your firm's Lease Agreement.

Section C: Outstanding Loan Liabilities

If Applicable

- In accordance with the Promissory Note signed by the Officer(s) of your Firm upon initiation of the loan, late fee penalties are as follows:
 - Payments not made within five (5) days of due date may be subject to a late charge of 18% of said payment.
 - **Additionally, the Virtual Regulatory Commission has determined that any overdue balance exceeding thirty (30) days may result in an adjustment of the outstanding loan's APR by a minimum of 0.25%.**

Section D: Corporate Tax

If Applicable

¹ Please note that any unpaid balance is considered "late" at the close of the fifth business day after the date due.

- In accordance with publication 1120-VE, the following penalties will be imposed for negligence:
 - **Late filing of return.** A Virtual Enterprise Firm that does not file its tax return by the due date may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is over 60 days late is the smaller of the tax due or \$135. The penalty will not be imposed if the corporation can show that the failure to file on time was due to reasonable cause.
 - **Late payment of tax.** A firm that does not pay the tax when due generally may be penalized ½ of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax.

Section E: Late Submissions of Critical Operational Documents

- The Virtual Regulatory Commission defines a “Critical Operational Document” as a report or other substantial source of information with a required submission to the New York City Regional Office. Such reports include, but may not be limited to:
 - Business Plans
 - Annual Reports
 - Board of Director’s Quarterly Reports
 - Firm Financial Data Forms

Firms that fail to submit documents after the due date may be assessed a one-time fee of \$1,500 per document.

If there are any questions or concerns regarding this notice, feel free to contact the New York City Virtual Enterprise Central Office at:

Virtual Enterprises, International
122 Amsterdam Avenue Rm. 251
Charan Singh, Gotham Central
New York, NY 10023

Or call us at (212) 769-2710.



Charan Singh,
Gotham Central

Summarized Information

For all late payments, please refer to the chart below. A new late fee management account has been created to handle late fee payments. Please remit all late fees to the account listed below (ex: Sales Tax, Rent, Utilities, etc.). Please **DO NOT** pay the late fee **UNTIL** you receive an invoice from the Central Office. You are still required to pay the amount due to the respective account each month.

Title	Due Date	Late Fee	Pay to Account	Account #
Sales Tax	The 20 th of the following month	*	VEI-NYC Late Fees	630211353
Rent	1 st day of month	18% APR	VEI-NYC Late Fees	630211353
Utilities	1 st or last day of month	18% APR	VEI-NYC Late Fees	630211353
Loan Liabilities	1 st of the month	18% of payment due	VEI-NYC Late Fees	630211353
Corporate Tax (Form 1120-VE)	Last Friday in June	*	VEI-NYC Late Fees	630211353
Payroll Tax (Form 1120-VE)	Monthly	18% of payment due	VEI-NYC Late Fees	630211353
Specified Documents	Varies	\$1,500 per document	VEI-NYC Late Fees	630211353

* Refer to the application for late fee amounts