



## Payroll Service Agreement

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Thank you for engaging **I & S Tax Service LLC**, an independently owned business, operating in Phoenix, Arizona, (referred to herein as “we”, “us” or “our”), to provide the services described below to \_\_\_\_\_ (referred to herein as “you” or “your”). This letter is to specify and confirm the terms of our engagement with you and to clarify the nature and extent of the services we will provide.

We appreciate the opportunity to provide payroll services to \_\_\_\_\_.

To ensure an understanding between us, this letter sets forth the terms of our engagement as well as the nature and limitations of our services to you.

### Payroll Calculation Services

We will:

- Calculate payroll for your employees and contractors (if any)
- Calculate federal and state payroll tax deposits
- Prepare federal and state payroll tax forms as required
- Prepare Form W-2
- Prepare 1099
- Prepare and submit federal Form 941 FICA and withholding reports on a quarterly basis

- Prepare and submit federal Form 940 FUTA unemployment tax reports on an annual basis
- Prepare and submit Forms W2 and W3 with the Social Security Administration on an annual basis
- Prepare and submit Form Arizona Quarterly reports on a quarterly basis
- Prepare and submit Arizona Annual Withholding Tax Reconciliation Report
- Prepare and submit Arizona Report for new hiring
- Prepare and file payroll reports and tax submissions for other states for Client as required
- Provide copies of payroll reports and tax reporting forms to Client

## **Our responsibility**

Beginning \_\_\_\_/\_\_\_\_/\_\_\_\_\_, we will run payroll for your company. We will set up new employees and contractors for payroll on an as needed basis using the information from documents that you provide.

We will inform you of the amount and due date of your payroll tax payments and filings and assist you in making them.

## **Client Responsibilities**

You will provide us with payroll information on a timely and periodic basis, including hours worked, pay rates, employee status, and benefits information. You will provide us promptly with updated and corrected information as needed.

You must maintain sufficient funds in your bank account to cover payroll expenses and

related tax liabilities. You will be charged an exceptions fee if there are insufficient funds in your account when payroll or payroll taxes are due.

## **Payroll data required**

To ensure accurate payroll reporting, Client payroll requests shall include the following information:

- Name, RTN and account number of bank account used to issue payroll.
- form most recent two months, copies of bank statements for account used for payroll.
- Completed IRS and state forms W-4 for each new employee hired.
- Date pay period ends
- Date paycheck is to be issued
- Name of employee being paid
- Rate of pay that applies
- Type of pay that applies – such as
- Regular hours
- Overtime hours\*
- Tips
- Vacation
- Salary
- Sick pay

## **Payroll spreadsheet**

I & S Tax Service will provide Client with a payroll spreadsheet that may be used to provide payroll data for each payroll request. You can access the payroll spreadsheet and other payroll related forms on our website <https://istaxservice.com/payroll-services>.

## **Payment and Filing Services**

You may authorize us to make payments and filings for you. To do so, a principal officer or partner of your business must sign the Form 8655 and Electronic Services Authorization form accompanying this letter and return them to us for filing. If you authorize us to pay your employees or contractors electronically, you must ask each of them to sign a Direct Deposit Authorization and retain it in your files.

By giving us access to your bank account, you authorize us to make payroll, contractor and payroll tax payments and filings on your behalf, and you will be bound by them as though you had made them yourself. Typically, we will send payment transactions through the Automated Clearinghouse ("ACH") Network. You agree that these payment transactions will be governed by the ACH Rules as in effect from time to time, and that each entry we make on your behalf will be authorized, timely, for an amount due and owing, and will not violate the laws of the United States.

Alternatively, we may agree to print and mail checks for you, or provide you the information to do so yourself.

## **Our fees**

Our fees for payroll processing will be \$125 monthly, plus \$10/employee per month. Payroll tax filing fees \$300 quarterly. One time payroll set up fees is \$250.

We will send you an invoice monthly or automatic withdrawal is available.

## **Services not provided**

We will not audit or verify the information that you provide to us. If an amount appears unusual, we will call it to your attention. However, we are not responsible for the detection of errors, irregularities, theft, fraud, or illegal acts. We do not provide legal services.

## **Approvals**

We are pleased to have you as a payroll client and hope that this will begin a long and pleasant association. Each of us, however, retains the right to terminate this engagement at any time. Please date and sign a copy of this letter electronically and return it to us to acknowledge your agreement with the terms of this engagement.

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Thank you for permitting us to be of service. We value our relationship with you and hope you view us as your most trusted payroll service provider. We will work to continue earning that trust. If the foregoing and the attachments fairly set forth your understanding of this engagement, please sign the enclosed copy of this letter in the space indicated and return it to us.