



ACCOUNTANT / BOOKKEEPING ENGAGEMENT LETTER

Dear Client

1. THE PARTIES. This Accountant/Bookkeeper Engagement Letter (the "Letter") confirms the services of _____ (the "Accountant/Bookkeeper") requested by _____ (the "Client") on this date of _____.

Whereas the Client and Accountant/Bookkeeper (the "Parties") agree to the following terms and conditions for the Accountant's/Bookkeeper's services, as an independent contractor, in exchange for fees:

2. SERVICES. The Accountant/Bookkeeper agrees to provide the following services: (check all that apply)

- Accounts Payable
- Accounts Receivable
- Bank Reconciliation
- Bill Payment
- Budget Preparation
- Customized Reports
- Detailed General Ledgers
- Financial Statements
- General Bookkeeping
- Payroll and Check Registers
- Tax Calculation & Filing
- Other: _____.

The aforementioned selections shall be referred to as the "Services." The Accountant/Bookkeeper shall conduct the Services within the specifications and guidelines set by the Client. The Accountant/Bookkeeper shall, at all times, observe and comply with generally accepted bookkeeping and accounting practices and standards while complying with all Federal and State laws, regulations, and procedures when completing their Services in accordance with this Letter.

3. FEES. The Client agrees to pay the Accountant/Bookkeeper: (check one)

- Per Hour. \$ _____ / hour for providing the Services.
- Fixed Amount. \$ _____ as the total amount for the Services.
- Other. _____.

4. PAYMENT. The Client shall pay the Accountant/Bookkeeper: (check one)

- By way of recurring payment paid weekly monthly quarterly yearly.
 - Upon completion of the Services.
 - Other: _____.

5. EXPENSES. The Client shall: (check one)

- Pay Expenses. In addition to the Fees provided in Section 3, the Client agrees to reimburse the Accountant/Bookkeeper for any out-of-pocket expenses incurred that include, but are not limited to, travel expenses, audit fees, tax fees, and postage.
 - Not Pay Expenses. All expenses, including, but not limited to, travel expenses, audit fees, tax fees, and postage shall be the responsibility of the Accountant/Bookkeeper.

6. RETAINER. The Client shall: (check one)

- Pay a retainer in the amount of \$ _____ that shall act as an advanced payment on the Services provided by the Accountant/Bookkeeper.
 - Not pay a retainer.

7. TERM. The Term of this Letter shall be: (check one)

- Fixed, starting _____ and ending _____.
 - Ongoing, beginning on _____.
 - Other: _____.

8. TERMINATION. In the event of a material breach, either party may terminate this Agreement prior to the end of the term by providing _____ days' written notice to the defaulting party.

9. CLIENT'S OBLIGATIONS. The Client shall be solely responsible for providing the Accountant/Bookkeeper with financial information related to their personal and/or business affairs including, but not limited to, all materials, data, and documents necessary to perform the Services under this Letter, including items in **Attachment 1**. The Client acknowledges and agrees that the accuracy of financial information supplied to the Accountant/Bookkeeper is the sole responsibility of the Client and the Accountant/Bookkeeper shall be held harmless from any liability resulting from the accuracy of the financial information provided.

10. EMPLOYMENT STATUS. The Parties agree that the Accountant/Bookkeeper shall provide the Services to the Client as an independent contractor and shall not be acting as or determined to be an employee, agent, or broker. As an independent contractor, the Accountant/Bookkeeper shall be required to follow all requirements in accordance with the Internal Revenue Code which includes, and is not limited to, payment of all taxes levied for fees collected by the Client for payment of their employees, agents, brokers, and subcontractors. The Accountant/Bookkeeper understands that the Client shall in no way withhold any amounts for payment of any taxes from the Accountant/Bookkeeper's accumulated fees for Services.

- 11. CONFIDENTIALITY.** The Accountant/Bookkeeper may, in the course of performing the Services hereunder, gain access to certain confidential or proprietary information of the Client. Such "Confidential Information" shall include all information concerning the business, affairs, products, marketing, systems, technology, customers, end-users, financial affairs, accounting, statistical data, documents, discussion, or other information developed by the Accountant/Bookkeeper hereunder and any other proprietary and trade secret information of the Client whether in oral, graphic, electronic or machine-readable form. The Accountant/Bookkeeper agrees to hold all such Confidential Information of the Client in strict confidence and shall not, without the express prior written permission of the client, disclose such Confidential Information to third (3rd) parties or use such Confidential Information for any purposes whatsoever, other than the performance of its obligations hereunder. The obligations under this section shall survive the termination or expiration of this Letter.
- 12. ASSIGNMENT.** The Accountant/Bookkeeper shall have no rights to assign any of their rights under this Letter or delegate the performance of any of the obligations or duties hereunder, without the prior written consent of the Client. Any attempt by the Accountant/Bookkeeper to assign, transfer, or subcontract any rights, duties, or obligations arising hereunder shall be void and of no effect.
- 13. NOTICES.** Any notices, bills, invoices, or reports required by this Letter shall be deemed received on the day of delivery if delivered by hand, standard mail, e-mail, or facsimile during the receiving party's regular business hours.

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- 14. GOVERNING LAW.** This Letter shall be construed in accordance with and governed by Federal laws and those located in the State of _____.
- 15. DISPUTE RESOLUTION.** All disputes under this Letter shall be settled by arbitration in the State of governing law before a single arbitrator pursuant to the commercial law rules of the American Arbitrator Association. Arbitration may be commenced at any time by any party hereto giving written notice to the other party to a dispute that such dispute has been referred to arbitration. Any award rendered by the arbitrator shall be conclusive and binding upon the Parties hereto. This provision for arbitration shall be specifically enforceable by the Parties, and the decision of the arbitrator in accordance herewith shall be final and binding without right of appeal.
- 16. SEVERABILITY.** If any provision of this Letter shall be held to be illegal, invalid, or unenforceable under present or future laws, such provisions shall be severable, and this Letter shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Letter, with the remaining provisions of this Letter surviving in full force and effect.
- 17. LIMITATION OF LIABILITY.** In no event shall either party be liable to the other party for any indirect, incidental, consequential, special, or exemplary damages incurred by the other party arising out of the services provided under this Letter, including without limitation business interruption, loss of or unauthorized access to information, or damages for loss of profits, even if such party has been advised of the possibility of such damages. In no event shall either party's liability on any claim, loss, or liability arising out of or connected to this Letter exceed the amounts paid to the Accountant/Bookkeeper during the period immediately preceding the event giving rise to such claim or action by the Client or the limits of the Accountant's/Bookkeeper's professional liability policy.

18. INDEMNIFICATION. Each party shall at its own expense indemnify and hold harmless, and at the other party's request defend such party affiliates, subsidiaries, and assigns, its respective officers, directors, employees, sublicensees, and agents from and against any and all claims, losses, liabilities, damages, demand, settlements, loss, expenses, and costs, including attorneys' fees and court costs, which arise directly or indirectly out of or related to any breach of this Letter or the gross negligence or willful misconduct of a party's employees or agents.

19. ENTIRE LETTER. This Letter is the final, complete, and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes and merges all prior or contemporaneous representations, discussions, proposals, negotiations, conditions, communications, and agreements, whether written or oral, between the Parties relating to the subject matter hereof and all past courses of dealing or industry custom. No modification or amendment to this Letter shall be effective unless in writing and signed by each of the Parties.

20. ADDITIONAL TERMS AND CONDITIONS.

Attachment 1-Roles and Responsibilities
Attachment 2- Scope and Limitations
Attachment 3- Deliverables

21. WAIVER. The waiver by either party of a breach of or a default under any provision of this Letter shall not be effective unless in writing and shall not be construed as a waiver of any subsequent breach of or default under the same or any other provision of this Letter, nor shall any delay or omission on the part of either party to exercise or avail itself to any right or remedy that it has or may have hereunder operate as a waiver of any right or remedy.

IN WITNESS WHEREOF the Parties have duly executed this Letter as of the date first written.

Accountant/Bookkeeper's Signature: _____

Date: _____

Printed Name: _____

Client's Signature: _____

Date: _____

Printed Name: _____

Title: _____

**ATTACHMENT 1
ROLES AND RESPONSIBILITIES**

_____ as well as Board of Directors and /or Executive Director (Owner) are:

1. Responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.
2. Responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements.
3. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others.
4. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.
5. Responsible to provide us the following documents:
 - a) Articles of incorporation, partnership agreements
 - b) Cash receipt reports and deposit slips.
 - c) Cash disbursements, bank statements.
 - d) Check register, prior year's tax return.
 - e) Grant agreements
 - f) Copies of purchase/lease contracts and load agreements.
 - g) Detailed list of company assets (description, date of acquisition, original cost, and current value).
 - h) Other documents necessary for correct account reporting.
 - i) Invoices or bills
 - j) Timesheets, hourly wages, deductions and all necessary documentation for processing payroll
6. In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and information concerning your company:
 - a) Copies of basic documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and credit), bank statements and canceled checks, listings of accounts receivable and accounts payable, and documentary support of property and equipment transactions-purchases, trades, sales, and other dispositions;
 - b) Information concerning any mortgage or pledge of business assets on business debts, any personal guarantees or debt, leases, or other information that effects or may affect the results of operations of the business;
 - c) Any other financial information necessary for purpose of reflection on your accounting records, trial balance and tax returns;
 - d) Identification of all cash receipts as to source (i.e., loans, sales, etc.), and information concerning all transactions that are consummated with cash.

**ATTACHMENT 1
ROLES AND RESPONSIBILITIES (cont.)**

Any failure to provide such documents and information, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement. You agree to accept responsibility for any effect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing and entry, or losses that may result from their absence.

For purposes of entry of the financial information from your basic transaction documents, classification according to the agreed-upon chart of accounts will be performed by you or your employees. As business conditions change, we may mutually agree to change/modify this arrangement.

Client agrees that these documents should be forwarded to our office on a periodic basis, such as monthly, as this will enable us to provide you with a current, meaningful and useful financial statement.

SAMPLE
SAMPLE
SAMPLE

ATTACHMENT 2
SCOPE AND LIMITATION OF SERVICES

1. Our engagement is limited to the period and the accounting services indicated above.
2. This engagement does not include business management. We will not review the payment of any invoices or bills. If an amount appears unusual or out of the ordinary, we will call it to your attention, but we do not take any responsibility in the discovery of any errors, irregularities, or fraud.
3. This engagement will not audit or review your financial statements, or any other accounting documents and information you provide, in accordance with generally accepted auditing standards. Accordingly, we ask that you not in any manner refer to this as an audit or review.
4. We will not verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential.
5. We have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot, therefore be relied upon to make disclosure of such matters.

**ATTACHMENT 3
DELIVERABLES**

The Analysis Firm will provide the following Deliverables, provided that access to necessary documents:

Monthly

- Bank reconciliation reports

Quarterly

- Payroll Tax Returns Filings
- Budget to Actual Report
- Interim Unaudited Basic Company Financial Statements
 - Balance Sheet
 - Profit and Loss Statement
 - Statement of Cash Flows
 - Aging Receivables

Annually

- Unaudited Basic Company Financial Statements
 - Balance Sheet
 - Profit and Loss Statement
 - Statement of Cash Flows
 - Aging Receivables
- Tax Filing Reports