[Date]

Dear Client Company:

We appreciate the opportunity of providing ABC Accounting Services to Client Company. To ensure a complete understanding between us, this letter will describe the scope and limitations of the service we will provide for you. Accountant will be the contact person for this engagement.

**What We Will Do**

On a *monthly* basis, we will enter all accounting transactions for Client into its ABC Accounting company file. This includes checks, deposits, transactions affecting the checking account, estimates, invoices, credit memos, all customer and vendor transactions, bills, item receipts, checks, credit card charges, and purchase orders. We will perform the bank reconciliation for the checking account. We will also enter adjusting journal entries as necessary, including depreciation.

On a *semi-monthly* basis, we will prepare payroll for your employees. We will prepare and phone in the accrued payroll liabilities payment using EFTPS.

On a *quarterly* basis, we will prepare the federal unemployment tax deposit, and we will prepare and file the federal payroll tax return and state unemployment return.

On an *annual* basis, we will prepare the federal unemployment tax return, employee W-2s, W-3 transmittal, and vendor 1099s.

Additionally, we will set up new customers, employees, and vendors on an as needed basis. All of the above transactions will be entered from original documents and ledgers you provide to us.

**What We Will NOT Do**

We will not adjust the records to reflect Generally Accepted Accounting Principles (GAAP) nor to reflect proper tax record keeping. We will not audit or verify the data you submit. We may provide reports that contain portions of financial information; these reports are for internal management use only. We will not provide any financial statements and will not perform any compilation, review or audit of any of the financial information. We do not at any time provide legal services of any type. We have not been requested to discover errors, misrepresentations, fraud, illegal acts, or theft. Therefore, we have not include any procedures designed or intended to discover such acts, and you agree we have not responsibility to do so.

**What We Need from You**

To perform our services, we will need to obtain information on a timely and periodic basis from your company. These items include all requested input such as check registers, bank statements, customer account information, customer invoices, sales ledgers and receipts, sales tax account information, vendor information, purchase orders and vendor invoices, federal tax ID number, payroll information, employee data, unemployment account information, and any other information that we may require to complete the work of this engagement. These items and any other items that we obtain from you will be based on information provided to you and will be used without any further verification or investigation on our part.

**When We Will Do It**

This engagement will begin on November 1, 2014 and will continue on an as needed basis or until either party terminates the engagement. This engagement is made on a time-and-materials, best-efforts basis.

**Hardware and Software Warranties**

During the course of the engagement, we may recommend the purchase and installation of computer or technological hardware, software, communications, or services by your company. Warranties, to the extent they exist, are provided only by the manufacturer/vendor of those computer products.

**Services Outside the Scope of this Letter**

You may request that we perform additional services at a future date not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services will necessitate that we issue a separate engagement letter to reflect the obligations of both parties.

**Fees**

Our fee for these services will be at $100.00 per hour, plus any out-of-pocket expenses. Invoices will be rendered monthly and are payable upon receipt.

**Approvals**

We are pleased to have you as a client and hope this will begin a long and pleasant association. Please date, sign a copy of this letter, and return the copy to us to acknowledge your agreement with the terms of this engagement.

Sincerely yours,

Accountant

**RESPONSE:**

This letter correctly sets forth the understanding of Client Company.

Acknowledged by Client Company Representative:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By

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

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_