HANFORD BOOKKEEPING & TAX SERVICE

211 W IVY STREET

HANFORD, CA  93230

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ENGAGEMENT LETTER

 BUSINESS BOOKKEEPING AND PAYROLL SERVICES

*Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,*

*This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.*

    Our engagement letter will be in effect on the date signed. If you and/or we wish to no longer continue the service we will produce a disengagement letter, along with your original documents.

***For our Bookkeeping Clients:*** Each month we **will reconcile your** company’s checking account with the bank statement for proper account balance and to identify any errors with the help of

QuickBooks Pro®, an accounting software. We will make correcting entries and identify the specific source of each adjustment. We will tell you of any unusual adjustments and make you aware of any corrections if they pertain to employees or accounts.

***For our Payroll Clients:*** Each month we will process, report, and submit **all payroll wages and taxes** on your behalf. We will not be responsible to audit for any errors. You, the client, will be responsible for the overseeing of all bank payments and their timely process.

***Our Limits***: Hanford Bookkeeping does **not provide auditing of business management.**  Accordingly, our engagement for bookkeeping and payroll services will not, and cannot, be relied upon to disclose financial errors, irregularities or illegal acts such as fraud or misappropriation within your company. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us. 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.

***Your Responsibilities****:*  You are 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. You are responsible for management decisions and functions, for designating a competent employee (if not you) to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

**You are** 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 your business involving management and employees.  In addition, you are responsible for identifying and ensuring that the **entity complies** with applicable laws and regulations.

We **will not review** the payment of any of your **company’s 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.

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:

1-4 pertain to bookkeeping, 5 pertains to payroll

1. Copies of basic documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and charge), **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; online account access when available to your business bank account(s);
2. Information concerning any mortgage or pledge of business assets **on business debts**, any personal guarantees or debt, leases, or other information that affects or may affect the results of operations of the business;
3. Any other financial information necessary for purpose of **reflection** on your accounting records, trial balance and tax returns;
4. Identification of all **cash receipts** as to source (i.e., loans, sales, etc.), and information concerning all transactions that are consummated with cash;
5. **Timely and accurate** reporting of all **employee** timecards, changes, and other employee documentations. Notification of any changes to your business banking information for tax deposit purposes.

Any failure to provide such documents and information, and to do so in **a timely manner**, 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.

***Retention Policy:***

It is our policy to keep work papers related to the engagement for **four years**. When records are returned, it is your responsibility to retain and protect them for future use, potential examination by any government or regulatory agency, prospective buyers of your business, acquiring business loans, etc.

***Payment Policy:***

   Our fees for this bookkeeping & payroll service will be $55.00 per hour.  Ongoing bookkeeping & payroll services will be billed on a monthly basis. You will be notified of any rate changes.

  If you chose any **additional services** you will be billed separately.

  All invoices are due and payable upon presentation. Billings become delinquent if not paid within **30 days of the invoice date.** If payments are **past due** in excess of 45 days, we will stop all work until your account is brought current, or you withdraw from the engagement.

    If, after full consideration, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and **return the original signed letter** to me, **keeping 2nd copy for your records.**

    Thank you and please contact me with any questions,

**ACCEPTED AND AGREED:**  Print business Owner Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Signature                                                Date