[Engagement Letter – Ongoing QuickBooks® Services – 6\_30\_03]

[Your Letterhead Stationery]

<<**Date**>>

<<**Client Name**>>

<<**Company Name**>>

<<**123 Anywhere Drive**>>

<<**Anytown, ST 45678**>>

Dear <<**Client Name**>>:

We appreciate the opportunity of providing QuickBooks® accounting services to <<**Company Name**>>. To ensure a complete understanding between us, this letter will describe the scope and limitations of the services we will provide for you. <<**Employee Name**>> will be the contact person for this engagement.

**What We’ll Do**

On a monthly basis, we will enter all accounting transactions for <<**Company Name**>> into its QuickBooks company file. This includes cheques, deposits, and other transactions affecting the checking account. It also includes estimates, invoices, credit memos, and all customer transactions. It includes vendor transactions: bills, item receipts, checks, credit card charges, and purchase orders. We will perform the bank reconciliation for the chequing 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 and employee T-4’s.

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.

**What We Won’t Do**

We will make no attempt to adjust the records to reflect Generally Accepted Accounting Principles nor to reflect proper tax record keeping. We will make no audit or other verification of 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, have not included any procedures designed or intended to discover such acts, and you agree we have no 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 the 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 by you and will be used without any further verification or investigation on our part.

**When We’ll Do It**

This engagement will begin on <<**January 10, 2004**>> and will continue on an as needed basis or until either party terminates the agreement. 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 a 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 <<**£xx**>> per hour, plus any out-of-pocket expenses. Invoices will be rendered monthly and are payable on presentation.

**Approvals**

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

Sincerely yours,

<<**Your signature**>>

Acknowledged:

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<<**Customer**>> <<**Date**>>