



Date: \_\_\_\_\_

Client Name:

Reference: Letter of Engagement

Standard Retainer on Account: \$550

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. As part of our regular service, our firm will provide you with bookkeeping and tax preparation services, and we will provide timely attention to the compliance of all taxes that need to be filed periodically, including, but not limited to, sales, payroll and income taxes. Our firm is fully able to meet all mandates for electronic filing that are now required by the Federal government and most states. Fees for our services will be determined collaboratively with the client and are subject to revision from time to time as agreed upon by the parties. All Fees are **payable upon completion of work**. In the event that there are unpaid fees, CINDIE will draft those fees from your account pursuant to a signed drafting agreement (Appendix A) executed between CINDIE and the client.

**ENTITIES**

This engagement letter contemplates providing services for the following entities:

**TAX RETURN PREPARATION**

We will prepare the \_\_\_\_\_ Business and Individual Tax Returns from information that you provide. We will not audit or verify the data that you submit, although we may ask you to clarify it. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You retain all the documents, cancelled checks and other data that form the basis of income and deductions, and we recommend that you retain them for seven (7) years. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them. We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretation of the law and what seem to be other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

Your returns may be selected for review by the taxing authorities. Proposed adjustments by the examining agent, if any, are subject to certain rights of appeal and may result in the assessment of penalties and interest for understatement of tax liability as permitted by law. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the County of Middlesex County, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to New Jersey law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The participating parties shall share the costs of any mediation proceeding equally.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. The business **tax preparation fee starts at \$880+ and the individual tax preparation fee start at \$99+.**

Client Initial \_\_\_\_\_

**BOOKKEEPING/CFO ROUTINE SERVICES BY CINDIE US**

**We will render the following services:** (please indicate your choice by initialing the appropriate service)

In-House Payroll: For complicated payroll services, we recommend 3<sup>rd</sup> party payroll services. For simple payroll, we have an in-house payroll service that will meet your payroll needs on monthly basis. Use of this service will ensure that your payroll will be delivered timely and that all your filing obligations and form generation needs will be met. We will require access to your bank account, and it is your responsibility to make sure that funds are available to meet your obligations. Initial payroll setup (QB, EFTPS, Efile etc) fees \$275 and \$55/month or \$110/quarter minimum fees plus charges specified in the payroll service agreement. (The setup fee could be used as a credit after 5-year engagement upon request.) For flexible worker arrangement, we recommend to use ADP payroll services.

- You may elect to employ a third party payroll provider, such as ADP or Paychex etc, to handle your payroll needs. We will not audit or verify the data that they provide unless required.
- BOOKKEEPING** – Periodically, we will collect from you your monthly bank statements and cash paid out invoices. It is important that you make sure that your bank provides you with statements that include check images. We will review these documents carefully with you and we will process this data through our bookkeeping software. The reports that are generated will become the foundation of your company’s tax return. The costs are transaction based \$1.65 per GL transaction. There is one-time Quickbooks and software setup fees \$220. (The setup fee could be used as a credit after 5-year engagement upon request.)
- SALES TAX** – We will e-file your Sales Tax based solely on the written or electronic data provided by the client. We will not audit or verify the data that you submit. The data must arrive in our office in a timely manner to avoid penalties. Fees for quarterly filing are at \$110 or monthly filing at \$55 per month or per filing.

**OTHER SERVICES**

Services connected to special projects--such as but not limited to audits, financings, acquisitions, tax consulting work, workers compensation or garage liability audits--will be billed at a mutually agreed upon fee, due and payable upon presentation. Any fees associated with special work will be cleared with you prior to commencement of the work. We do not submit billings to our clients without a preliminary discussion of the reasonableness of the fees, and in no event do we render billings in excess of that which is agreed upon in advance. **The costs are either based on hourly, project or transactions at per hour rate of \$85 bookkeeping, \$145 associate or \$275 partner/manager depending on the level of services. We also engage customers at fixed monthly or project fees, such as online report processing fee at \$145 per report and address mailbox fee at \$55 per month.**

If you should have any questions or comments regarding this proposal, we would appreciate the opportunity to discuss them with you prior to your final decision.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the place indicated and return it to our office. We express our sincere appreciation for this opportunity to work with you and trust that we will have a mutually beneficial, long-term relationship.

Very truly yours,

CINDIE / CINDIE LLC

By:

\_\_\_\_\_  
Partner

\_\_\_\_\_  
Client

Appendix A: ACH Authorization Form

I (we) hereby authorize **Cindie LLC** (THE COMPANY) to initiate entries to **the said businss** checking/savings accounts at the financial institution listed below (THE FINANCIAL INSTITUTION), and, if necessary, initiate adjustments for any transactions credited/debited in error. This authority will remain in effect until THE COMPANY is notified by me (us) in writing to cancel it in such time as to afford THE COMPANY and THE FINANCIAL INSTITUTION a reasonable opportunity to act on it.

Bank Name:

Routine Number:

Account Number:

Business / Client Name and Signature:

Amount: Invoiced and approved

Client Initial \_\_\_\_\_

**Appendix B: Cindie Form Ack**

**CINDIE LLC Client Tax Preparation Acknowledgement**

Name of Individual Client and/or Business: \_\_\_\_\_

Tax Form(s) \_\_\_\_\_ Year Ending: \_\_\_\_\_

To protect you, the Client, CINDIE LLC follows accepted ethical procedures as specified by the Internal Revenue Code and/or applicable guidelines governing the conduct of professional tax preparers. After reading each statement below carefully, please acknowledge your acceptance by signing the bottom of this form.

The specified income tax returns have been prepared for me and/or my business at my direction, by CINDIE LLC.

I have reviewed the completed returns and understand their contents and have received a copy of the returns. I realize it is my responsibility to include in my files all documentation necessary to substantiate all income, deductions, and credits reflected on the returns for at least \_\_\_\_ years.

All information on these returns is true and accurate according to the information furnished by me to CINDIE LLC. Nothing has been added or deleted by the preparer that would understate my tax liability.

All taxable income has been reported, including any bartering, any partnership interests, any sales of business or personal assets, and all interest and dividend income from all sources.

I have informed my tax preparer of any adjustments or correspondence between any taxing authority and me and/or my business during the past \_\_\_\_ years.

I have been informed that I must have adequate written records for all deductions and specifically for:

- ◆ Any travel or entertainment,
- ◆ Any business use of a vehicle,
- ◆ Any business use of “listed property,”
- ◆ Any non-cash contributions to charity.

I understand my professional tax preparer has based the entries on these returns according to present laws, regulations, and other applicable authority. I understand that tax law and its interpretation is subject to continual change and therefore the rules and principles followed in the preparation of these returns may not be applicable for any other tax year.

My tax preparer has indicated any aggressive applications to me and I understand such a position may be questioned or overturned in the audit process. I agree to hold my preparer harmless from any examination and possible reversal on this (these) issues.

Accepted By Client: \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

Client Initial \_\_\_\_\_