

New Client Engagement Letter / Notice Bookkeeping & Accounting Services

We appreciate the opportunity to provide bookkeeping and accounting services to your business organization. To ensure a complete understanding between us, this letter will describe the scope and limitations of the services we will provide for you.

What We Do:

- Full QuickBooks Set Up

- If you don't already use QB as your business accounting software, our staff will set up your accounts in QB and create a mutually agreed upon and customized chart of accounts as required by your business. A one-time set up fee may apply.
- If you are using a current and active version of QB, our staff will take the data that exists and upload it to our in-house QB software so as to be able to continue with bookkeeping where you left off. No additional fees for this data transfer will apply
- You may choose to use QB on-line. MKA does not charge additional fees but Intuit will charge you directly for the use of this on-line software. Our staff can explain how this works in more detail
- You may choose QB desktop to be hosted in our office. No additional charges for this service will apply. Free annual updates to the latest version of QB are included.

- Accounting & Bookkeeping Services

- On a monthly basis, we will enter all bookkeeping transactions for your business into the QuickBooks file for your company. This includes checks, deposits, and other transactions affecting the checking account and/or credit card. It also includes invoices, credit memos, and all customer transactions.
- We will perform the bank reconciliation for the checking accounts and credit cards.
- We will also enter adjusting journal entries as necessary, including depreciation.
- We will set up new customers, employees, and vendors on an as need basis. All of the above transactions will be entered from original documents and ledgers you provide (secure and authorized on line accountants access where available with your banks)

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- **Internal Financial Reports**

- Cash flow analysis reports will be created monthly to show you details and summaries relative to your income & expenses as reported to our firm.
- User friendly monthly reports will be created for your business including but not limited to:
 - P&L monthly roll up (income & expenses)
 - P&L detail
 - Balance sheet summary
 - Year over year analysis (shows business trends)
 - Accounts Payable aging report
 - Accounts Receivable aging report
 - Uncategorized income & expense transactions
- You will receive monthly financial reports no later than the last day of the month following month end close. Example – you will receive YTD financial reports for January through April of a given year no later than the last day in May.

What We Won't Do

- We will make no attempt to **adjust or modify** the records that you provide to us or allow us to have access to.
- 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 perform any compilation or audit of the financial information that you have provided to us.
- We do not at any time provide legal services or offer legal advice of any type.
- We have not been requested to discover errors, misrepresentations, fraud, illegal acts, or theft. Therefore, we have not included any procedures designed or intended to discover such acts, and you agree we have no responsibility to do so.

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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.

Our service fees are based upon the understanding that our firm will export data directly from your banks and credit card companies into QB. We will assist you to set up secure accountants access for our staff so that they can access these transactions as needed to perform bookkeeping and accounting services. Additional fees may apply for transactions that have to be manually data entered from paper or PDF statements.

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

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Fees:

The basic fee for these services will be \$99.00 per month. Higher fees may apply depending on the number of transactions monthly and the type of bookkeeping work that is needed. Additional fees may apply for bookkeeping that is done manually from data received on paper statements or documents. We strongly encourage you to provide secure accountants access on – line to our staff.

There may be other one time or monthly fees based upon the services that you select. All initial and monthly costs will be outlined on a separate worksheet or document.

- Invoices will be rendered monthly and are payable on presentation.
- All billing is done in advance at the beginning of each month. Example: Billing on the first day of each month will cover services for that month.
- All payments are due on the first of each month for services to be rendered that month.
- Excess transaction fees will be billed after the fact. Example – if your company is being billed at the \$99 rate which includes up to 100 transactions monthly but the actual number of transactions exceeds 100 for a particular month, additional billing will be generated after the fact. Fee details are outlined on a separate document.

You will NEVER be billed for services that have not been approved by you in advance.

Payment for Services:

All clients must provide MKA with a valid credit card to have on file for regular monthly billing.

A separate credit card authorization form outlines the terms and conditions.

Our firm charges late fees for each invoice not paid according to terms. The details are spelled out at the bottom of each invoice. Every invoice paid after the 15th of each month incurs a \$25 late charge and 2% of the unpaid balance will be added each month thereafter until the full balance is paid.

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Service Termination:

Either party can terminate this month to month agreement upon receipt of 30 days written notice, for any reason at all. MKA never charges termination fees or cancellation penalties.

I have read and understand the above engagement letter. By signing below, I understand that fees for bookkeeping and accounting services will be outlined on a separate document. The purpose of this engagement letter is to clearly spell out what MKA does and doesn't do and, what the client's obligations are. I fully understand that I can cancel services with MKA at any time, with 30 days advance notice in writing. No questions will be asked and no explanations are required.

I understand that by signing below I am not agreeing to service fees or authorizing any charges to my account.

Name of company (Print)

Name of client authorizing services (Print)

Today's date

Signature of client authorizing services (Sign)