**2019 Engagement Letter**

**Bookkeeping and Payroll Services Addendum**

**Attachment D**

**Bookkeeping Services**

As marked in the “Services Provided” box below, the following summarizes bookkeeping services we will provide, how frequently we will provide these services, the deliverables we will provide to you, and your responsibilities:

| ***Service Provided*** | ***Description of Service*** | ***Frequency of Service*** | ***Engagement Deliverable*** | ***Client Responsibilities for Service Provided*** |
| --- | --- | --- | --- | --- |
|  | Assist management in determining appropriate account coding for recurring transactions | One-time upon onset of engagement services | Chart of Accounts, Verbal consultation or written outline as necessary | * Review and approve Chart of Accounts |
|  | Assist management with consistent application of a method of accounting (e.g. – accrual, cash, tax, etc.) and initial adjustments | One-time upon onset of engagement services | Verbal consultation or written outline as necessary | * Consistent application of method of accounting * Posting of adjustments as necessary |
|  | Recording of transactions in general ledger and preparation of trial balance based upon management-approved Chart of Accounts | Monthly, Quarterly or Annually as agreed | Trial balance and general ledger | * Review and approve general ledger activity (recommend monthly) * Review and approve trial balance |
|  | QuickBooks, Payroll and/or Accounting **Training** | Weekly, Monthly, Quarterly or Annually as agreed | Verbal consultation or written outline as necessary | * Implementation * Management Oversight |
|  | Review and Documentation of Accounting Policies and Procedures | One-time upon onset of engagement services or Annually | Written outline | * Implementation * Review, comment and approve |
|  | **Review the following Balance Sheet Accounts (no assurance provided):** |  |  |  |
|  | 1. Review bank account(s), excluding the examination of cancelled checks, substitute checks or electronic images of such checks | Monthly, Quarterly or Annually as agreed | Recommended adjustments that come to our attention, if any | * Review and approve bank reconciliations (recommend monthly) * Investigate reconciling items, if applicable |
|  | 1. Review credit card account(s) | Monthly, Quarterly or Annually as agreed | Recommended adjustments that come to our attention, if any | * Review and approve credit card reconciliations (recommend monthly) * Investigate reconciling items, if applicable |
|  | 1. Review loan accounts | Monthly, Quarterly or Annually as agreed | Recommended adjustments that come to our attention, if any | * Review and approve loan account reconciliations * Investigate reconciling items, if applicable |
|  | 1. Review fixed assets and depreciation schedules | Monthly, Quarterly or Annually as agreed | Recommended adjustments that come to our attention, if any | * Review and approve fixed asset and depreciation schedules |
|  | 1. Review A/R and A/P accounts | Monthly, Quarterly or Annually as agreed | Recommended adjustments that come to our attention, if any | * Review and approve accuracy of aging listings * Approve adjustments and ensure adjustments are properly acted upon |
|  | 1. Review other balance sheet accounts | Monthly, Quarterly or Annually as agreed | Recommended adjustments that come to our attention, if any | * Review and approve accuracy of account balances |
|  | **Prepare the following**: |  |  |  |
|  | 1. Bank reconciliations | One time or periodically as agreed | Bank account reconciliation and reconciling items for client follow-up | * Review and approve bank reconciliations (recommend monthly) * Investigate reconciling items, if applicable |
|  | 1. Credit card reconciliations | One time or periodically as agreed | Credit card account reconciliation and reconciling items for client follow-up | * Review and approve credit card reconciliations (recommend monthly) * Investigate reconciling items, if applicable |
|  | 1. Loan entries, interest calculations, or amortizations schedules as requested | One time or periodically as agreed | Loan account reconciliation and reconciling items for client follow-up; interest expense; amortization schedule | * Review and approve loan account reconciliations * Investigate reconciling items, if applicable |
|  | 1. Fixed asset ledger and depreciation expenses schedules (basis to be agreed upon) | One time or periodically as agreed | F/A ledgers; depreciation schedules; ensure proper capitalization | * Review and approve fixed asset and depreciation schedules |
|  | 1. Analyze accuracy of A/R listing; reconcile A/R to G/L; propose write-offs or allowance for bad debt; analyze accuracy of A/P listing; reconcile A/P to G/L | One time or periodically as agreed | A/R and A/P reconciliations; propose A/R write-offs and other appropriate adjustments | * Review and approve accuracy of aging listings * Approve adjustments and ensure adjustments are properly acted upon |
|  | 1. Reconcile other balance sheet accounts as agreed | One time or periodically as agreed | Reconciliations and appropriate adjustments, if any | * Review and approve account reconciliations * Approve adjustments and ensure adjustments are properly acted upon |
|  | 1. Determine prior period adjustments, appropriate equity account balances and reconcile retained earnings, as necessary | One time | Reconciliations and appropriate adjustments, if any | * Review and approve account reconciliations * Approve adjustments and ensure adjustments are properly acted upon |
|  | **Prepare** Forms 1096 and 1099 and similar forms for filing | Annually | IRS Form 1096, *Annual Summary and Transmittal of U.S. Information Return*, and series 1099 forms, as required , e-file where possible | * Gather fully prepared and signed Forms W-9 * Payment data to be included on all forms * Review, approve, sign and file all forms |
|  | **Review** Client prepared Forms 1099 and similar forms | Annually | Suggestions for any corrections | Prepared Form 1099 prior to submission |
|  | Consult regarding B/S and P&L Statements (no assurance provided) | Monthly, Quarterly or Annually as agreed | * Ensure consistent revenue and expense classification * Ensure proper capitalization * Isolate significant items together | Review and approve B/S and P&L Statements |
|  | Prepare Financial Statements in accordance with SSARS (determine if Statement of Cash Flows and Statement of Equity is necessary – other requirements) (no assurance provided) | Monthly, Quarterly or Annually as agreed | Prepared Financial Statements (no assurance provided) | * Review and approve drafts of Financial Statements * Ensure all drafts of Financial Statement contain the legend “No Assurance Provided” |
|  | Compile Financial Statements (determine requirements and footnotes) (limited assurance provided) | Monthly, Quarterly or Annually as agreed | Compilation Financial Statements with Accountant’s Report (limited assurance provided) | Review and approve drafts of Financial Statements |
|  | Prepare Tax Financials (no assurance provided) | Annually | Annual Tax Financials | Review and approve Annual Tax Financials |
|  | Meetings with Management and others  (determine requirements) | Monthly, Quarterly or Annually as agreed | Meeting Agenda | * Participation * Implementation |

**Payroll Services**

As marked in the “Services Provided” box below, the following summarizes payroll services we will provide, how frequently we will provide these services, the deliverables we will provide to you, and your responsibilities:

| ***Service Provided*** | ***Description of Service*** | ***Frequency of Service*** | ***Engagement Deliverable*** | ***Client Responsibilities for Service Provided*** |
| --- | --- | --- | --- | --- |
|  | Analyze ytd payroll, run calculations as necessary, propose adjustments as necessary | Onetime | * Ytd payroll register * Amendments to payroll tax forms | * Review and approve suggested changes * Implementation of changes |
|  | **Prepare** employee checks and direct deposit vouchers | Per Client payroll cycle | Employee checks and direct deposit vouchers | * Review and approve summary reports and paychecks * Review and approve payroll tax liability reports * Ensure payroll tax payments are made timely |
|  | **Prepare** Federal and State tax payments and quarterly or annual tax returns | Quarterly or Annually | Federal and State tax payments and quarterly or annual tax returns | * Review and approve Federal and State tax payments and quarterly tax returns * Ensure payroll tax payments are made timely |
|  | **Prepare** Employee W-2’s / Employer W-2’s & W-3 Filing of W-2’s & W-3’s to proper agencies | Annually | Employee W-2’s / Employer W-2’s & W-3 | Review and approve Employee W-2’s / Employer W-2’s & W-3 |
|  | **Review** Payroll (excludes all calculations) | Monthly, Quarterly or Annually | Verbal consultation or written outline as necessary | Ensure implementation and execution of payroll process |
|  | Analyze, review or prepare employer or employee plans, compensation arrangements, etc. | To be determined | To be determined | To be determined |