



MER Tax, Accounting, and Consulting

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Payroll Check Preparation Service Engagement Letter

Client Name: _____ Date: _____

We are pleased to confirm our understanding of the arrangements for your payroll check service. This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter before you sign it.

We will prepare your payroll checks each payroll period for your signature and your distribution to your employees based solely upon information that you provide to us. We will also determine the amount of your 941, 940, state of _____ unemployment, and state of _____ withholding payroll tax deposits. We will inform you of the amount of the above required deposit prior to the deposit date, which you must deposit by the due date we specify to avoid penalties and interest.

If checked here we will electronically transmit to the IRS your periodic 941 deposit, which will be electronically debited from the account you specify. If checked here direct deposit may be utilized by the employees that you inform us wish to utilize this service.

If the preceding boxes are not checked we will calculate the required payroll tax deposit amounts and provide that information for your payment in a timely manner. We will also prepare for your signature and filing monthly/quarterly/annual state withholding and unemployment tax reporting forms, Federal Forms 941 and 940, and Forms W-2 and W-3 for annual wage reporting.

You agree to provide us with payroll information, such as hours, rates of pay, pay dates, new hire information and Forms W-4 in a timely manner by 3:00 pm of two days before the date the check will be issued.

We are responsible for preparing only the specific forms listed in this letter. Any other required services, forms or other actions on our part require a separate engagement letter. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter.

This engagement will not include any procedures designed to detect fraud, theft or illegal acts or embezzlement and you agree that we will have no responsibility to do so.

Our fee includes responding to inquires or examination by the above taxing authorities for the above-stated forms only. We are also available to represent you in other matters and our fees for additional services are at our standard rates and would be covered under a separate engagement letter.

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved, or we may resign from the engagement without issuing a report. We will notify you of such conflicts as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services. Services will be performed in accordance with the Professional Standards promulgated by the American Institute of Certified Public Accountants.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.) In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

It is our policy to keep records related to this engagement for **four** years after which they are destroyed. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your company. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

Our fee for these payroll services will be based on our standard rates as of **(date)** _____, plus out of pocket expenses. Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at our election, we may stop all work until your account is brought current, or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our

ceasing to render services. Our services will conclude upon delivery of the completed quarterly payroll tax returns discussed above or upon our suspension of services or resignation from the engagement or one year from the date signed, whichever comes earlier.

In recognition of the relative risks and benefits of this agreement to both (client) _____ and **MER Tax, Accounting, and Consulting**, (client) _____ and **MER Tax, Accounting, and Consulting** have discussed and have agreed on the fair allocation of risk between them. As such, (client) _____ agrees, to the fullest extent permitted by law, to limit the liability of **MER Tax, Accounting, and Consulting** to (client) _____ for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of **MER Tax, Accounting, and Consulting** to (client) _____ shall not exceed **MER Tax, Accounting, and Consulting's** total fee for services rendered under this agreement. (client) _____ and **MER Tax, Accounting, and Consulting** intend and agree that this limitation apply to any and all liability or cause of action against **MER Tax, Accounting, and Consulting**, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against **MER Tax, Accounting, and Consulting** for errors and omissions. The one-year period will begin upon the date of **MER Tax, Accounting, and Consulting** or their representative's signature on the tax returns covered by this engagement letter.

We appreciate the opportunity to serve you. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

Sincerely,



M. E. Richey, CPA
MER Tax, Accounting, and Consulting

We appreciate the opportunity to serve you. By your signature below, you acknowledge that you understand and agree that our services are limited in scope and they are not designed to detect fraud, employee embezzlement or other fraudulent activities involving your bank accounts. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter.

(client) _____ ,

By: _____ Title: _____