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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_:

This letter confirms our mutual understanding with respect to the engagement of [CPA Firm] (hereinafter “[CPA]”, “we”, or “us”), by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “you” or “your”) to provide professional services.

We will perform the accounting and professional services outlined in Appendix B for the period from January 1, [Year] through December 31, [Year].

**Our Responsibilities**

This engagement is limited to the professional services outlined in Appendix B and will be performed based upon information you provide to us. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) and the Statement on Standards for Consulting Services (SSCS) promulgated by the Accounting and Review Services Committee of the AICPA and will comply with the AICPA’s Code of Professional Conduct, including relevant, ethical principles. We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion.

Such services are not intended to represent an audit, examination, attestation, special report, or agreed-upon procedures engagement as those services are defined in AICPA literature applicable to such engagements. Accordingly, these services will not result in the issuance of a written communication to third parties by [CPA] regarding financial data or internal controls or expressing a conclusion or any other form of assurance.

[CPA], in its sole professional judgment, reserves the right to refuse to take any action that may be construed as making management decisions or performing management functions. However, we may provide advice and recommendations to assist management in performing its functions and making decisions. Our advice and services will be based upon our knowledge, training, and experience, but the final decisions you make are strictly yours.

**Management Responsibilities**

The Company is responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee any tax related services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with levels of service higher than bookkeeping, such as audit, review, and compilation services, and we explained to you the manner in which such levels of service differ from bookkeeping. We also explained to you that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such higher and different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the bookkeeping services described in this letter.

The Company shall upon the receipt of written notice indemnify [CPA] and its affiliates, and their partners, principals, and personnel, against all costs, fees, expenses, damages, and liabilities (including legal defense costs) associated with any third-party claim arising from or relating to any knowing misrepresentation to [CPA] by the Company or the intentional withholding or concealment of information from [CPA] by the Company. In addition, the Company shall upon receipt of written notice indemnify [CPA] and its affiliates, and their partners, principals and personnel, against all punitive damages associated with any third-party claim arising from or relating to: (i) any services, work product, or deliverables from [CPA] that the Company or its management uses or discloses to others; or (ii) this engagement generally. The terms of this paragraph shall apply regardless of the nature of any claim asserted (including those arising from contract law, statutes, regulations, or any form of negligence of the Company, whether arising out of tort, strict liability, or otherwise) and whether or not [CPA] was advised of the possibility of the damage or loss asserted. Such terms shall also continue to apply after any termination of this agreement by either party and during any dispute between the parties. To the extent finally determined that the conduct giving rise to such punitive damages arose out of [CPA]'s gross negligence or willful misconduct, this paragraph shall not apply.

Either party may terminate this engagement, with or without cause, by providing written notice to the other party. In the event of early termination for any reason, the Company will be invoiced and agrees to remit payment for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. [CPA] shall have no liability to the Company for any loss or consequential damage arising from early termination by either the Company or by [CPA].

With respect to any services, work product, or other deliverables hereunder, or this engagement generally, [CPA]'s liability to the Company shall in no event exceed the fees that it receives for the portion of the work giving rise to liability, nor shall [CPA]'s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

While this letter relates to specific services indicated, from time to time, we may be asked by the Company to provide additional services and/or routine advice for which no separate arrangement has been made. To the extent that we provide additional services and/or routine advice to the Company without separate arrangement, those services and/or routine advice are governed by the same terms and conditions set forth in this letter, and will be invoiced separately.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and information concerning your company:

1. Copies of basic documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and charge), bank statements and canceled checks, listings of accounts receivable and accounts payable, and documentary support of property and equipment transactions – purchases, trades, sales, and other dispositions;
2. Information concerning any mortgage or pledge of business assets on business debts, any personal guarantees of debt, leases, or other information that affects or may affect the results of operations of the business;
3. Any other financial information necessary for purpose of reflection of your accounting records, trial balance and tax returns; and
4. Identification of all cash receipts as to source (i.e., loans, sales, etc.), and information concerning all transactions that are consummated with cash.

Any failure to provide such documents and information, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement. You agree to accept responsibility for any effect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing an entry, or losses that may result from their absence.

For purposes of entry of the financial information from your basic transaction documents, classification according to the agreed upon chart of accounts will be performed by you or your employees. As business conditions change, we may mutually agree to change/modify this arrangement.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be $\_\_\_\_\_ for this engagement. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs (See Exhibit A). You will also be billed for out-of-pocket costs such as return production, postage, travel, etc.[Our invoices for services are due when rendered and interim billings may be submitted as work progresses and as expenses are incurred.] [Our invoices for these fees will be rendered as follows: one-third at the signing of this engagement letter; one-third at the commencement of work; and the balance at the completion of the work.]

OR

Our fees are based on the time required by the individuals assigned to the engagement, at our standard rates, plus direct expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required (See Exhibit A). You will also be billed for out-of-pocket costs such as return production, postage, travel, etc. Bills for services are due when rendered and interim billings may be submitted as work progresses and as expenses are incurred.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

The working papers prepared in conjunction with our work are the property of our firm and constitute confidential and proprietary information. We will retain our engagement working papers for a period of seven years from completion of our engagement. At such time, the engagement working papers will be destroyed under our supervision. It is your responsibility to retain and protect your records for possible use, including potential examination by any government or regulatory agencies. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the compiled financial statement, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates then existing for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

You agree not to solicit for your employment either directly or indirectly any of the current employees of [CPA] for your business or personal operations

Survivability. The limitation of the liability provisions of this engagement letter will apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. The agreements and undertakings of you and [CPA] contained in this engagement letter, such as those pertaining to the limitation on liability, will survive the completion or termination of this engagement.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement subject to the selection of a mutually agreed upon mediator. All mediations initiated as a result of this engagement shall be administered pursuant to the mediation rules of the American Arbitration Association (AAA). The results of this mediation shall be binding only upon agreement of each party to be bound. Cost of any mediation proceeding shall be shared equally by both parties. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter. This section shall survive completion or termination of this Agreement.

If mediation fails to resolve the dispute or claim, the parties hereby agree to submit any action, claim or counterclaim whether based in contract, tort, statutory rights or otherwise to the Superior Court of the Commonwealth of Massachusetts. The parties also agree that the laws of the Commonwealth of Massachusetts shall govern all legal proceedings arising from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, CPA

PIC/admin

Approval:

The above meets with my approval. You are hereby authorized to proceed with the services outlined.

Date: By:

Exhibit A

*Information About Our Fees*

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform inefficiently. Please see below for some of the more common reasons. If we encounter any of these issues and expect that there will be an impact on our fee, we will immediately discuss the issue with you in order to make the necessary adjustments to our work schedule and engagement fee.

***Changing Laws and Regulations***

There are many governmental and regulatory boards that routinely add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement; there are times when the timing of such additions or changes make this not possible.

***Incorrect Accounting Methods or Errors in Client Records***

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and auditing procedures. However, should we find numerous accounting errors, incomplete records, or the incorrect application of accounting standards, we may have to do additional work to make the corrections and reflect these changes in the financial statements.

***Failure to Prepare for the Engagement***

In an effort to maximize value to you, we assign responsibility for the preparation of schedules and documents needed for the engagement to you. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these materials as previously agreed to, it might substantially increase the work we must do to complete the engagement within the schedule time.

***Starting and Stopping Our Work***

If we must withdraw our staff because the condition of the company's records, or the failure to provide agreed upon materials within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner as established by our engagement plan. This will result in additional fees as we must reschedule our personnel and incur additional start-up costs.

Appendix A

*Services to be Provided*

The services listed below will be provided to CLIENT:

• Monthly Technology Bundle – This is required for all Johnson O'Connor Feron & Carucci LLP Accounting and Advisory Services Clients

• New/Returning Client Setup, Consultation and Procedures Documentation

• Accounting Data File Analysis – One Time/Initial (required to initiate all other services if an existing accounting file will be used)

• Accounts Payable Processing – no Job Costing – using Bill.com®

• Accounts Payable Processing – with Job Costing - using Bill.com®

• Download/Data Entry and Coding of Credit Card transactions

• Download/Data Entry and Coding of “other” banking and transaction activity

• Customer/Client Invoice Preparation, Recording Client Payments Received and Recording Deposits (including recording of revenues from 3rd party revenue reports)

• Posting of monthly journal entries (Depreciation, Amortization, Other)

• Bank Account Reconciliations (including loans & lines of credit)

• Credit Card Account Reconciliations (for business expenditures)

• Other Balance Sheet Account Reconciliations

• Use “Preparation of or Assistance with the Preparation of” based on need for independence Monthly Internal Management Reports (to include Balance Sheet, Profit & Loss-Current Month, Profit & Loss-YTD, Accounts Receivable Aging, Accounts Payable Aging, and up to 2 previously created and automated custom reports. (The creation of custom reports requires a separate agreement.)

• Assistance with vendor communications relating to obtaining W-9s. (Johnson O'Connor Feron & Carucci LLP will provide assistance in this area but we do not assume responsibility for the completeness/accuracy of the W-9 information we receive from you and/or from your vendors).

• Assistance with preparation of annual Form 1096 and 1099s

• Payroll Processing

• Preparation of payroll tax returns including W-2’s. (Johnson O'Connor Feron & Carucci LLP will provide assistance in this area but we do not assume responsibility for the payment of payroll tax liabilities).

• Sales Tax Return Preparation for the following states: Our tax services will be outlined in a separate agreement even if the fees for those services have been included in your Accounting and Advisory Services agreement.

• Budgeting and/or forecasting

• Managing banking relationships

• Weekly telephone conference with your Johnson O'Connor Feron & Carucci LLP accountant(s) representative to answer any questions specifically relating to transaction processing, open Service Order requests and other work in process.

• Monthly management reporting and consultation meeting (via conference call or video conference) with your Johnson O'Connor Feron & Carucci LLP senior level representative

• Year –end accounting adjustments and closing of books

• Prepare your corporate income and property tax returns [and/or other tax returns as appropriate]. Our tax services will be outlined in a separate agreement even if the fees for those services have been included in your Accounting and Advisory Services agreement.