

Bookkeeping Business Online

Priscilla Wolfe

8390 E. Via De Ventura

Scottsdale, Arizona 85258

Phone: 480-734-9786

Website: www.bookkeepingbusinessonline.com

Date: _____

PREPARED FOR:

Client Company Name: _____

Client Address: _____

Client Phone: _____

Client Email: _____

Dear [Client's Name],

Thank you for the opportunity to offer monthly professional accounting and bookkeeping services to [Client's Company Name _____]. To establish a clear understanding of our professional relationship, this engagement letter defines the scope, terms, and limitations of the services we will provide. Priscilla Wolfe will serve as your primary contact person for this engagement.

1. Basic Online Terms of Service

All accounts will undergo an initial evaluation to identify any historical adjustments or cleanup required. If it is determined that your historical financial records contain material errors or omissions, an additional cleanup fee will be calculated and billed separately, which shall not exceed \$1,000. Please note that historical cleanup activities may impact or invalidate prior year tax returns; consequently, it may be necessary for your Certified Public Accountant (CPA) to file amended returns. If we determine during evaluation that your accounting requirements fall outside the scope of our specialized services, your initial payment will be refunded in full.

We reserve the right to modify our service pricing at any time without prior notice. However, your specific project estimate shall remain valid for one (1) year from the date of formal acceptance and the provision of account access, provided that your actual figures do not exceed the estimated income, costs, assets, or liabilities by more than 20%, and no excessive

unestimated bank or credit card accounts are added.

Upon acceptance of this proposal, you are required to complete the official Onboarding process and schedule our initial onboarding consultation within seven (7) days of plan purchase. If you do not currently possess an accounting software package, we will assist you in selecting and purchasing the optimal software for your business operations. We will pass any secured firm discounts directly to you, and there will be no fee for the initial system configuration. Any additional third-party application or automation integrations will be billed separately in accordance with the respective manufacturers' or software vendors' pricing structures. Product warranties, to the extent that they exist, are provided solely and exclusively by the respective software manufacturers and computer product vendors.

2. Bank Feeds, Connectivity, and Software Protocols

Our service model requires a continuous connection between your financial institution accounts (bank and credit card) and the designated accounting software. Your dedicated accountant will assist you in establishing secure connections for your bank accounts, credit cards, and e-commerce platforms—including Square, Amazon, eBay, Stripe, PayPal, and other relevant providers—to the automated bank feed. We will also assist you in enrolling in automated electronic statements where supported. In the event that an account feed becomes disconnected, we will notify you, and you agree to re-establish the connection as soon as reasonably possible. Please be advised that certain desktop features are unavailable on mobile applications, and a high-speed internet connection is highly recommended for optimal system utility.

During regular reconciliation, it is customary to discover transactions requiring client clarification. We will compile and submit requests for input regarding these specific items. We will execute any lawful, legitimate, and required adjustments to your general ledger as directed in writing by you, your CPA, or your tax advisor at any time without additional charges, and we will issue updated management reports as needed.

We do not guarantee strict adherence to Generally Accepted Accounting Principles (GAAP) or other specialized regulatory reporting standards unless you have explicitly notified us in writing of a specific accounting framework requirement or have added a formal Tax Compliance Plan to your service estimate. Due to the sensitive, highly interconnected nature of accounts reconciliation, taxation, and general ledger integrity, we strictly request that clients refrain from modifying the general ledger independently without prior collaboration with our team. Clients must not void, delete, or modify the historical dates of transactions. Furthermore, our firm does not utilize standard bank transfer entries for revenue/expense mapping and strongly prefers that all expenses be fully supported by an official vendor bill and its corresponding receipt. To request ledger adjustments, simply submit a detailed comment via the secure 'My Accountant' client portal, and our team will perform the modifications on your behalf. You must inform us in advance of any intended changes to prior financial periods or any pending tax return

amendments. Additionally, we request that your CPA provide us with a formal year-end closing journal entry to ensure perfect alignment with your filed tax returns.

3. Accounting Methodology, Reporting Limitations, and Liabilities

Our standard bookkeeping methodology utilizes the cash or modified cash (hybrid) basis of accounting. However, our standard management reporting is prepared on an accrual basis unless you explicitly request an alternative method. We make no formal claim or legal guarantee that our standard methods will satisfy specialized local income or sales tax record-keeping statutes; however, we will strictly adhere to the explicit directives provided by your CPA or tax advisor.

Our engagement does not include a formal audit, examination, or independent verification of the source data you submit, unless you have formally requested specialized assistance or if your internal data modifications have caused historical carryforward balances to fall out of alignment, thereby impacting current periods. Depending on the technical nature and complexity of repairing such discrepancies, an additional fee may apply. All financial statements and reports provided to you during this engagement are pro forma, intended strictly for internal management evaluation, and remain subject to interim modifications until the completion and filing of year-end tax returns. We do not provide certified financial statements, and we will not perform any formal compilation, review, or independent audit of your financial information unless a specialized Financial Planning & Analysis (FP&A) Plan is explicitly added to your estimate.

We will actively facilitate professional collaboration with your CPA or designated tax advisor. In the event of a formal tax audit by a regulatory authority, we will assist you in compiling, organizing, and preparing documentation to respond to the auditor's inquiries. Please be explicitly advised that our firm does not, under any circumstances, provide legal services or legal counsel of any type. Furthermore, our standard workflows do not guarantee the discovery of accounting errors, operational misrepresentations, internal fraud, illegal acts, or asset theft within the information provided or input into the system.

4. Fraud Disclaimers, Service Fees, and Termination Policies

This engagement does not incorporate specialized investigative procedures specifically designed to uncover fraudulent activities, errors, or operational omissions. However, in the event that our team detects any errors, irregularities, or omissions, you will be notified promptly so that you may assess whether your organization requires the addition of a specialized Tax Assurance package. While we take immense pride in our data precision and continuously monitor your system's data integrity, if you are dissatisfied with our services for any reason, you may terminate this agreement at the conclusion of any full operational month by providing a formal 30-day written notice.

Accounting fees and firmware subscriptions (if billed through our firm) are invoiced monthly on the first (1st) day of each service month. All invoices are payable immediately upon receipt. A

late fee of \$35.00 will be assessed to all accounts remaining unpaid after five (5) business days from the invoice date, and all active professional services will be immediately suspended until the account balance is cleared in full.

Our service pricing tiers are calculated based upon your prior quarter's total operational expenses combined with the Cost of Goods Sold (COGS). These metrics, alongside total income, assets, and liabilities, will be re-evaluated quarterly. We reserve the right to terminate our professional services at the conclusion of one full month of service if it is determined that the professional working relationship is incompatible. Please note that separate, specialized terms and conditions govern the execution of Payroll Services.

5. Allocation of Obligations

A. Contractor Obligations (What We Do)

On a regular, recurring schedule, we will record and categorize all authorized financial transactions for [Client's Company Name _____] into your accounting software general ledger based on your banking center feeds. This includes processing checks, deposits, and all other financial transactions affecting your checking, savings, and connected credit card accounts. Furthermore, we will input estimates, invoices, credit memos, and all relevant customer transactions required to maintain an accurate Accounts Receivable (A/R) ledger. We will also process vendor transactions—including bills, item receipts, vendor checks, credit card charges, and purchase orders—as required to manage your Accounts Payable (A/P) ledger. Our team will perform comprehensive monthly bank reconciliations for your primary checking account and all other active balance sheet accounts. We will prepare and enter necessary adjusting journal entries, including periodic depreciation schedules on a monthly, quarterly, or annual basis as required.

To facilitate the delivery of timely monthly financial statements, you are required to upload all necessary source documentation to your designated cloud storage container by the 15th of each month, and provide swift clarifications to transaction inquiries no later than the 15th of the month. To preserve data privacy, clients must utilize our secure online portal at <https://www.bookkeepingbusinessonline.com/contact> for all documentation transmission. We strongly discourage the transmission of documents containing personally identifiable information (PII) or sensitive financial data via standard email.

B. Client Operational Obligations and Indemnification

Certain fundamental operational tasks must remain the sole responsibility of your company's internal staff. These tasks include entering primary physical receipts and bills, printing prepared physical paper checks, executing direct payments to vendors, processing sales tax remittances and other statutory liabilities to the appropriate government agencies, establishing initial customer estimates/purchase orders, and executing physical cash or check deposits directly at your financial institution. Receipt documentation can be efficiently captured by utilizing the mobile application's camera functionality to upload images directly to the software, where you can either generate a new expense/bill or match it to an existing entry.

You explicitly acknowledge that you maintain personal liability for any unpaid taxes, corporate liens, or financial obligations of your business entity. You agree to indemnify, defend, and hold harmless BookkeepingBusinessOnline.com, its principal owner, and its employees from any such liabilities. While our firm manages the ledger tracking of Accounts Receivable and Accounts Payable based on the terms negotiated by your company, ensuring actual cash collection and vendor payment completion remains your exclusive responsibility. Should an error or omission occur within these areas, you agree to indemnify BookkeepingBusinessOnline.com, its owner, and staff against any resulting late fees, penalties, interest, or regulatory charges. You agree to hold them harmless against any third-party claims, liabilities, or losses arising from such errors, and acknowledge your obligation to take immediate corrective action and absorb all resulting financial consequences.

Our team will configure new customer, employee, and vendor profiles within the system on an as-needed basis utilizing the original source documentation you provide. Because modern cloud accounting software leverages automated processing algorithms (driven by bank rules and recurring transaction templates), it is critical that you provide high-quality, uniform documentation and carefully review the detailed transaction registers in the management reports we provide. Should your business require customized reporting metrics or identify transactions that necessitate reclassification, you must notify us immediately so that we may execute prompt corrective adjustments. Our team remains fully available to answer technical questions and guide your staff through standard document gathering workflows.

C. Explicit Exclusions (What We Do Not Do)

While we operate with professional diligence and maintain rigorous internal standards, we do not guarantee that your financial records will conform strictly to Generally Accepted Accounting Principles (GAAP), nor do we warrant that they will inherently reflect perfect tax statutory compliance. We do not perform independent audits, forensic examinations, or third-party verifications of the financial data you submit. All periodic reports issued are pro forma, structured for internal management insight, and subject to retroactive adjustment. We do not issue formal certified financial statements, nor do we perform formal compilations, reviews, or attestation audits unless specialized FP&A or Tax Compliance modules are integrated into your service contract. While we may offer general operational suggestions, we do not provide legal counsel. We have not designed our workflows to detect financial crimes, and you agree that our firm bears no responsibility for discovering hidden errors, fraud, misrepresentations, or theft. However, we will notify you immediately if any material discrepancies or irregularities are discovered during our standard workflows.

D. Technical Documentation Requirements and Information Flow

To successfully execute our services, we require timely, periodic access to your primary commercial data. This documentation includes all records generated outside the core accounting software environment, including but not limited to: point-of-sale receipts, official banking statements, comprehensive customer account details, customer estimates, and complete invoices (containing accurate names, physical addresses, telephone numbers, and

email details). Furthermore, you must provide sales ledgers, register tapes, sales tax account credentials, tax-exempt documentation, resale certificates, comprehensive vendor profiles (including W-9 forms with valid Employer Identification Numbers), purchase orders, vendor invoices, federal and state tax identifiers, full payroll records, employee onboarding data, state unemployment and insurance account records, asset/liability financing contracts (including active insurance policies), commercial lease agreements, purchase/sale agreements, and fiduciary contracts. We also require year-end tax forms issued to or by your vendors/customers, historical tax returns, and corresponding year-end adjusting journal entries matching filed IRS returns. All data provided will be accepted without independent verification, under the formal assumption that you have verified its legal accuracy. All documentation must consist of original, untampered PDF files bearing official institution branding, complete account parameters, and correct issuance dates.

All files must be submitted via our secure portal (<https://www.bookkeepingbusinessonline.com/contact>) to mitigate cybersecurity risks. In the event of an internal corporate data breach or cybersecurity incident within your organization, you agree to immediately notify BookkeepingBusinessOnline.com, cooperate fully in any subsequent investigations, absorb all resulting legal or financial liabilities, and fully indemnify our firm and staff against any resulting third-party legal claims or expenses.

Please note that distributing invoices and sales receipts with built-in credit card processing features requires a specialized software configuration; alternatively, your clients must settle balances via cash, physical check, or direct electronic bank transfer. The client retains exclusive responsibility for verifying and depositing all physical checks and cash into the business bank account. We reiterate that clients must strictly refrain from making independent alterations to closed or active transactions that impact account reconciliations, gross income, inventory valuations, Cost of Goods Sold, tax liabilities, or corporate assets without our explicit written collaboration.

6. Standard Standardized Accounting and Inventory Workflows

To preserve ledger integrity, our firm follows a rigid, standardized transaction processing sequence following the accurate structural configuration of your products and service items (which must include standard baseline retail pricing and cost structures). The workflow proceeds as follows:

- Step 1: Generation of a formal Estimate.
- Step 2: Issuance of a matching Purchase Order (PO) to the vendor.
- Step 3: Conversion of the PO into a formal Bill (which immediately records inventory assets and Cost of Goods Sold onto your financial statements).
- Step 4: Matching the bank center feed expense transaction directly against the recorded open Bill (ensuring receipts and documentation are attached directly to the source PO, Bill, and Invoice).
- Step 5: Billable expenses automatically populate the Unbilled Charges Report, which are subsequently converted into client invoices derived from the approved estimate with your

standard corporate markup. Appending these unbilled charges to outgoing client invoices from the system's transaction drawer formally recognizes specific inventory and Cost of Goods Sold on your income statement.

This structured workflow relies on the 'specific identification' accounting convention, matching current revenues directly to their corresponding costs, and is fully compliant with Generally Accepted Accounting Principles (GAAP). Customized workflows can be developed based on operational scale if requested.

7. Commencement, Duration, and Pricing Adjustments

This professional engagement shall formally commence on Month: _____ Day: _____ Year: 20_____ and shall continue indefinitely on a month-to-month basis until formally terminated by either participating party. Services are provided on a time-and-materials, best-efforts basis. The baseline service fee established via our digital platform or custom estimate is locked for exactly one (1) year from the date of formal engagement. Service rates are tailored to your specific corporate structure, operational complexity, transaction volume, and administrative budget. Your compliance with the parameters of the approved estimate—specifically total revenue, operational expenses, COGS, and total balance sheet asset/liability accounts—will be formally audited by our team on a quarterly basis. We remain highly responsive to your corporate expansion and actively encourage your operational growth.

8. System Architecture and Hardware/Software Warranties

For services executed remotely utilizing QuickBooks Online (QBO) or any alternative software package of your choice, your organization must execute the standard administrative invitation process by sending a formal firm accountant invite to: bookkeepingbusinessplease@gmail.com to grant us administrative access. Software and hardware warranties, to the extent that they exist, are provided solely and exclusively by the independent manufacturers or software vendors of those computer products.

9. Out-of-Scope Services

You may periodically request that our firm perform additional operational services not originally contemplated within your primary service estimate or this engagement letter. Upon such requests, we will communicate clearly regarding the explicit operational scope and estimated service fees required. Engagements for out-of-scope services will strictly necessitate the execution of an independent, addendum agreement detailing the reciprocal obligations of both parties.

10. Comprehensive Fee Structures and Payment Terms

The professional fee for the approved scope of services is established at \$ _____ per calendar month, plus any pre-authorized, out-of-pocket expenses. This rate configuration remains guaranteed for exactly one (1) year from the date of this contract. Invoices will be

compiled and delivered on the first (1st) day of each calendar month and are fully payable immediately upon email presentation.

A standardized late fee of \$35.00 will be automatically applied to any account balances remaining unpaid after five (5) business days from the formal invoice date. Furthermore, all active bookkeeping and reporting workflows will be instantly suspended until all outstanding arrears are settled. If our quarterly review reveals that your operational income, expenses, COGS, assets, or liabilities have expanded by more than 20% beyond the original baseline estimate, we will issue a formal pricing adjustment notice. You will retain the right to either upgrade your service tier to reflect your current operational scale or terminate services by providing a formal 30-day advance notice. Our firm reserves a reciprocal right to cancel this service agreement at our discretion by providing a formal 30-day written notice.

11. Formal Execution and Approvals

We are pleased to partner with your organization and look forward to a productive, long-term professional association. Please execute, date, and return a copy of this engagement letter to acknowledge your formal acceptance of these mutual obligations and terms of service.

Engagement Agreement Acknowledgements & Signatures

Authorized Contractor Representative:

Name: Priscilla Wolfe | Bookkeeping Business Online

Signature: _____ Date: _____

Authorized Client Representative:

Name / Title: _____

Signature: _____ Date: _____