



Engagement Letter for Accounting Services

Name _____
Address Line 1 _____
Address Line 2 _____
City, State, Zip _____

This letter is to set forth the terms and objectives of our proposed engagement and the nature and limitations of the services we will provide to you or your company until mutually changed.

WORK TO BE DONE

A. Scope Limitations. Our engagement cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations, which may exist. We may inform you of any such matters that come to our attention.

B. Agreed Upon Services.

- ☐ Preparation of Individual Federal and State Tax Income Returns for Calendar Year _____
- ☐ Preparation of Corporate, Partnership, Estate, Trust or Not-for-Profit Federal and State Income Tax Returns for Fiscal Year Ending _____
- ☐ Preparation of Compilation of Financial Statements for Fiscal Year Ending _____
- ☐ Audit of Corporate, Partnership, Estate, Trust or Not-for-Profit Federal and State Tax Returns for Fiscal Year Ending _____
- ☐ Preparation of Federal and State Payroll Tax Returns for Calendar Year _____
- ☐ Other: _____

FIRM'S RESPONSIBILITY

We will not audit or otherwise verify the data you, the client, submit, although we may ask you to clarify some of it. We will resolve questions involving application of tax rules in your favor, if there is reasonable justification for it. We will be available to answer your inquiries on specific tax matters and to consult with you on income and estate planning.

We agree to provide conscientious, competent and diligent services and at all times will seek to achieve solutions that are just and reasonable for you. However, because of the uncertainty of legal proceedings, the interpretation and changes in the law and many unknown factors, Accountants cannot and do not warrant or guarantee results or the final outcome of any case.

CLIENT'S RESPONSIBILITY

To the best of your, the client's, knowledge, all the information submitted to us is correct and includes all income, deductions and other information necessary for the preparation of the above returns. You, the client, are responsible for keeping contemporaneous records of your business expenses and business and personal use of any property used by you during the period covered by the above return.

Your returns are, of course, subject to review by the taxing authorities. Any items resolved against you by the examining agent are subject to certain rights of appeal. In the event of an examination, we will be available to represent you and will charge you for these additional services.

Client shall be responsible for all reasonable legal fees and other costs incurred in any required collection proceedings.

FEE SCHEDULE

The following is our understanding of the fee scheduled upon.

- A. Professional Fees. Fees for professional services will be based upon the time expended at our current hourly rate of \$_____ per hour. Every attempt will be made to keep the client abreast of the time spent. We require a minimum retainer before work can begin. This retainer must be maintained throughout the engagement. All unpaid balances are subject to 1.5 % interest per month after 30 days.
- B. Factors Affecting Your Professional Fee. Professional fees will be based upon several factors; the most important of which includes time and labor involved, skill requisite to perform the professional service properly and any special circumstances imposed.
- C. Direct Expenses. Additional charges for computer and software services, fax transmission, report production and out of pocket costs, including travel costs, may be added to our professional fees. Such charges are in addition to any estimated fees given and will be due and payable upon presentation as invoiced.

TERMINATION

Right to Terminate: Either party may terminate this relationship at any time by any form of written notification including E-mail.

Limit of Liability

You agree that James A. Hillman, CPA's liability hereunder for damages, regardless of the form of action, shall not exceed the total amount paid for the services described herein. This shall be your exclusive remedy.

You further agree that James A. Hillman, CPA will not be liable for any lost profits, or for any claim or demand against you by any other party. In no event will James A. Hillman be liable for incidental or consequential damages even if we have been advised of the possibility of such damages.

No action, regardless of form, arising out of the services under this agreement, may be brought by either party more than one year after the date of the last services provided under this agreement.

APPLICABLE LAW

This engagement shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the state of New Jersey.

DISPUTE RESOLUTION PROCEDURE

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement and cannot be resolved by facilitated negotiations (or the parties agree to waive that process), then such dispute, controversy or claim shall be settled by arbitration in accordance with the laws of the State of New Jersey and the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitration panel, and shall take place in the city in which the Accounting Firm of James A. Hillman, CPA office providing the relevant services exists, unless the parties agree to a different locale.

The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. Confidentiality provisions applicable to facilitated negotiation shall also apply to arbitration.

The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including but not limited to (1) the costs, including reasonable attorneys' fees, of the arbitration; (2) the fees and expenses of the AAA and the arbitrators and (3) the costs, including reasonable attorneys' fees, necessary to confirm the award in court shall be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by the arbitration panel.

GUARANTEE OF PAYMENT

By agreeing to the terms set forth herein, and by signing below, all signing individuals, individually and collectively, personally guarantee the payment of any fees invoiced to the individual(s), corporation(s), partnership(s), limited liability corporation(s), company(s), trust(s) and / or other legal entities listed herein.

COMPLETE AGREEMENT

This letter, consisting of three pages, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provision of this letter is determined to be unenforceable, all other provisions shall remain in force. If you have any questions or concerns regarding this engagement letter or desired services, please contact us at the above address.

Sincerely,

James A. Hillman

By signing below, I approve of the foregoing and personally and individually, without regard to the legal benefits of any legal entity other than that of an individual person, personally guarantee, as an individual, the payment of any fees invoiced to the individual(s), corporation(s), partnership(s), limited liability corporation(s), company(s), trust(s) and / or other legal entities listed above. The undersigned waives presentments, protest, demand and notice of disclosure or default in connection with this Guaranty and any payments by the Customer under any Agreement, and the individual(s) expressly recognizes that this Guaranty creates a personal obligation. This Guaranty will bind my /our heirs, representatives and successors.

Name: _____ Date: _____
Guarantor of Payment

Name: _____ Date: _____
Guarantor of Payment

Name: _____ Date: _____
Guarantor of Payment

Name: _____ Date: _____
Guarantor of Payment

Notes:

- If engagement is for joint return, both spouses must sign.
- Separate Engagement Letters are required for dependants if preparation of returns is required. Both parents must sign as guarantors.
- Engagement Letters for corporations require multiple signatures if multiple owners exist. Please contact our office for additional information.
- [This form must be filled out in BLUE ink.](#)
- Please review, complete and forward our form [CLIENT AUTHORIZATION TO RELEASE FINANCIAL INFORMATION](#) , if applicable.