The above mentioned name & company will be known as “the client” throughout this document. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Beginning ________________ (date), we will provide the following bookkeeping services:

1. Setup in Simply Accounting (if applicable)
2. Record journals
3. Post general ledger & other ledgers as necessary
4. Reconcile bank statements & do adjustments
5. Prepare HST remittances (if applicable)
6. Post earnings records
7. Prepare and record payroll records, taxes & cheques as necessary
8. Produce reports as requested
9. Other bookkeeping services: ________________________________________________

We will rely on the accuracy and completeness of the documents and information you provide to us. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential.

Client is responsible to provide the following documents:

1. Cash receipts & deposit slips
2. Cash disbursements & bank statements
3. Check register and prior year’s tax return (if necessary)
4. Business license and registration information
5. Copies of purchase/lease contracts and loan agreements
6. Detailed list of company assets (description, date of acquisition, original cost and current value)
7. Other documents necessary for correct account reporting.

Client agrees these documents should be forwarded to our office on a monthly basis, as this will enable us to provide you with a current, meaningful and useful financial statement. Any failure to provide such documents and information 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 and entry, or losses that may result from their absence.

Retention Policy: It is our policy to keep work papers related to the engagement for four years. When records are returned, it is your responsibility to retain and protect them for future use, potential examination by any government or regulatory agency, prospective buyers of your business, acquiring business loans etc..

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

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 the client. As business conditions change, we may mutually agree to change/modify this arrangement.

Fee Policy: Our fees for this bookkeeping service will be $25.00 per hour or decided upon monthly fee noted below plus out of pocket expenses. Income tax returns will be billed separately. A minimum deposit of $100 is due at the time of this engagement; the deposit will be applied against our invoices. Unless otherwise noted below:

Ongoing bookkeeping services will be billed on a monthly basis. Any additional accounting services requested will be billed separately. This may include, but is not limited to, any compliance services including handling license, cost reporting for agencies, audit representation or filing renewals.

Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.0% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys’ fees.

If we elect to terminate our services for nonpayment, or for 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.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. 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.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligation.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within Langley, BC according to mediation rules, and any ensuing litigation shall be conducted within said county, according to BC law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the accrual of the cause of action, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the annual fee charged by us, and paid by you, for the services set forth in this engagement letter.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to me, keeping a fully-executed copy for your records.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Very truly yours, Grove Bookkeeping

**ACCEPTED AND AGREED:**

The Client

______________________________  __________________
Signature                        Date

______________________________
Print Name

Note: Includes 3 pages