



Meinershagen & Co., LLC

Certified Public Accountants

816-847-0536 Grain Valley Office
816-347-1600 Lees Summit Office

Fax 816-847-0621
Fax 816-347-1644

Date:

Client Representative:

Client

Client Address

Dear

This letter is to confirm our understanding of the terms and objectives of our engagement with _____ as well as the nature and limitations of the services we will provide.

Please read this letter carefully as it is important to both <Firm Name> (“Firm,” “we,” “us,” or “our”) and _____ (“Client,” “Management,” “you,” or “your”) that you understand and accept the terms under which we have agreed to perform our services, as well as Management’s responsibilities under this agreement.

Scope of Services

Beginning with the signing of this engagement letter and/or the following mutually agreed upon date _____, we will perform the payroll processing function for _____ agrees to provide us with the following source documents for the period the payroll is to cover:

- Salary and hourly reports
- Tips reporting
- Bonus reporting
- Employee advances/repayments
- Federal W-4, State W-4
- Federal I-9 with supporting work status documents (driver’s license, social sec. card, passport, etc.)
- Other reports necessary to complete payroll

The above information will need to be delivered to Meinershagen & Co., LLC (MC) **no less than three full business days in advance of the payment date** to ensure timely processing. Delivery of information less than three full business days in advance will be completed on best efforts.

There maybe times throughout the year due to Federal holidays we will require the information more than three days in advance of the payment date. We will advise you in advance of when we will need your payroll information.

107 SW Eagles Parkway, PO Box 348, Grain Valley, MO 64029
304 NE Tudor Rd., Lees Summit, MO 64086

mccpa.com

We will process payroll based on **Client's** source documents. By submitting the requested documents Management has acknowledged their review of the documents and authorization for MC to process the payroll. It is Management's responsibility to substantiate and authorize all records and information provided to us. We will not audit, review or otherwise verify the records or information provided to us, although we may ask you to clarify or furnish us with additional information. By your signature below, you acknowledge and agree that it is **Client's** responsibility to verify the accuracy of the records being provided to MC.

In addition, management is responsible for tracking the locations where employees of the business live and work and determining the payroll tax compliance requirements in those respective locations. If you require our assistance to assess your potential payroll tax exposure in locations other than your normal place of business where you may have employees residing, please let us know. Any additional services will be covered under a separate engagement letter.

We will ensure the federal and state payroll tax returns for the state(s) Management has indicated reporting is required for the year ending December 31, 2026 are filed. If there is a payroll tax due with the monthly/quarterly report, we will notify you.

Monthly reporting information will need to be delivered to MC **no less than five days in advance** of the end of the month in order to ensure timely processing of the payroll reporting.

Quarterly reporting information will need to be delivered to MC **no less than ten days in advance of the quarter end**, in order to ensure timely processing of the payroll reporting.

By default, you are responsible for making Federal and State payroll tax deposits. All federal and state payroll taxes will be deducted from your account at the time payroll is processed. It is your responsibility to ensure funds are available in the designated account to cover the payroll taxes.

Our firm will ensure the year-end payroll tax returns, including federal and state unemployment tax returns, and Forms W-2 and W-3, as required are filed. MC is responsible for preparing only the returns listed within this engagement letter. All other returns are to be prepared by your company or other preparer or will be provided by our firm under separate engagement letter.

If you are an S-Corporation and pay for the Health Insurance benefits of great than 2% shareholders, we will need the amount paid by employee no later than December 1st of each year, so the W-2's may be prepared correctly to allow the deduction of the Health Insurance costs.

We would like to provide you with some additional reminders and information regarding new hire reporting for payroll compliance.

Per Internal Revenue Service regulations, an employer must obtain a completed W-4 from each employee in order to determine the correct withholding status. If a W-4 is not obtained and on file, withholding must be set as Single with no deductions.

Federal law requires that all employers complete Form I-9 for each newly hired employee, and obtain the required I-9 documentation to support employee's work status within three days of employment. **Client is responsible to verify the employee documents and to complete the I-9 form in its entirety. Failure to properly complete all items on the I-9 may result in significant fines (possibly \$2,500 or more per I-9 that is incomplete).**

Missouri, Kansas, and Arkansas state requirements require new employee information **be reported to the state within 20 days of their hire date. MC will ensure new hires are**

reported. Client is responsible to submit completed new employee paperwork within five days of hire to ensure state reporting due dates are met.

You should retain a copy of all original forms for employees you hire for a **minimum of three years after the employee no longer works for your organization.**

To ensure that MC complies with the withholding requirements, any new employee for whom we do not receive a completed Federal W-4 and State (MO W-4 or K-4) withholding form will be set up as Single with no deductions. MC must also receive the completed I-9 form with supporting work documents. We cannot set an employee up if we do not have the I-9 information, including documentation of authorization documents to work in the United States, which are typically a valid driver license, valid social security card, and/or a United States passport.

To ensure that all withholdings for current employees are correct in our payroll system, please provide copies of active employees Federal and State W-4 withholding forms, I-9 Forms, and I-9 work status supporting forms (such as driver's license, social security card, passport, etc).

If you do not understand the preceding requirements, or you need forms, please let us know and we can provide you with the appropriate forms or provide additional guidance.

All services are limited to what is specified in this agreement. If additional accounting or tax services are required, they will be covered under a separate engagement letter.

Our services cannot be relied on to detect errors, fraud, or noncompliance with laws and regulations that may exist. However, we will inform you of any material errors that come to our attention and any fraud or noncompliance with laws and regulations that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your system of internal control as part of this engagement.

By your signature below, you acknowledge and understand that we will not be responsible for advising you with respect to independent contractor status as part of our services. If you have any questions regarding the classification of employees versus independent contractors, we strongly encourage you to consult with legal counsel experienced in employment practice matters.

By your signature below, you acknowledge that you are responsible for management decisions and functions. That responsibility includes designating a qualified individual, preferably within senior management, with suitable skills, knowledge and/or experience to be responsible and accountable for overseeing all the specific services we perform as part of this engagement, as well as evaluating the adequacy and results of the services performed. You are responsible for establishing and maintaining a system of internal control, including monitoring ongoing activities.

Management is responsible for the design, implementation, and administration of applicable policies that may be required under the Affordable Care Act or any state-specific health mandate. As MC is not rendering any legal services as part of our engagement, we will not be responsible for advising you with respect to the legal or regulatory aspects of your company's compliance with the Affordable Care Act or any state-specific health mandate.

Fees

Our fees will be based upon the amount of time required at our standard billing rates plus out-of-pocket expenses. Bookkeeping hourly rates vary from \$100.00 to \$385.00 per hour. Tax, financial, and consulting hourly rates vary from \$100.00 to \$385.00 per hour depending on the individual providing the services. All invoices are due and payable upon presentation. We will bill on an

interim basis prior to completion of this engagement. Billings become delinquent if not paid within 30 days of the invoice date. **If billings are past due in excess of 30 days, at our election, we may stop all work until your account is brought current, or withdraw from this engagement.** Client acknowledges and agrees that we are not required to continue work in the event of Client's failure to pay on a timely basis for services rendered as required by this engagement letter. Client further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of Client's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services. **At our election we may require all current service fees to be paid and all outstanding invoices and services charges to be paid prior to releasing payroll information to Client or filing payroll reports. We may require a retainer after a client becomes delinquent before resuming services.**

In addition, in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by MC in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

Because of the importance of oral and written management representations to the effective performance of our services, Client releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

This agreement will continue until terminated by either party in writing, or until replaced by a subsequent/new engagement letter.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions. However, 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 to and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery 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 sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

It is our policy to keep records related to this engagement for three years. However, MC does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible

future use, including potential examination by any government or regulatory agencies. MC does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records. We recommend you retain your records related to this engagement for seven years.

By your signature below, you acknowledge and agree that upon the expiration of the three-year period, MC shall be free to destroy our records related to this engagement.

Our firm may use generative artificial intelligence (“AI”) tools to improve efficiencies in areas such as tax and accounting research, document drafting, or other analysis to assist us with rendering services to you under the terms of this agreement. We have policies and procedures in place to ensure that any AI-generated content is subject to our firm’s strict quality control guidelines which include protocols for applying professional expertise, judgment, and oversight in the review and interpretation of any AI-generated content. In addition, we maintain reasonable safeguards to ensure responsible use of AI which includes strict adherence to the requirements set forth for confidentiality, privacy, security, and ethical use of AI in accordance with applicable laws and our professional standards.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. MC shall be entitled to recover the costs of any mediation proceeding from the client.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of Missouri. MC shall be entitled to an award of reasonable attorneys’ fees and costs incurred in connection with the arbitration/litigation of the dispute in an amount to be determined by the arbitrator/judge/jury.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to me. Also have all authorized check signers sign in the space provided. Thank you for this opportunity to serve you.

Very truly yours,

Meinershagen & Co, LLC

Approved:

Date
