



Ph: 310-752-9829

3415 S. Sepulveda Blvd Ste 1100
Los Angeles, CA 90034

Dear _____,
Business Name

Thank you for selecting E&M Tax Services, Inc. to provide your bookkeeping services. This letter confirms the terms of our engagement and the nature, timing, and limitations of the services we will provide.

The annual bookkeeping fee for the categorization of up to three (3) business accounts [e.g. checking, savings, and credit card] is **\$2,500**. Payment is due once we provide you with your year-end financial statements.

Our bookkeeping services provide the following deliverables by November 15th and February 15th respectively, to align with year-end payroll and tax return deadlines:

1. Profit and Loss Statement
2. Balance Sheet
3. General Ledger
4. Bank Reconciliation

You may select from the following add-on services:

A. Additional Bank or Credit Accounts - \$1,000

Our engagement is for three (3) business bookkeeping accounts. If you have additional business accounts, or personal bank accounts that also contain business expenses, you can add-on this service to categorize and reconcile the additional accounts.

B. City of Los Angeles Business Tax Renewal - \$125 (50% discount off our regular rate)

All companies that do business in the City of Los Angeles must file a business tax renewal each year by February 28th. We will not automatically file this renewal for you unless you engage us to do so. We will not file any other business licenses or other city tax renewals.

C. 1099-MISC, 1099-NEC, 1099-INT, etc. - \$100 for up to 10 forms (50% discount off our regular rate)

All companies that pay vendors \$600 or more for services must provide a 1099 form to each vendor by January 31st.

D. Sales Tax - \$200 per filing

When filing your sales tax return, bookkeeping does not give all the information needed to file. We will need additional information in most cases such as location of sale.

E. Personal Financials - \$2,000 w/ business bookkeeping

If you want your personal finances categorized along with your business finances, you can add-on this service to your business bookkeeping.



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If you do not wish for E&M to reconcile your personal bank accounts but have additional business expenses paid from personal bank accounts, please submit a list of additional expenses which includes:

- a. Date of purchase, name of vendor, amount of transaction and category of the transaction (example: “1/15/2023, Olive Garden, \$100.00, Meals”).
- b. You may also provide a note to give additional clarification (example: “meal with Dave the producer of XYZ Film”).
- c. You will need to keep receipts for these transactions in your business records.

To provide accurate information, we will need bank statements for all bank accounts reconciled and a QuickBooks (QBO) download from your bank containing the full year of transactions. If you would like us to download the files on our own, you will need to provide a separate login to access your bank account. Most business bank accounts allow for an additional user or accountant user. If you need help locating this information, our bookkeeping staff can help you.

We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification and/or documentation of some of the information. Generally, we will rely on your representation that you have maintained the documentation required by law to support the information you provide. You cannot solely rely on bank statements; the taxing authorities require receipts of such deductions. Note that you have the final responsibility for your bookkeeping records and, therefore, you should carefully review them before you sign off on them. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your bookkeeping. If you have any questions as to the type of records required, please ask us for advice in that regard. We are not responsible for any additional taxes, penalties or interest resulting from the disallowance of doubtful deductions, or inadequately supported documentation.

By providing us with your business bank account transactions, we are assuming that you have done your due diligence and have not used your business account for personal use. We will categorize all transactions in your business accounts as business expenses. We will provide you with the detailed transactions by category. It is your responsibility to review these transactions and confirm they are all business expenses.

We generally retain, for seven (7) years, the final work product generated for our clients. After the retention period, the documents are destroyed. We do not keep original documents. It is your responsibility to retain your records for possible future examination by the taxing authorities.

Fees for our services will be at our standard rates. We reserve the right to stop work on any account that is 60 days past due. All invoices are due and payable upon presentation.

If we are asked by a taxing authority to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

Annual Bookkeeping Engagement Letter



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With your signature below, you acknowledge and agree that upon the expiration of the 7-year period, E&M Tax Services, Inc shall be free to destroy our records related to this engagement.

If the above fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to our office. Work cannot commence until a signed copy of this document is returned.

We are pleased to have you as a client and look forward to a long relationship.

Yours truly,

Erin Wayland
E&M Tax Services, Inc

Acknowledged:

Authorized
Signature: _____ Print Name: _____ Date: _____