

LOUIS C. MAI CPA & ASSOCIATES

P.O. Box 624
Pompton Plains, N.J. 07444

Phone: 973-492-2524
Fax: 973-492-9515

Eric Larson, Business Administrator
Union County Educational Services Commission
45 Cardinal Drive
Westfield, NJ 07090

Dear Mr Larson,

Engagement Letter for Bank Reconciliation Services

Thank you for choosing Louis C Mai CPA and Associates to assist you with your bank reconciliation needs. This letter outlines the terms of our engagement regarding the reconciliation of three bank accounts for the period from July 2023 to June 2024

Scope of Services

We will perform bank reconciliations for the following accounts:

1. General Fund
2. Payroll Account
3. Payroll Agency

Our services will include:

- Read bank statements
- Comparing transactions on bank statements with your accounting records
- Identifying discrepancies
- Preparing reconciliation reports

Fee Structure

Our fees for this engagement will be billed at a rate of \$150 per hour. We will keep you informed of our progress and any significant developments throughout the engagement.

Terms of Payment

Invoices will be issued on a bi/weekly basis and are payable upon receipt.

Duration of Engagement

This engagement will commence on upon acceptance of engagement letter and will continue until the completion of the reconciliations or until terminated by either party with written notice.

Confidentiality

We are committed to maintaining the confidentiality of your information. All work performed will adhere to the highest professional standards and ethical guidelines.

Please indicate your acceptance of these terms by signing and returning a copy of this letter. We look forward to working with you and appreciate the opportunity to assist with your financial needs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Colleen Brennan".

Colleen Brennan, Associate
Louis C Mai, CPA & Associates

Acceptance of Engagement

I, Eric Larson, Business Administrator, accept the terms outlined in this engagement letter.

Signature _____ Date _____

Addendum to Engagement Letter for Bank Reconciliation Services

OPTION 1

“Standard Bank Reconciliation Services”

Our “standard bank reconciliation services” are performed solely to reconcile the amount of Cash in Bank on your books with the amount of Cash in Bank shown on the bank statement.

This service is limited in scope and is neither designed nor intended to deter or discover fraud, embezzlements or any other irregularities.

When performing the “standard bank reconciliation services” we **DO NOT**:

- Look at individual checks,
- Examine signatures, payees or any other information on any individual check,
- Examine the signature cards on file with the bank or determine if the correct authorized individuals have signed the check,
- Determine whether payee information matches what is shown in your books,
- Perform any procedures to determine whether the checks are for appropriate expenses, or
- Supervise, audit or review accounting work.

Because we do not perform any of the steps described above, we are able to perform our “standard bank reconciliation services” quickly and at low cost. Our fees for this service will be [specifically define price].

OPTION 2

“Bank Reconciliation-Plus Services”

Our “bank reconciliation-plus services” are performed to reconcile the amount of Cash in Bank on your books with the amount of Cash in Bank shown on the bank statement and to help protect against embezzlements.

While there can be no guarantee that embezzlements or other irregularities will always be uncovered, the consistent and timely application of our “bank reconciliation-plus services” can help protect you.

When performing the “bank reconciliation-plus services” **WE WILL**:

- Look at individual checks (or electronic images of individual checks or substitute checks),
- Examine the signatures on each check and compare them to a copy of the signature card on file with your bank (though we are not handwriting or forgery experts),

- Examine the payee on the check and match it to the payee name appearing in your cash disbursements journal,
- Examine the signature cards on file with the bank or determine if the correct authorized people have signed the check, and
- Provide you with a written report detailing all checks posted against the account and appearing on the bank statement or your books for the time period covered by the service.

In order to obtain the added protection provided by the “bank reconciliation plus service,” **YOU WILL:**

- Make sure we have a current version of the bank signature card for the account.
- Provide us with copies of the checks (or access to electronic images of the checks.
- Timely review and sign off on the written report we provide you. This report details all checks posted against the account and appearing on your bank statement or your books (only you can verify whether payments are for an appropriate expense).

Because we do perform all of the steps described above, our “bank reconciliation-plus services” cost more than the “standard bank reconciliation services.” Our fees for this service will be **[specifically define price]**.

By your signatures below, please acknowledge which bank reconciliation service you desire by accepting or rejecting the options identified (signature required twice).

I ☐ ACCEPT ☐ REFUSE the “standard bank reconciliation services.”
(Circle one)

Date

Signature

I ☐ ACCEPT ☐ REFUSE the “bank reconciliation-plus services.”
(Circle one)

Date

Signature