



DIGITAL Payroll SOLUTIONS

You give us the hours, we do the rest

[current date]

[client name and address]

Dear [client name]

We appreciate the opportunity to provide payroll services to [client name.] To ensure an understanding between us, this letter sets forth the terms of our engagement as well as the nature and limitations of our services to you.

Payroll Calculation Services

We will:

1. Calculate payroll for your employees and contractors
2. Calculate federal and state payroll tax deposits
3. Prepare federal and state payroll tax forms as required
4. Prepare Form W-2

Our responsibility

Beginning [date], we will run payroll for your company every [payroll frequency.] We will set up new employees and contractors for payroll on an as needed basis using the information from documents that you provide.

We will inform you of the amount and due date of your payroll tax payments and filings and assist you in making them.

Your responsibility

You will provide us with payroll information on a timely and periodic basis, including hours worked, pay rates, employee status, and benefits information. You will provide us promptly with updated and corrected information as needed.

You must maintain sufficient funds in your bank account to cover payroll expenses and related tax liabilities. You will be charged an exceptions fee if there are insufficient funds in your account when payroll or payroll taxes are due.

Payment and Filing Services

You may authorize us to make payments and filings for you. To do so, a principal officer or partner of your business must sign the Form 8655 and Electronic Services Authorization form accompanying this letter and return them to us for filing. If you authorize us to pay your employees or contractors electronically, you must ask each of them to sign a Direct Deposit Authorization and retain it in your files.

By giving us access to your bank account, you authorize us to make payroll, contractor and payroll tax payments and filings on your behalf, and you will be bound by them as though you had made them yourself. Typically, we will send payment transactions through the Automated Clearinghouse ("ACH") Network. You agree that these payment transactions will be governed by the ACH Rules as in effect from time to time, and that each entry we make on your behalf will be authorized, timely, for an amount due and owing, and will not violate the laws of the United States.

Alternatively, we may agree to print and mail checks for you, or provide you the information to do so yourself.

Our fees

Our fees for providing payroll on a monthly basis are [flat fee per month.] We will electronically draft our fees on or around the 15th of each month.

Services not provided

We will not audit or verify the information that you provide to us. If an amount appears unusual, we will call it to your attention. However, we are not responsible for the detection of errors, irregularities, theft, fraud or illegal acts. We do not provide legal services.

Approvals

We are pleased to have you as a payroll client and hope that this will begin a long and pleasant association. Each of us, however, retains the right to terminate this engagement at any time. Please date and sign a copy of this letter and return it to us to acknowledge your agreement with the terms of this engagement.

Sincerely,

Acknowledged:

[client name]

[current date]