



Client engagement letter template for accounting practices

Whether you're an individual accountant or part of a larger accounting firm, this template is designed to help you create your own engagement letter for your clients. You can download and customize it for your needs. Consult a legal professional to ensure that your finished engagement letter is accurate and effective.

[Your firm's letterhead (logo and name)]

[Date]

[Client's name]

[Client's business name (if applicable)]

[Client's phone number]

[Client's email address]

[Client's physical address]

Subject: Engagement Letter for Accounting Services

Dear *[Client's Name]*,

We're happy to have met you and learned about your business, and we're thrilled to have the opportunity to work with you.

This engagement letter confirms the terms of our engagement for the services outlined below. Please review, sign, and return a copy of this letter to acknowledge your agreement. Please also reach out if you have any questions or concerns.

Identification

Client name: *[Client's full name]*

Business name: *[Client's business name (if applicable)]*

Accounting firm: *[Your firm name]*

Scope of Services

Listed below are the accounting services that will be provided as a part of this engagement:

- *[Service 1]*
- *[Service 2]*
- *[Service 3]*

This engagement covers only the services listed above. If additional services should become required, they must be negotiated separately and may require an updated engagement letter.

Engagement Period

This engagement is effective from *[start date]* until *[end date]* and will automatically renew for subsequent one-year periods unless terminated by either party pursuant to the termination clause listed below.

Termination Clause

Either party is free to cancel this agreement at will with at least 30 days notice before the end of the current engagement period. All agreed-upon fees must be paid for all services rendered within 30 days of cancellation, with late payments subject to applicable late payment penalties.

Fees and Payment Terms

Fees for agreed-upon services will be billed as follows:

- **Fee Structure:** *[flat fee or hourly rate of \$X per hour]*
- **Flat Fees:** *[List breakdown of flat fees for specific services (if applicable)]*
 - *[Service 1 - Fee]*
 - *[Service 2 - Fee]*
 - *[Service 3 - Fee]*
- **Payment Due:** *[on receipt, by [date], Net-30/60/90, etc.]*
- **Accepted Payment Methods:** *[ACH, credit card, debit card, check, etc]*

- **Late Payment Fee:** *[late fee of x% will be charged after 30 days]*
- **Additional Services:** *[out-of-scope services will be billed at \$X/hour or \$X flat fee]*

Client Responsibilities

The client is responsible for the following:

- Provide all necessary documentation, such as *[list docs: W-2s, 1099s, brokerage statements, receipts, past tax returns, etc]*.
- Fill out, sign, and return Form 8821, Tax Information Authorization, which is attached to this engagement letter.
- Fill out, sign, and return Form 2848, Power of Attorney, which is attached to this engagement letter.
- Make a best effort to respond to our inquiries within *[X business days]*.
- Promptly notify us of any changes potentially affecting your tax or financial situation.
- Sign and return this engagement letter at your earliest convenience.

Professional standards

We are committed to maintaining the highest professional standards, integrity, and diligence. Additionally, we will adhere to all applicable professional standards and regulatory requirements *[including US GAAP, IRS guidelines, AICPA guidelines, etc]*.

We will also provide you with our Paid Tax Preparer Identification Number (PTIN). This number allows you to look up our firm and ensure that our accounting certifications are current: *[include your PTIN number here]*.

Disputes, Resolution, and Arbitration

While a dispute is unlikely, if one does occur, both parties agree to work towards a resolution in private. If a dispute cannot be resolved privately, both parties agree to use arbitration or mediation before resorting to litigation.

Terms and Conditions

This letter constitutes the entire agreement between both parties listed herein. Any changes or modifications to this agreement must be made in writing and must be signed by both parties.

Please sign and date below to indicate your acceptance of these terms. Once signed, please return a copy of this letter to *[your firm name]*.

Sincerely,

[Your name]

[Your title]

[Your firm's name]

Client Signature:

Date: _____