

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Dear [Client Contact Name],

This letter confirms our engagement to provide payroll processing services to [Client Company Name] for the period beginning [Start Date].

1. Scope of Services

We will perform the following services:

- Calculation of gross wages, withholdings, and net pay.
- Preparation of payroll checks or direct deposit transfers.
- Preparation of federal and state payroll tax deposits.
- Filing of quarterly and annual payroll tax returns (Forms 941, 940, etc.).
- Issuance of annual W-2 and 1099 forms.

2. Client Responsibilities

To perform these services, you agree to:

- Provide accurate employee data and hours worked by [Deadline Day/Time].
- Notify us of any new hires, terminations, or changes in pay rates immediately.
- Ensure sufficient funds are available in your bank account to cover payroll and tax liabilities.
- Review all processed reports for accuracy.

3. Fees

Our fees for these services will be [Amount] per [Pay Period/Month]. Additional fees may apply for year-end reporting or special filings as follows: [List Additional Fees].

4. Term and Termination

This agreement will remain in effect until terminated by either party with [Number] days' written notice.

5. Limitation of Liability

Our work is based on the information you provide. We are not responsible for penalties or interest resulting from late or inaccurate data provided by the client.

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Your Name/Company Name]

[Your Title]

Accepted by:

Signature: _____

Name: [Print Name]

Date: _____