<Date>

<Client Name>

<Company>

<Client Address>

Dear <Client Name>:

We look forward to the opportunity to assist you in developing and monitoring business performance measures for <Company>.

The purpose of our engagement is to assist you in increasing the quality of the performance measures that you use in your decision-making process. Quality of information is improved by increasing its reliability, relevance, or both. In many situations, increased relevance is often attained by accepting a lower level of reliability. It is ultimately your responsibility to assess whether the information is sufficiently reliable for your intended use.

Our engagement will consist of the following steps:

* We will assist you in developing specific quantifiable operational and/ or financial performance measures to assist you in monitoring your progress toward your company’s goals and objectives. This step will include interviewing company personnel and reviewing available documentation.
* We will meet with you <monthly/quarterly/etc.> to discuss the company’s performance. As appropriate, we will work with you to revise your performance measurements, if necessary, to respond to changing conditions.

In performing our engagement, we will be relying on the accuracy and reliability of information provided by <Company> personnel. We will not audit, examine, or review the information. Please also note that our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist. The procedures we perform in our engagement will be heavily influenced by the representations that we receive from <Company> personnel. Accordingly, false representations could cause inappropriate or inaccurate performance measurements to be developed or could cause material errors to go undetected.

We will document the results of the first step of our engagement in a written report. During our <monthly/quarterly/etc.> meetings, we will provide a <verbal/written> status report on performance measurements. The results of our engagement and our reports related to our performance measurement services are intended for internal use only and should not be used for any other purpose. Management must obtain our approval before disseminating the results of our engagement to any third parties.

Our fee for this work will be at our regular hourly rates for the individuals involved plus out-of-pocket expenses. Payment for services is due when rendered, and interim billings may be submitted as work progresses and expenses are incurred. The total fees and costs for your accounting services may exceed any estimates given to you. It is not possible to know in advance what the total fees and costs will be, because much of the work to be performed may be contingent on the activities of others and circumstances over which we have no control. From time to time, you may ask us to estimate what a specific portion, or the entirety, of the services will cost. To aid you in planning, we will attempt to assist you by providing estimates. You understand that all such estimates are approximations based on our experience as accountants, and they are not and should not be taken as promises or guarantees.

Billings become delinquent if not paid upon receipt. If billings are past due in excess of 30 days, we reserve the right to discontinue services until your account is brought current, or withdraw from this engagement. <Company or CO Name> acknowledges and agrees that we are not required to continue work in the event of <Company or CO Name> 's failure to pay on a timely basis for services rendered as required by this engagement letter. <Company or CO Name> further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of <Company or CO Name> 's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to <Company or CO Name> for any damages that occur as a result of our ceasing to render services.

If any dispute arises among the parties, they agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. We will be pleased to discuss this letter with you at your convenience. If the foregoing is acceptable to you, please sign this letter in the space provided and return it to us in the enclosed envelope.

Best regards,

<First Last>

**I have read and understand the foregoing and agree to these terms. I also acknowledge that a copy of this letter has been provided to me.**

<Client Name, Date>

<Company>