



# GRAY CPA CONSULTING PC

COLLABORATION \* EXPERIENCE \* TRUST

## Gray CPA Consulting PC

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**Tuesday, November 6, 2018**

**Subject:** Case Ware Service and Consultation Engagement Letter

**Dear Client:**

This letter confirms the terms of the CaseWare consulting services Gray CPA Consulting, PC will provide. All information provided to us will be confidential and privileged information. We will not utilize the client information provided in any manner other than to assist in providing consultation services. It will be our policy to schedule meetings utilizing the appropriate software to provide consultation and services to your team from off site. Any services, including technical support and consultation, will occur after being scheduled and at an appointed time. At that time, we will log in and assist your staff with specific tasks required to resolve your issue.

This engagement letter is a contract for one of the following contract options that is selected. The terms of renewal contracts may be subject to change. Any amount paid, or purchase order submitted that remains after the expiration of a contract may be applied to a new contract or services with updated rates. Contract can also be transferred to a new purchase order. Monthly Invoices for the Pay-as-you-go Service contracts are billed on the first of each month. Invoices are due and payable within 30 days upon receipt. (A service charge of 15% will be assessed on account balances 30 days past due monthly) We will be entitled to reimbursement of all costs, including time spent at standard billing rates, and reasonable attorney's fees incurred by us if collecting amounts due becomes necessary. This also includes all fees for collection agencies. If overtime work is requested by the client, standard overtime rates of time and a half will apply.

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*It is recommended that the official point of contact between the client and our staff be a qualified Power-User to achieve maximum efficiency and to prevent user error that may result in redundant work.*

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## Power User Training Requirements:

Power User requirements depend on the product usage of your organization. To get a list of these requirements that are specific to your team's needs, please contact us and we will be happy to provide it. All courses for power-users qualify for NASBA-certified CPE.

**Estimated Scope of Work:**

<i>Deliverable</i>	<i>Scope</i>	<i>Estimated Work and rates</i>
<i>Setup Cash Flows, assist with Government-Wide, and Major Fund Worksheet</i>	As discussed, this process will be a collaboration between the client and Gail and will vary based on the amount of work the client will be able to perform autonomously.	24 hours of CPA (Gail) Hours
<i>Setting up a discretely presented component unit, repairing roll forwards, and creating a budget template</i>	These deliverables can be completed only under the assumption that the client provides a list of all the group codes necessary for the budget template in excel format or some similar method. The same assumption goes for any coding needed to be added for the component unit.	8-12 hours of Programmer (Jordan) Hours
<i>Micro training on template collaboration</i>	Matt will instruct the client's team in how to leverage off of the built template and then how to properly import it and push it out to the entire team.	1 hour of Accountant-Programmer (Matt) Hours.

Please indicate which of the following contract option your team intends to engage:

**Option A.) Pay-as-you-go Rates:**

Programmer \$100 per hour  
Accountant-Programmer \$160 per hour  
CPA \$185 per hour

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*Any estimate of pay-as-you-go work is not a guarantee of a “do-not-exceed” amount towards the identified project*

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**Option B.) Prepayment (or Purchase Order) for Discounted Hourly Rates:**

With a prepayment or purchase received of/for a minimum of \$5,000, a 10% discount will be applied to all invoices under this contract.

**Summary of Cost (to be completed by client):**

	<i>Item</i>	<i>Amount</i>
	<i>Option A.) Estimate of pay-as-you-go cost:</i>	
	<i>Option B.) Pre-payment amount for discounted rates:</i>	
	<i>Any “Do-Not-Exceed” amount for this contract:</i>	

We reserve the right to stop work at any time when above agreed upon payment schedule is not met. By not complying, you have voluntarily elected to not receive our services on a given project, even if such project may have a deadline subject to federal, state, or economic needs which may create a penalty or forfeiture on your part by not complying with the proper completion date. Gray CPA’s reserves the right to assess the scope of any project submitted under this contract and determine if it requires an additional implementation contract and to make determinations on delivery details. CPE cannot be issued for consulting and technical support provided within these contracts. Please let us know if your team is interested in official CaseWare Training.

**Consulting Services:**

During the term of this Agreement and subject to the limitations set forth herein, Gray CPA Consulting shall devote such time and effort to the affairs of the Client as Gray CPA’s and the Client mutually deem reasonably necessary to implement the CaseWare Software more fully set forth on Project Management Documents to Follow in a prompt, competent and diligent manner.

In connection with the engagement, each of us will have access to confidential &/or personal information made available by the other; each shall protect such confidential information in the same manner as it protects its own confidential information of like kind. Gray CPA’s shall not be required to keep as confidential information which is or becomes publicly known, is already within Gray CPA’s possession or knowledge, is independently developed by Gray CPA’s outside the scope hereof or is rightfully obtained from third parties. For marketing purposes, Gray CPA’s may refer to the Client’s name and to the general nature of the services performed, unless specifically denied by the Client in writing.

### **Additional Duties of Gray CPA Consulting PC:**

Specific tasks to be performed by Gray CPA's not set forth in this Agreement, if any, ("Additional Duties") shall be assigned in writing by Client to Gray CPA's. Such writings shall be considered amendments to this. The performance of any Additional Duties will be according to the terms and conditions of this Agreement and any amendments thereto, and the rights and obligations of both parties will be governed thereby. In the event of any conflict between the terms of this Agreement and the terms of any amendment, the terms of this Agreement will govern.

Neither of us shall be liable for any delays or failures to perform due to causes beyond our control. Gray CPA's requires, at least, two weeks' notification prior to assignment of consultants. Gray CPA's requires, at minimum, 2 weeks' notification of cancellation prior to a scheduled on-site visit or Gray CPA's may bill the client for one day of service and non-refundable out-of-pocket travel expenses.

Subject to the qualifications set out herein, each party will defend, indemnify and hold harmless the other and its directors, officers, employees, agents, contractors and affiliates, from any loss, damage or liability which may result from any breach of this Agreement by such party of any of the terms and conditions under this Agreement.

The parties shall execute whatever further documents and do whatever further things as may be necessary to implement and carry out the intent of this Agreement.

If any provision of this Agreement is unenforceable or invalid for any reason, that fact shall not affect the enforceability or validity of the remaining provisions of this Agreement and the offending provision shall be severable from the remainder of this Agreement.

The Client expressly authorizes Gray CPA Consulting, PC to send electronic communication respecting this and other matters including but not limited to electronic communication of a marketing nature. The Client retains the ability to opt-out or unsubscribe from future electronic communications at any time.

Time shall be of the essence of this Agreement.

No waiver by any party of a breach of any of the covenants, conditions and provisions contained in this Agreement shall be effective or binding upon such party unless the same shall be expressed in writing and any waiver so expressed shall not limit or affect such party's rights with respect to any other future breach.

### **Responsibilities of Client**

Client shall be responsible for the provision in suitable form and in a timely manner of the items set forth in any attached Statement of Work or project Management Documents and as may otherwise be requested by Gray CPA's. Failure by Client to provide requested items in a timely manner may result in delays in program launch and additional expenses. The Client is exclusively responsible for obtaining any approvals, permits, licenses or other permissions for off-the-shelf third-party software necessary in connection with the engagement, the titles and quantities of which will be the subject of discussion and agreement between the parties and which shall specifically include CaseWare's Working Papers ("Third Party IP"). Gray CPA's and the Client expressly recognize they are not the owners of such Third-Party IP and have no right to use such Third-Party IP except as expressly granted by the third-party owners of such Third-Party IP.

To allow us to manage our participation in the project most effectively, we reserve the right to determine the personnel to perform the work although we will attempt to honor your requests for specific individuals. For the duration of this agreement and for a period of one year after the services are completed, you, our client, agree not to employ or solicit the employment of any Gray CPA's personnel who performed services under this engagement contract. You agree to pay us an amount equal to the annual compensation for the one-year period immediately preceding the hiring or solicitation of any such Gray CPA's personnel.

### **Term:**

This Agreement shall commence on the date of Signing and shall continue in full force and effect through the term specified in any attached Documents, unless terminated earlier. Either party may, upon giving thirty (30) days written notice identifying specifically the basis for such notice, terminate this agreement for breach of a material term or condition of this agreement, provided the breaching party shall not have caused such breach within the thirty

(30) day period. In the event of such termination, the client shall pay us for all services rendered and expenses incurred by us prior to the date of termination.

**Authority of Gray CPA's:**

Gray CPA's shall retain complete control over its agents, employees, and sub-contractors who shall be the exclusive agents, employees and sub-contractors of Gray CPA's and not of Client. Nothing herein shall be construed to create any partnership or joint venture, nor shall Gray CPA's be considered a partner, agent or employee of Client, and Gray CPA's shall have no authority to bind Client in any manner whatsoever, it being intended that Gray CPA's shall be and remain an independent contractor, and not otherwise, and that Gray CPA's shall be responsible for all actions of itself, its agents and employees.

**Proprietary Information:**

Gray CPA's grants the client access to their proprietary information to complete many projects for their clients. Gray CPA's reserves the right to refuse access to this information to any third party to whom Gray CPA's does not deem necessary for completion of the project.

**Independent Contractor:**

Client and Gray CPA's acknowledge and agree that in performing the consulting services hereunder, Gray CPA's is acting as an independent contractor of Client. Nothing contained herein or otherwise shall be construed in such manner as to create the relationship of principal and agent between Gray CPA's and Client or the relationship of employer and employee between Client, Gray CPA's and/or any of Client's employees. No party will have the authority to enter into agreements of any kind on behalf of the other or otherwise bind or obligate the other in any manner to any third party.

**Termination:**

Neither party may terminate this Agreement unless written notice was given to the offending party at least 30 days' prior that a breach of contract was committed and that an attempt to rectify the issue was made. If either party terminates the Agreement, Client shall have an obligation to pay Gray CPA's for all services provided up to the date of termination.

**Representations and Warranties:**

By signing this Agreement each party warrants and represents that it has the right and power to enter into this Agreement and it owns all the rights it granted to the other party herein. Each party acknowledges that no inducements, representations or warranties, except as specifically set forth on the face hereof, have been made by the other party and that no representative, agent or employee of each party is authorized to make any representations or warranties with reference to this Agreement other than as set forth on the face hereof.

We warrant that our services will be performed in a professional and workmanlike manner in accordance with applicable professional standards, and we will re-perform any work not in compliance with this warranty brought to our attention within thirty days after the work is performed. In the event we are asked to re-perform any work and it is determined that we have already met our obligations under this paragraph, the additional work will be billed on a time and materials basis at our standard rates for time spent on such additional work. Your ability to achieve any proposed benefits will be based on numerous factors and assumptions, many of which are not within our control, and we do not subsequently guarantee that the intended benefits will be achieved.

The determination of the suitability of any product suggested or sold by Gray CPA's for any application is the responsibility of the Client. We do not warrant, nor will we be responsible for, the performance of any third-party products. Your sole and exclusive rights and remedies with respect to any third-party product, including rights and remedies in the event a third-party product gives rise to an infringement claim, will be against the third-party vendor and not against us.

THE PRECEDING IS OUR ONLY WARRANTY CONCERNING THE SERVICES AND ANY WORK PRODUCT AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE, TO THE MAXIMUM EXTENT PERMITTED BY LAW.

**Notices:**

All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given addressed as follows:

a. If to Gray CPA's, to:

Gray CPA Consulting | info@graycpaconsulting.com | p. 936-828-4587

6606 FM 1488 STE 148-62, Magnolia, TX 77354

b. If to Client to [please fill in contact information below]:

or such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given (i) if so mailed, as of the close of the third (3rd) business day following the date mailed, and (ii) if personally delivered or otherwise sent as provided above, on the date received.

**Resolutions of Claims and Disputes:**

Regardless of the place of execution, this Agreement shall be deemed to be an agreement made in Montgomery, Texas ("Venue") and shall be interpreted as an agreement to be performed wholly in the Venue. The laws of the Venue shall be applied without regard to the principles of conflicts of laws. Any claims or disputes arising out of this Agreement shall be resolved only by arbitration in the Venue and in accordance with the Rules of Procedure for Commercial Arbitration of the American Arbitration Association, and any award therefrom shall be rendered by the arbitrators as a judgment in any trial court having competent jurisdiction. In the event a suit or action is filed to enforce any provision of this Agreement, the prevailing party shall be reimbursed by the other for all costs and expenses in connection with the suit or action, including reasonable attorney's fees.

**Interpretation:**

If any portion of this Agreement shall be held to be illegal, invalid, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Additionally, in lieu of each such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as like such former provision as shall be legal, valid, and enforceable.

**Public Records:**

Gray CPA's shall comply with the provisions of generic public records laws, in connection with this Agreement and shall provide access to public records and more specifically Gray CPA's shall:

- i. Keep and maintain public records required by the Client to perform the Agreement.
- ii. Upon request from the Client's custodian of public records, provide the Client with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that is to be covered by the requestor should Gray CPA's request it, or as otherwise provided by law.
- iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if Gray CPA's does not transfer the records to the Client.
- iv. Upon completion of the Agreement, transfer, at no cost, to the Client all public records in possession of Gray CPA's or keep and maintain public records required by the client to perform the Agreement. If Gray CPA's transfers all public records to the client upon completion of the Agreement, Gray

CPA's shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Gray CPA's keeps and maintains public records upon completion of the Agreement, Gray CPA's shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Client, upon request from the Client's custodian of public records, in a format that is compatible with the information technology systems of the Client. Failure to comply with the requirements of this Article shall be deemed a default as defined under the terms of this Agreement and constitute grounds for termination.

**Entire Agreement:**

This Agreement contains the entire understanding and agreement between the parties hereto and supersedes all prior verbal and written representations, agreements, understandings or proposals between the parties regarding the subject matter contained herein. No additions, changes or modifications shall be binding unless reduced to writing and signed by a representative of Gray CPA's and the Client.

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*IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date notated with the signature of the authorized client representative:*

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If the above fairly sets forth your understanding of the services, please sign this letter and return it to us. This letter agreement will remain in effect until superseded by a subsequent written understanding. We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

**Client Approval**

<i>Authorized Client Representative (Print Name and Title)</i>	
<i>Acceptance Date:</i> <i>(1 year from this date is expiration of this contract)</i>	
<i>Signature:</i>	

**Vendor Approval**

<i>Authorized Vendor Representative (Print Name and Title)</i>	
<i>Acceptance Date:</i>	
<i>Signature:</i>	