



# Engagement Letter

# Redtail Enterprises, LLC

Agreement to provide accounting/bookkeeping services listed in the scope of work to Flathead Reservation Water Management Board (FRWMB).

This engagement letter is issued between Flathead Reservation Water Management Board (FRWMB). (“Client”, “you”, “your”) and Redtail Enterprises (dba Redtail Accounting) (“The Firm”, “The Company”, “we”, “our”, “us”), effective January 1, 2025 (the “Agreement”) in order to better understand each party’s obligations.

Your engagement with Redtail Enterprises will be governed by the terms of this Letter and the enclosed Engagement Terms.

In providing services to the company, we will be acting as an independent contractor and in no event will our relationship be that of a joint venture, partners, employer and employee, principal, director, officer, and agent or any similar relationship.

All work to be performed remotely and we will report to the Water Management Board on all matters. All decisions are made by management and Firm is not an employee, agent, or director. No assurance is provided on financial statements prepared.

## **Responsibilities**

### **Error, fraud, or theft**

Our engagement does not include any procedures designed to discover errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

### **Government inquiries**

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request that we assist you in responding to such inquiry. If you ask us to represent you, we will confirm this in a separate engagement letter and delineate how additional charges for this service will be calculated.

### **Responding to Subpoenas**

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement and we are not prohibited from doing so by law or regulation, we agree to inform you of such summons or subpoena as soon as practical.

You may, within the time frame permitted for our firm to respond to any request, initiate such legal action as you deem appropriate at your own expense to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a

judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel incurred in responding to such requests.

### **Responding to Outside Inquiries**

We may receive requests for information in our possession arising out of this engagement. The requests may come from governmental agencies, courts, or other tribunals. If permitted, we may notify you of any request for information prior to responding. In certain proceedings, an accountant-client privilege may exist. You agree that we are not under any obligation to assert any privilege to protect the release of information. You may, prior to our response to any request, initiate legal action to prevent or limit our response. Unless you promptly initiate such action after we notify you at your last known address, as reflected in our files, we will release the information requested.

### **Privacy Policy**

In accordance with the Federal Trade Commission rule, *Privacy of Consumer Financial Information*, we are required to inform you of our policy regarding privacy of client information.

### **Types of Nonpublic Personal Information We Collect**

We collect nonpublic personal information about you that is provided to us by you or obtained by us from third parties with your authorization.

### **Parties to Whom We Disclose Information**

For current and former clients, we do not disclose any nonpublic personal information obtained during our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

### **Protecting the Confidentiality and Security of Current and Former Clients' Information**

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. To guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

### **Electronic Data Communication and Storage**

In the interest of facilitating our services to your company, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access of data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use

third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards, and we require all our third-party vendors to do the same. You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors, and consent to our use of these electronic devices and applications during this engagement.

### **Outsourcing**

The firm may from time to time, and depending on the circumstances, use third-party service providers to serve your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information.

Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

If we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers.

### **Our Responsibilities**

The objective of our engagement is to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America based on information provided by you. We will conduct the engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARs). Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

### **Termination**

We reserve the right to withdraw from this engagement without rendering services for any reason, if you fail to comply with the terms of this engagement letter, if you disagree with our recommendations regarding financial reporting presentation, or if we determine professional standards required our withdrawal or for any other reason we decide. The Client can also terminate this agreement at any time, but Service fees are still owed to the Company pro rata for any partial month served.

At the completion of our engagement, the original source documents will be returned to you. Workpapers and other documents created by us are our property. Such original workpapers will

remain in our control, and copies are not to be distributed without our prior written consent. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

### **Governing Law**

This Agreement shall be governed in all respects by the laws of the United States of America and by the laws of the State of Montana.

Each of the parties irrevocably consents to the exclusive personal jurisdiction of the federal and state courts located in Montana as applicable, for any matter arising out of or relating to this Agreement, except that in actions seeking to enforce any order or any judgment of such federal or state courts located in Montana, such personal jurisdiction shall be nonexclusive.

Client understands all tribal, state, county, city, and federal laws related to operating a business and always intends to fully comply with those laws to the best of their abilities. Client acknowledges that it is their responsibility to maintain all tax and accounting records as needed to respond to inquiries, investigations or audits initiated by regulators and criminal or tax authorities.

### **Invoice Procedures**

Our professional fee for the services outlined above is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee is dependent on the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis.

In the event your records are not submitted in a timely manner, or they are incomplete or unusable, we reserve the right to charge additional fees and expenses for the services required to correct the problem. If this occurs, we will contact you to discuss the matters and the anticipated delay in completing our engagement prior to rendering further services. **All fees will be paid on the 15<sup>th</sup> of that month** for that month's work, unless otherwise indicated in the fee schedule. The preferred method of payment is a bank transfer. Banking information will be provided on QBO.

### **Expenses**

Company shall reimburse the firm for reasonable expenses incurred in connection with performance of services under this Agreement, provided that the expenses are approved in advance by the President of the Board of Company and the firm promptly provides documentation satisfactory to Company to support the firm's request for reimbursement.

## **Scope of Work:**

### **Monthly Bookkeeping Services**

- Day to Day bookkeeping, accounting oversight, and month-end closing work. Completion of proprietary month end process (reconciles all balance sheet and major P&L accounts).
- Day to Day bookkeeping of accounts payable/cash disbursements, accounts receivable/cash receipts.
- Monthly recording and tracking revenue.
- Monthly analysis and adjusting journal entries as needed. Prepare and post monthly journal entries such as depreciation, payroll accruals, etc.
- Prepare monthly financial statements for administrators.
- Deliver the financial report during scheduled board meetings. The report includes an overview of the following financial statements: Statement of Activity and Statement of Financial Position.

### **Full-Service Payroll**

#### **Payroll Processing**

- **Payroll Calculation:** Calculate gross wages, deductions, and net pay for all employees based on provided timesheets, pay rates, and applicable benefits.
- **Timekeeping Integration:** Integration with timekeeping systems to streamline payroll calculations.
- **Payroll Schedule Management:** Establish and manage payroll schedules (weekly, bi-weekly, monthly) to ensure timely processing.
- **Employee Information Management:** Maintain up-to-date employee records, including personal information, tax status, and direct deposit details.
- **Direct Deposit Setup:** Set up and manage direct deposit for employees, ensuring funds are transferred to employee accounts on payday.

#### **Tax Compliance**

- **Payroll Tax Calculation:** Calculate and withhold federal, state, and local payroll taxes.
- **Tax Filings:** Prepare and file all required payroll tax returns, including Form 941, Form 940, and state/local payroll tax forms. Handle any IRS payroll tax delinquent notices.
- **W-2 and 1099 Reporting:** Prepare and distribute annual W-2 forms to employees and 1099 forms to contractors, including electronic filings with the IRS and state agencies.
- **Tax Payment Processing:** Ensure timely deposits of payroll taxes to federal, state, and local agencies.

#### **Benefits and Deductions Management**

- **Benefit Deductions:** Calculate and withhold employee contributions to benefits such as health insurance, retirement plans, and other voluntary deductions.
- **Garnishments:** Manage and process court-ordered garnishments and wage attachments.

**Reporting and Reconciliation**

- **Payroll Reports:** Provide regular payroll reports, including earnings statements, payroll summaries, and detailed tax reports.
- **Reconciliation Services:** Monthly reconciliation of payroll accounts, including verification of payroll tax payments and benefits contributions.
- **General Ledger Integration:** Integration of payroll data with the client's accounting software to ensure accurate financial reporting.

**Employee Self-Service Portal**

- **Portal Setup:** Provide an online self-service portal where employees can access pay stubs, tax forms, and update personal information.
- **Support:** Provide ongoing support to employees for accessing and using the self-service portal.

**Contractors/Temporary Workers**

- Process all contractors pay. Collect W-9's and attach to vendor record.
- Create and send year-end 1099's over \$600 threshold to the vender by January 31<sup>st</sup> and IRS by February 28<sup>th</sup>. Any late or corrections to 1099's will be charged \$200 per 1099.

**Program Reporting**

- Prepare Monthly/Quarterly Program Reports
- Support administrators with the preparation of annual program budgets.

**Duration:** January 1, 2025-March 31, 2025

**Compensation:** Fixed monthly rate of \$4500

IN WITNESS WHEREOF, the parties have executed this agreement on the dates shown below.

**Flathead Reservation Water Management  
Board (FRWMB)  
Box 37  
Ronan MT 59864**

**Redtail Enterprises LLC  
73446 Red Tail Ln  
Arlee, MT 59821  
(406) 544-1245**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: Tina Begay

Title: \_\_\_\_\_

Title: CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_