Navigating Client Scope:

From Engagement Letters to Onboarding

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Learning Objectives

- Describe the benefits of creating engagement letters that clearly define the scope of work, setting the stage for clear expectations and a mutual understanding of service boundaries.
- Discover strategies for an effective onboarding process that aligns with the defined scope, ensuring a cohesive start to client interactions.
- Gain insights into the role of automation in consistently managing and communicating the scope of services throughout the engagement and onboarding processes.

Disclaimer

The verbiage in this slide presentation is one example of the type of language that might reduce risks and protect your firm from potential legal action.

This presentation is designed to educate, not to be used as text in a contract with your clients (or any other party) without consulting with your own legal counsel. As such, some of the statements in the text are truncated and/or out of context. This presentation also does not constitute legal counsel on the part of the author.

Section 1

Engagement Letters / Master Services Agreement

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The Engagement Letter is a Crucial Tool to Your Business

- ❑ Defines the scope of services
- ❑ Provides legal protection
- ❑ Establishes professional boundaries
- ❑ Outlines the fee structure and payment terms
- ❑ Specifies the duration of the engagement

Client Vetting

Vet to the Ideal Client Profile

Key Questions May Include

MSA

- Economically Viable
- Culturally Compatible
- Operationally Suitable

- Integrity
- Ability to Pay/Willingness to Pay
- Compatible Personality Styles/Traits
- Expectations
- Coachability/Proclivity to Adopt Advisory
- Industry Matches My Target Niche

Defining the scope of services

Nature vs. **Scope**

What is the service you are providing?

What will / will not be done

Complexity

Volume

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10 Clauses to Consider

Maximum Billable Amounts
- Estimates may not represent total billables

Unforeseen Circumstances
- Change Orders

Warranties
- Prevailing professional standards
- Deficiencies reported within 10 days of performance

Limitation of Liability
- Not liable for lost profits, unintentional damages
- Liability never to exceed amount paid under SOW agreement

Change Orders
- Expansion of Scope
- Unforeseen needs
- Any changes to SOW

Delay of Engagement
- Option to delay for a fee
- Automatic upon delay
- Over and above agreed fee

Non-Solicitation
- Employees, Consultants
- 1 year waiting period if agreed

Qualified Operator
- Client Internal Staff
- Client responsibility for accuracy

Intellectual Property
- Work Product
- License to Use
- State Laws

Exit / Contract Termination
- Commitments
- Timeframe
- Both Parties Rights

Professional Boundaries

- ❑ Define expectations
- ❑ Availability (working hours)
- ❑ Acceptable methods of communication
- ❑ Client responsibilities (i.e. taxpayer, management)
- ❑ What happens when boundaries are crossed?

Fee Structure and Payment Terms

- ❑ Set up tiered packages
- ❑ Implement value pricing
- ❑ Prepayment has become the standard

Resources to Implement Engagement Letters

- AICPA and other professional organizations
- Professional liability insurance companies
- Software Vendors
- Always have your attorney review

Section 2

Discovery and Onboarding

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Components of an Effective Client Discovery

Condition of the Financial Information

- Review Trial Balance
- Review year-to-year financials

Level of Historical Inaccuracies

- Engage to clean up before engaging for monthly services
- Draw a Contractual Line in the Sand

Payroll Compliance Check

- Employees vs. contractors
- Filing compliance through the beginning of the previous calendar year
- Existing notices

Tax Compliance Check

- Filing compliance with nexus checks for the previous 5+ years
- Existing notices/issue handling?

Confirm G/L ties to the Tax Return

- Coordinate with the company's tax preparer as needed

Other Items to Review

- A/R Accuracy
- A/P Accuracy
- Inventory Accuracy
- Other

Components of an Effective Client Discovery

Technology Review	Cybersecurity Review	Culture Review	Pain Points & Priorities
Goals	Exit Strategy	Operational Review	Etc.

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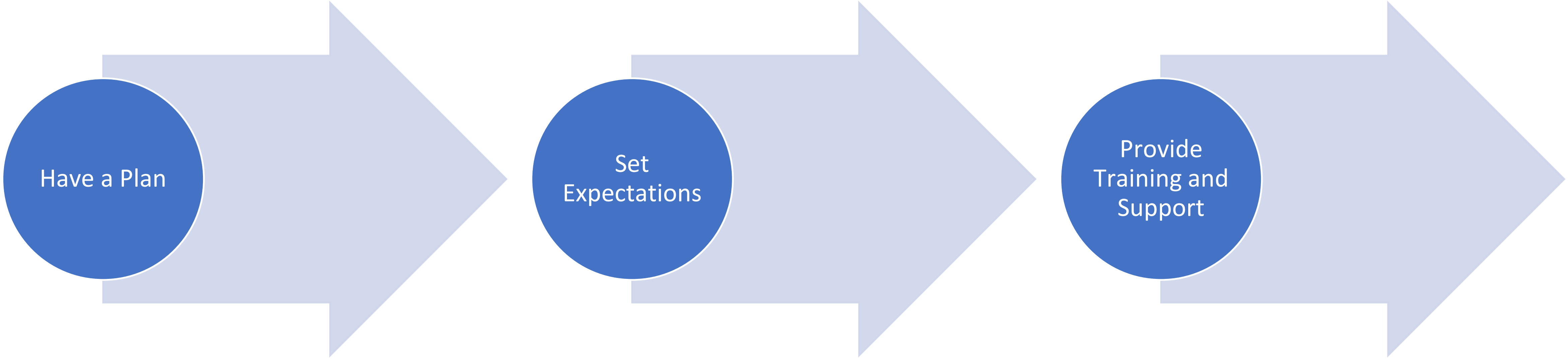
3 Steps to a Successful Onboarding Experience



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Have a Plan

- ❑ Schedule a kick-off meeting
- ❑ Include all team members who will participate in the engagement
- ❑ Create a PowerPoint or Google Slides presentation with the agenda and other information (details on next slide)

Set Expectations

- ❑ Define the timeline of the engagement
- ❑ Review technology that clients must interact with, including how to access training and support
- ❑ Review deadlines for client-supplied documentation and your deliverables
- ❑ Review the engagement letter and allow time for clients to ask questions

Provide Training and Support

- ❑ Send a summary of the meeting
- ❑ Check in frequently
- ❑ Schedule a follow-up meeting

Section 3

Tools to Manage and Automate Client Engagements

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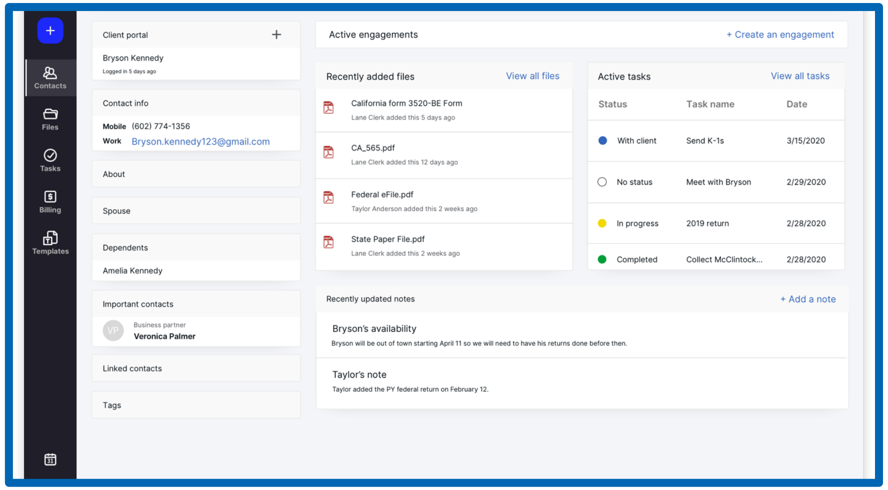
Customer Relationship Management

- **Client Relationship Enhancement:** Maintains detailed client profiles for personalized service and improved satisfaction.
- **Streamlined Communication:** Centralizes client communications, ensuring team alignment and reducing missed interactions.
- **Efficiency in Time Management:** Automates routine tasks, freeing up time for client-focused and strategic activities.
- **Data-Driven Insights:** Provides analytics for informed decisions on client behaviors and business growth opportunities.



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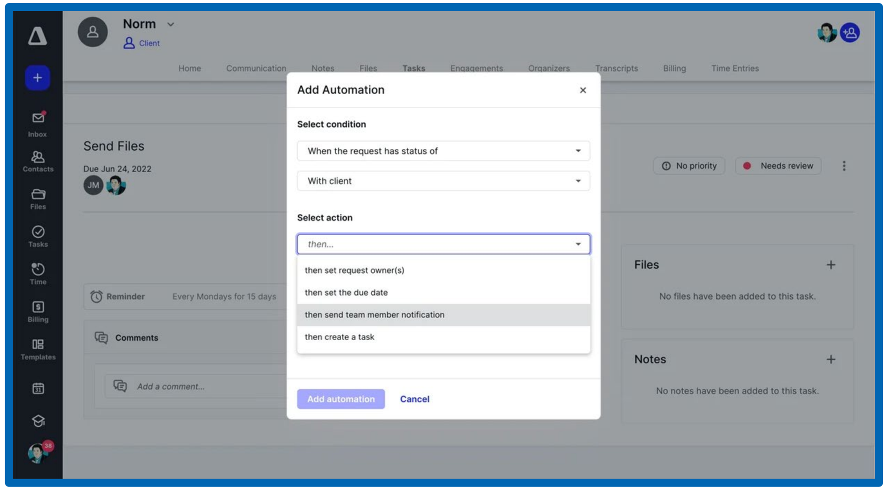
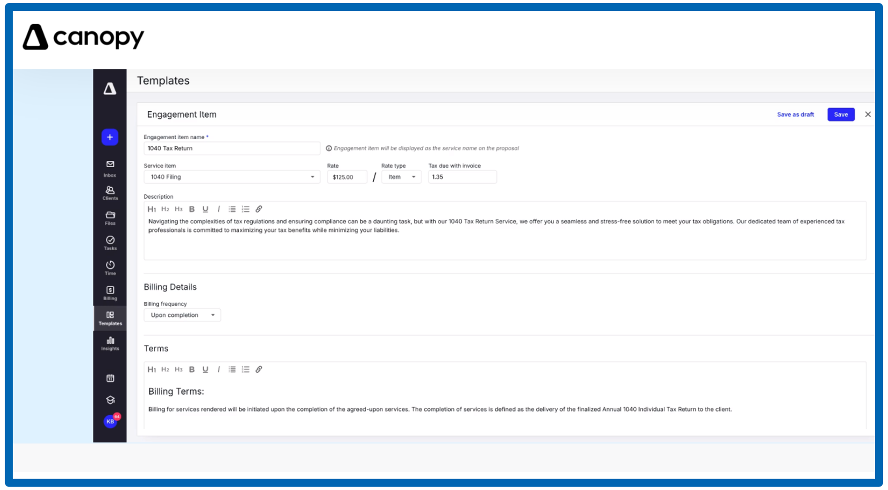
Project and Task Management

- **Improved Organization:** Centralizes all project details and tasks, ensuring easy access and tracking.
- **Enhanced Team Collaboration:** Facilitates seamless team communication and collaboration on shared tasks and goals.
- **Deadline Adherence:** Helps set realistic timelines and monitor progress to ensure timely completion of projects.
- **Increased Productivity:** Streamlines workflows and automates repetitive tasks, increasing efficiency and output.



Engagement Letters and Billing

- **Service Library:** Features a comprehensive library of services with detailed descriptions, rates, and terms for easy reference and selection.
- **Secure Payment Portal:** Offers a secure payment portal for safe and convenient client transactions.
- **Automated Billing:** Implements automated billing for efficient, timely, and error-free invoicing processes.
- **Transparency in Services:** Ensures complete transparency in service offerings and billing, enhancing client trust and satisfaction.



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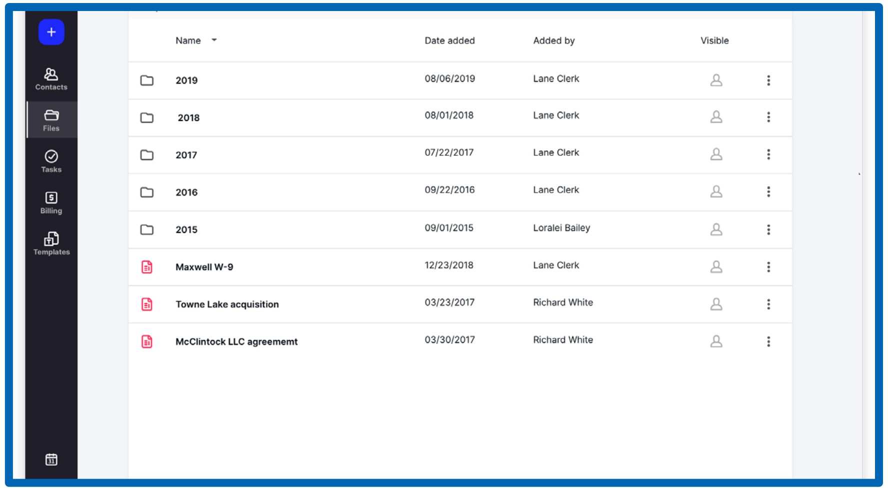
Secure File Sharing

- **Enhanced Data Security:** Offers robust encryption and security protocols to protect sensitive financial documents.
- **Easy Access and Organization:** Allows organized storage and easy retrieval of files, improving workflow efficiency.
- **Client Confidence:** Builds client trust with a secure method for sharing confidential information.
- **Compliance Assurance:** Helps in complying with data protection regulations, reducing the risk of data breaches and penalties.



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E-signature

- **Streamlined Document Signing:** Facilitates quick and efficient signing of documents, reducing turnaround times.
- **Enhanced Convenience:** The ability to sign documents remotely increases accessibility for clients and staff.
- **Legally Binding and Secure:** Ensures that signatures are legally binding and secure, maintaining document integrity.
- **Reduced Paperwork and Costs:** Minimizes the need for physical paperwork, cutting down on storage space and related costs.

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