

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.

Navigating Client Scope:
From Engagement
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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.

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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

- Economically Viable
- Culturally Compatible
- Operationally Suitable

Key Questions May
Include

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

MSA

Defining the scope of services

Nature

What is the service you are providing?

vs.

Scope

What will / will not be done

Complexity

Volume

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

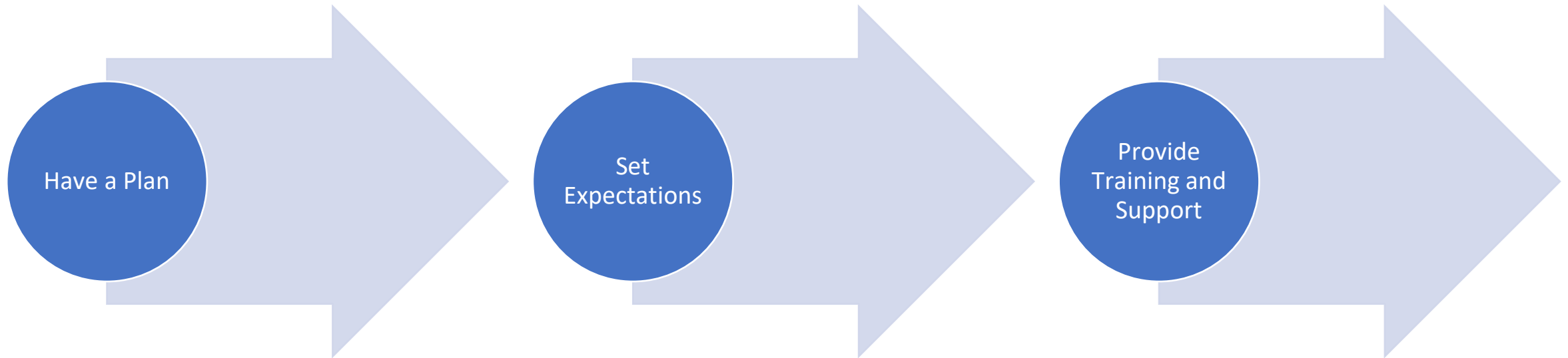
Goals

Exit Strategy

Operational
Review

Etc.

3 Steps to a Successful Onboarding Experience



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

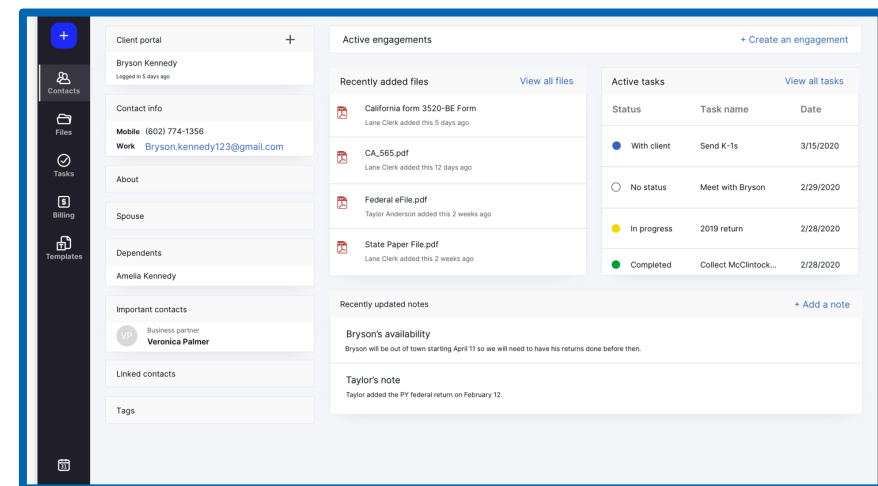
Tools to Manage and Automate Client Engagements

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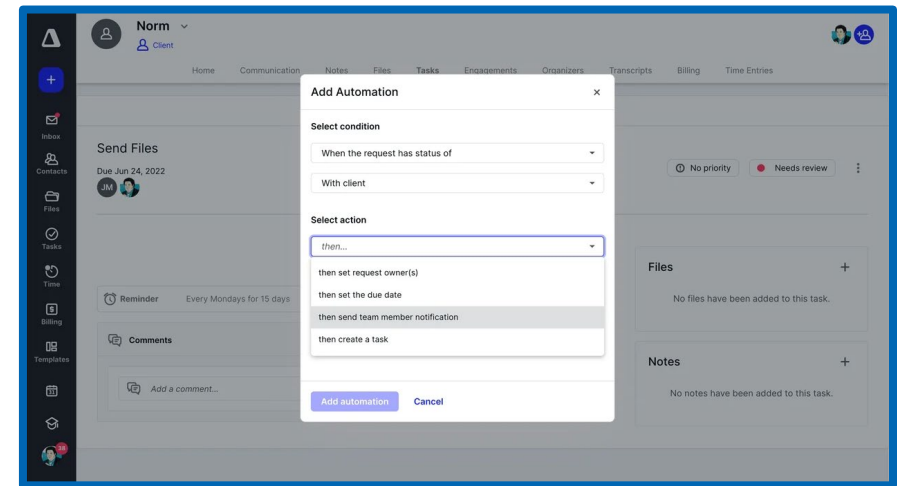
Customer Relationship Management

- ❑ **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.



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.

The screenshot displays the Canopy software interface for creating an engagement letter. The header shows the Canopy logo and the title 'Templates'. The main content area is titled 'Engagement Item' and includes a 'Save as draft' button and a 'Save' button. The form contains several sections: 'Engagement item name' with a dropdown menu set to '1040 Tax Return'; a note stating 'Engagement item will be displayed on the service name on the proposal'; a table for 'Service Item' with columns for 'Rate', 'Rate Type', and 'Tax due with invoice', showing a value of '\$100.00' for '1040 Filing' with a 'Tax' rate type; a 'Description' field with a rich text editor containing a paragraph about the complexity of tax regulations and the firm's commitment to maximizing benefits; a 'Billing Details' section with a 'Billing frequency' dropdown set to 'Upon completion'; and a 'Terms' section with a 'Billing Terms' field containing a paragraph about the initiation of billing upon completion of services.

canopy

Templates

Engagement Item Save as draft Save

Engagement item name *
1040 Tax Return

Engagement item will be displayed on the service name on the proposal

Service Item	Rate	Rate Type	Tax due with invoice
1040 Filing	\$100.00	Tax	

Description

Navigation: H1, H2, H3, B, U, I, L, P, S, A, E, O

Navigating the complexities of tax regulations and ensuring compliance can be a daunting task, but with our 1040 Tax Return Service, we offer you a seamless and stress-free solution to meet your tax obligations. Our dedicated team of experienced tax professionals is committed to maximizing your tax benefits while minimizing your liabilities.

Billing Details

Billing frequency
Upon completion

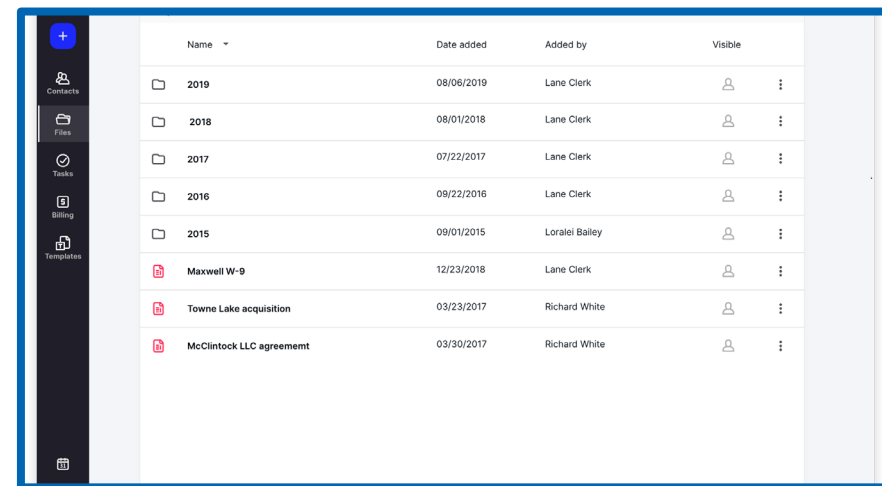
Terms

Navigation: H1, H2, H3, B, U, I, L, P, S, A, E, O

Billing Terms:
Billing for services rendered will be initiated upon the completion of the agreed-upon services. The completion of services is defined as the delivery of the finalized Annual 1040 Individual Tax Return to the client.

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.



Name	Date added	Added by	Visible
2019	08/06/2019	Lane Clerk	Visible
2018	08/01/2018	Lane Clerk	Visible
2017	07/22/2017	Lane Clerk	Visible
2016	09/22/2016	Lane Clerk	Visible
2015	09/01/2015	Loralei Bailey	Visible
Maxwell W-9	12/23/2018	Lane Clerk	Visible
Towne Lake acquisition	03/23/2017	Richard White	Visible
McClintock LLC agreement	03/30/2017	Richard White	Visible

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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