

[Your Name]
[Company Name]
[Street Address]
[City, ST ZIP Code]

[] ate]

[Recipient Name]
[Title]
[Street Address]
[City, ST ZIP Code]

Dear [Recipient Name]:

[As a long-time admirer of the outstanding work that your organization has done in the community, I particularly enjoyed having the opportunity to see how you function from the inside. As you indicated during our meeting, our neighborhood group has grown to a point where it needs to dramatically enhance its accounting function so that it can continue to serve effectively.

This correspondence outlines the complete scope of work you requested, including objectives, procedures, identification of responsibilities, and estimated fees.]

OBJECTIVE

[Implement the Model 60 accounting system on the network. Install the Model 60 software, including implementation and setup, training, conversion assistance, and post-conversion support of the library master, general ledger, accounts payable, and import master modules. Provide professional assistance related to this new system and coordinate the bridge to and from the Trey Research and Contoso, Ltd. software. Success of this project is dependent not only on the software, but also on your personnel's skill, effort, and willingness to work as a team.]

SCOPE OF SERVICES

1. Procedures
 - A. [Assist in planning implementation of the Model 60 accounting system.
 - B. Recommend steps required to successfully install the new system and assist in assembling setup information and accounting data used in the implementation process.
 - C. Establish specifications for the bridge from the Trey Research software to capture cash receipt information. (Note: Trey Research software has a "general ledger distribution" file that contains information that can be bridged in detail or summary format. The interface (export file) will be written by Trey Research staff.)
 - D. Establish specifications for the bridge from the Contoso, Ltd. software to bridge payment schedules for grants issued. (Note: Contoso, Ltd. has a standard bridge but requires minor modification. The interface will be modified by Contoso, Ltd. staff.)
 - E. Write the bridge to receive (import) the information into the Model 60 software.]
2. Training and Testing
 - A. [Work with you and your staff during installation and implementation to help you gain a general understanding of the system.
 - B. Train in the areas of transaction entry and posting, monthly and year-end reporting procedures, monthly and year-end closing procedures, and periodic back-up procedures.]
 - C. Upon completion, system test Model 60 to assure that it is functioning as intended and producing accurate financial reports based on your input.]

[Recipient Name]

[Pick the Date]

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3. Conversion and Post-Conversion Support
 - A. [Assist in planning and assembling data for the conversion to Model 60, as required. (Note: Data entry assistance is \$30 per hour. This cost is not included in our estimate.)
 - B. Provide free telephone support for 30 days after conversion. Subsequent charges for support calls are billed in 10-minute units at \$12.50 per unit.
 - C. Support calls are invoiced weekly. Fees are subject to change annually, effective January 1 of each year, based upon 30-day notice.]

YOUR RESPONSIBILITIES

This project demands significant involvement by your accounting personnel. Ultimate success is highly dependent on their effort. To help achieve a smooth and successful implementation, it will be your responsibility to:

1. [Assemble an up-to-date trial balance for all accounts as of the conversion date.
2. Compile a complete list of all vendors/grants payable, including amounts outstanding (by invoice), addresses, phone numbers, vendor terms, vendor classes (if any), and other necessary vendor/grant information. Total amounts outstanding on the vendor listing should agree with total accounts payable from trial balance.
3. Create a complete list of existing endowments with balances as of the conversion date.
4. Include a copy of the financial statements formats desired by the organization for the balance sheet, income statement, and other financial reports.]

BENEFITS

[When the project is complete, our neighborhood group will have successfully converted to the Model 60 integrated accounting system. Benefits include timely, accurate accounting data, ease of data entry, and flexible reporting.]

SOFTWARE COSTS AND PROFESSIONAL FEES

[Software costs and fee estimates are summarized on the attached schedule. These fees are effective provided (a) your accounting records are in good order, and (b) a staff member can devote full time to the implementation process. Fees will be adjusted to actual accordingly. We will not incur additional hours without written prior approval. Our fee does not include modifications to the Model 60 software.

We require a 50% deposit on software costs before we begin. The balance for software costs is due upon installation (actual loading of the software). Our professional fees are billed weekly.]

CLOSING

[We appreciate the opportunity to service your computer software needs. If you want to accept this proposal, please sign one copy and return it with a 50% deposit of the software costs.]

Sincerely,

[Your Name]

[Your Title]

[Recipient Name]

[Pick the Date]

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ENCLOSURE

[Recipient Name]

[Pick the Date]

Page 4

RESPONSE

[This letter correctly sets forth the understanding of the neighborhood group.]

Accepted by:

Title:

Date:

[Recipient Name]

[Pick the Date]

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[Company Name]

[Street Address]

City, ST ZIP Code]

[PROPOSAL TITLE]

[Recipient Name]

Pick the Date]

SOFTWARE: MODEL 60

SOFTWARE COST

Library Multi-Record Including Report Master	\$1255
General Ledger	\$850
Accounts Payable	\$850
Import Master	\$645
Total Software Cost	\$3600

PROFESSIONAL SERVICES COSTS

Hourly Fee	\$90
Total Estimated Hours	77
Total Professional Services Cost	\$6930.00

ITEMIZED TASK LIST AND ASSOCIATED HOURS

Task	Hours
Installation Plan	9
1. Identify responsibilities	
2. Establish schedule	
3. Select conversion date	
Installation of Software	5
1. Install Model 60 modules on network	
2. Set terminal ID's and preferences	
3. Set printers and defaults	
4. Establish security	
Implementation of Modules	9
1. Establish parameter and master files	
2. GL, AP, and custom financial statements	
Training: All Modules and Backup	9
1. Document Procedures	
2. Demonstrate hands-on entry reporting	
Conversion	9
1. Define conversion tasks and methods	
Build Import from Trey Research and Contoso, Ltd.	18

[Recipient Name]

[Pick the Date]

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Coordinate Bridge to/from Trey Research and Contoso, Ltd. Software. 18

1. Meet with neighborhood group to establish coordination specifications.
2. Meet with representatives from Trey Research and Contoso, Ltd. to establish responsibilities.

Total Hours 77
