



**TOWN OF DEWEY  
BEACH**

[www.townofdeweybeach.com](http://www.townofdeweybeach.com)

105 Rodney Avenue  
Dewey Beach, DE 19971  
302-227-6363 (Voice or TDD)  
302-227-8319 (Fax)

To: Town Commissioners

From: Mr. Scott Koenig, P.E.  
Town Manager

Date: January 7, 2019

Attached is an engagement letter from EZ Payroll, Inc., a division of Luff & Associates, P.A., for payroll processing services. EZ Payroll is our current processor and we are happy with the services provided. Currently, we have no record of signed engagement letter for these services. Staff is requesting authorization to execute the attached engagement letter. The estimated annual cost of these services is approximately \$5,000.

sdk/SDK

# EZ PAYROLL

223 S. Rehoboth Boulevard  
Milford, Delaware 19963  
(302) 422-9699  
[luffezpr@aol.com](mailto:luffezpr@aol.com)

506 S. State Street  
Dover, Delaware 19901  
(302) 674-1040

157 Rehoboth Ave.  
Rehoboth Beach, Delaware 19971  
(302) 727-5450

Date: November 1, 2018

To the Board of Directors  
Name: Town of Dewey Beach  
Address: 105 Rodney Ave.  
City, State & Zip: Dewey Beach, DE 19971

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

## ***PAYROLL CALCULATION SERVICES***

We will:

1. Calculate payroll for your employees and contractors
2. Calculate federal and state payroll tax deposits
3. Prepare federal and state payroll tax forms as required
4. Prepare Form W-2

## ***OUR RESPONSIBILITY***

Beginning 11/1/18, we will run payroll for your company on a bi-weekly basis. We will set up new employees and contractors for payroll on an as needed basis using the information from documents that you provide.

We will inform you of the amount and due date of your payroll tax payments and filings and assist you in making them.

## ***YOUR RESPONSIBILITY***

You will provide us with payroll information on a timely and periodic basis, including hours worked, pay rates, employee status, and benefits information. You will provide us promptly with updated and corrected information as needed.

You must maintain sufficient funds in your bank account to cover payroll expenses and related tax liabilities. You will be charged an exception fee if there are insufficient funds in your account when payroll or payroll taxes are due.

### ***PAYMENT AND FILING SERVICES***

You may authorize us to make payments and filings for you. To do so, a principal officer or partner of your business must sign the Form 8655 and Electronic Services Authorization form and return them to us for filing. A principal officer or partner is furthermore required to provide their Social Security Number and Date of Birth in order to enroll in electronic services. If you authorize us to pay your employees or contractors electronically, you must ask each of them to sign a Direct Deposit Authorization and retain it in your files.

By giving us access to your bank account, you authorize us to make payroll, contractor and payroll tax payments and filings on your behalf, and you will be bound by them as though you had made them yourself. Typically, we will send payment transactions through the Automated Clearinghouse ("ACH") Network. You agree that these payment transactions will be governed by the ACH Rules as in effect from time to time, and that each entry we make on your behalf will be authorized, timely, for an amount due and owing, and will not violate the laws of the United States.

We will completely rely on the information you provide us to be correct, complete, and accurate. The accuracy of account numbers and the deposit made to those accounts rest solely on the information that you provide and information provided by your employees.

Alternatively, we may agree to print and mail checks for you, or provide you the information to do so yourself.

### ***SERVICES NOT PROVIDED***

We will not audit or verify the information that you provide to us. Our engagement cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations, that may exist. However, we will inform you of any such matters that come to our attention unless they are clearly inconsequential. We do not provide legal services.

### ***OUR FEES***

Our fees for these services will be at our standard scheduled rate based on the frequency of payroll runs, number of transactions (employee/contractor and/or additional checks) customized reports and when applicable, any out-of-pocket

expenses. Our fees will be "ACH" from your account for every payroll period we process. There are an additional charges for re-prints, quarterly and year-end reports. Please see attached pay schedule.

### **APPROVALS**

It is agreed that all disputes that arise in connection with our engagement that cannot be mutually resolved by us shall be binding arbitration under the rules and procedures of the American Arbitration Association.

You agreed that our liability hereunder for damages, regardless of the form of action shall not exceed the total amount paid for the services described herein. This shall be your exclusive remedy.

No action, regardless of form, arising out of the services under this agreement may be brought by either party more than three years after the date of the last services provided under this agreement.

We will be available to answer your inquiries regarding your payroll. We will also provide you with any other services you may find necessary or desirable.

If the forgoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us. We are pleased to have you as a client and look forward to a long and mutually beneficial relationship.

Sincerely,

*Luff and Associates, P.A.*  
*Certified Public Accountants*

Acknowledged:

\_\_\_\_\_  
**Officer's Signature**

**Officer's name:** \_\_\_\_\_

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

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

# ***EZ PAYROLL, INC.***

a division of LUFF AND ASSOCIATES, P.A. CPAs

SINCE 1988

## **FEE SCHEDULE- PER PAYROLL**

<b>PAYROLL PROCESSING FEE</b>	<b>\$25.00</b>
<b>PER TRANSACTION FEE - Employee/Contractor (Check/Direct Deposit)</b>	<b>\$1.50</b>
<b>OTHER SERVICES -</b>	
<b>Journal Entries</b>	<b>\$25.00</b>
<b>Additional Reports</b>	<b>\$25.00</b>
<b>Pension Processing</b>	<b>\$25.00</b>

<b>Additional Fees</b>
------------------------

<b>Fee</b>
------------

<b>QUARTERLY REPORTS -     Flat Rate Per Quarter:</b>	<b>\$100.00</b>
<b>END OF YEAR DOCUMENTS -     Per W-2 Form:</b>	<b>\$2.50</b>
<b>ADDITIONAL STATE PROCESSING -     Per Payroll run:</b>	<b>\$10.00</b>
<b>PAYROLL AUDIT REPORTS</b>	<b>\$12.50</b>
<b>PAY STUB REPRINTS</b>	<b>\$1.50</b>
<b>SEASONAL/INACTIVE MONTHLY MAINTENANCE FEE</b>	<b>\$25.00</b>

<b>OFFICES CONVENIENTLY LOCATED AT:</b>
-----------------------------------------

***Milford Office***

223 S. Rehoboth Blvd.

(302) 422-9699

***Rehoboth Office***

157 Rehoboth Avenue

(302) 727-5450

***OR***

**Email - [luffezpr@aol.com](mailto:luffezpr@aol.com)**