



# ALTRUICADVISORS

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

*...helping nonprofits create good*

February 8, 2018

Interstate Medical Licensing Compact Commission  
ATTENTION: MARSCHALL SMITH, EXECUTIVE DIRECTOR  
5306 South Bannock Street, #205  
Littleton, CO 80120

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services Altruic Advisors ("Altruic" or "we" or "the firm") will provide to Interstate Medical Licensing Compact Commission (hereinafter referred to as "the Client" or "you" or "the Organization"):

The following is for the period March 2018 through December 2018:

## **Engagement Details and Objectives - CFO Solutions**

### **Accounts Payable Preparation**

We will oversee the processing of your accounts payable, which will be done on the 1<sup>st</sup> and 15<sup>th</sup> of each month, or more frequently when necessary. It is agreed that any vendor invoices received after the 10<sup>th</sup> day of any month, for services rendered or items received in the previous month, will be accrued in that ensuing month. The exception to this will apply for the month of June. A longer delay will be permitted to ensure an accurate year-end accounts payable balance for each entity. Your accounts payable will be paid by check, or when available, by ACH transfer.

### **Payroll Processing**

When the need arises, it is understood that the Organization will process its payroll through a third-party provider. The Organization will assemble all documentation (hours, pay rates, employee info, etc) in order for payroll to be processed in an accurate and timely manner. The firm agrees to import all payroll information into QuickBooks Online and make any necessary journal entries to reflect proper accounting of general ledger accounts and classes.

### **Monthly Financial Statement Preparation**

We will prepare the monthly financial statements of Interstate Medical Licensing Compact Commission, which comprise the statement of financial position and related statement of activities during the ten months ended December 31, 2018. These financial statements will not include a statement of cash flows and related notes to the financial statements as required by accounting principles generally accepted in the United States of America. Other monthly interim reports and financial statements will be accessible by your staff within QuickBooks Online. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

### Our Responsibilities

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Organization or noncompliance with laws and regulations.

### Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARs:

- a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of financial statements
- b. The prevention and detection of fraud
- c. To ensure that the Organization complies with the laws and regulations applicable to its activities
- d. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements
- e. To provide us with:
  - i. Access to all information of which you are aware that is relevant to the preparation and presentation of the financial statements, such as records, documentation, and other matters,
  - ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
  - iii. Unrestricted access to persons within the Organization of whom we determine necessary to communicate

### **Engagement Administration, Delineation of Duties, and Fees**

Kevin Rickman is the engagement partner and is responsible for supervising the engagement.

Our base fees will be billed monthly, at the following rates:

\$1,000 per month for the months March 2018 – December 2018

Additionally, a \$50 monthly charge (“bill.com fees”) will be added to the aforementioned monthly fees through December 2018 in order to recapture the payment processing charges billed to the firm by bill.com. The December 2018 invoice will include a “true-up” calculation that will result in either a refund or an additional invoice to reflect the actual charges incurred through bill.com.

By initialing here, the Organization agrees to and authorizes the firm to process a monthly automatic debit of the Organization’s checking account, on the first of each month, for the monthly base fee and bill.com fees. This monthly debit will begin on approximately March 1, 2018 for the month of March 2018 and will follow on the 1<sup>st</sup> day of each subsequent month:

Initials: \_\_\_\_\_ date: \_\_\_\_\_

We reserve the right to suspend services immediately if the monthly debit payment is not successfully processed by the 5<sup>th</sup> day after payment is due.

Other services, such as the preparation of Form 990, preparation of year-end 1099s, accounting services for periods prior to the original start date of this engagement, a compilation of financial statements with report, or specialized consulting services that are beyond routine “day-to-day” consulting services will be billed separately at our standard hourly rates. These invoices, if any, will be generated at the end of each month. You may also be billed for out-of-pocket costs such as report production, word processing, postage, travel, or any other additional services that are outside of the scope of this engagement. Any mileage is billed at the current IRS business mileage rate. We do not charge for mileage within the greater Denver area.

This fee estimate is based on the above assumptions, anticipated cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary because of unexpected circumstances or a change in the assumptions, we will discuss the revised engagement details with you and arrive at a new fee estimate before we incur the additional costs.

#### Specific Client Duties and Agreements:

- Client agrees to use of the Online QuickBooks program. The cost of the monthly online access is included in the aforementioned monthly fee.
- Client will upload vendor invoices to the dedicated online portal by the 25<sup>th</sup> day and the 10<sup>th</sup> day of each month, for the respective processing dates (the 1<sup>st</sup> and 15<sup>th</sup> of each month).
- Client (or our designated staff person) agrees to use the Invoice Control Sheet when uploading vendor invoices. This control sheet will be used to notate, where within the general ledger, each transaction should be coded. This control sheet will also be used to account for any release of restrictions or designations, as well as accounting for program costs and cost centers, if any.
- At least once each week, Client will upload daily deposit and accounts receivable data to the firm’s online portal (“the portal”). The frequency of these uploads is to ensure timely and accurate cash balances for each bank account. Alternatively, Client may grant Altruic staff access to retrieve the necessary deposit and accounts receivable information. Client also agrees to notify us of any donor-imposed restrictions or additions to board-designations or endowments.
- Client agrees to continue to use the current chart of accounts unless arrangements have been made to revise the current chart of accounts.
- Client agrees to approve, by online access, all accounts payable items to be processed.
- Client (or our designated staff person) will upload, to the portal, any other items needed for

this engagement (such as supporting documentation for any manually-written checks, supporting documentation for any requested journal entries, etc). Client may also upload any and all documents they desire to maintain in a portal environment (contracts, leases, etc). Alternatively, the Client may request that Altruic staff retrieve these items at the Client's office location.

- Client will grant us or continue to allow read-only, online access to each bank, investment, credit card, and loan account for purposes of downloading the applicable monthly statements. Alternatively, Client may upload these statements to the portal, or have these statements available for pick-up by Altruic staff, by the 10<sup>th</sup> day of the ensuing month. In order to provide timely and accurate accounting services, online access is preferred.
- Client agrees to approve any adjusting journal entries proposed by us.

#### Specific Firm Duties and Agreements:

- We agree to download and maintain all Client accounts payable information for processing into the Client general ledger.
- We agree to maintain timely and accurate information of all board-designations and donor-restrictions.
- We agree to reconcile all Client balance sheet accounts on a monthly basis, including all bank and investment accounts.
- We agree to enter any debit card and credit card transactions from the respective monthly statements.
- We agree to maintain the Client property and equipment depreciation schedule.
- We agree to make available, the monthly drafts of the financial statements which will be available to the Client from QuickBooks Online. These drafts will include the adjusted trial balance, and any adjusting journal entries, by the 25<sup>th</sup> day of the ensuing month, assuming all applicable information is available to us by the 10<sup>th</sup> day of that month. The exception to this will apply to the month of June, when more time will be necessary to close out the year for each entity and have financial statements that are ready for audit and/or Form 990 reporting.
- We agree to submit final copies of the monthly financial statements, adjusted trial balance, and any adjusting journal entries after approval from the Client.
- Document Management - we agree to maintain soft copies of Client documents, including but not limited to vendor invoices, invoice control sheets, bank statements, and grantor letters. Most supporting documents will be maintained by us for 10 years. Grantor letters and contracts may be maintained for a longer period of time, depending on the long-term nature of the contract or grant. All documents will be accessible by the Client at all times.
- We agree to maintain the confidentiality of Client information at all times. We will only release information to a third party, if specifically authorized by the Client.

#### Disclosures and Other Matters

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our engagement procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our engagement procedures regarding illegal acts that may have occurred.

We will contract with Bill.com to assist us in servicing the accounts payable preparation portion of this engagement. While you may interact with Bill.com personnel from time to time, we assume full responsibility in ensuring the accuracy and timeliness of the preparation of accounts payable.

Each party may terminate this agreement, for any reason, with a written notice provided to the other party at least 30 days in advance of the requested termination date. There is no penalty for early termination of this agreement.

Unless otherwise directed, this agreement will be renewed at the end of 2018. The nature of the engagement and the proposed fees will be reassessed at that time.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy of this letter and return it to us.

Sincerely,

ALTRUIC ADVISORS, PLLC

By:



Acknowledged on behalf of Interstate Medical Licensing Compact Commission:

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Marschall Smith, Executive Director

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Date