

{Day, Month, Year}

Payroll Management Services

The Managing Director
{Company Name}
{Business Address Line 1}
{Business Address Line 2}
{Business Address Line 3}

Attention: {Contact Person}

Dear Sir,

Engagement Letter for the provision of Payroll Management Services

We are pleased to submit herein, our engagement letter to {Company Name} ({Company Short Name}) confirming our acceptance to provide you with Payroll Management Services.

1. **This engagement letter** confirms the terms of our engagement by {Company Short Name} to provide Payroll Management Services as it relates to the company. This letter details the responsibilities of both {Company Short Name} and Stransact (**Stransact Partners**) as it relates to this assignment.
2. **This engagement** does not include any services not specifically stated in this letter. Nonetheless, we shall in the course of our work undertake any ancillary task that is necessary to enable us complete our assignment to the satisfaction of {Company Short Name}. Such ancillary task would not be billed unless the task requires significant man hours. In the instance where additional fees are required for ancillary tasks, we shall discuss this with {Company Short Name} and agree a suitable fee before an invoice is submitted.
3. **Our responsibility** shall begin under this Contract when this engagement Letter is signed by {Company Short Name} and shall be in force beginning from the date of assent by the Company.
4. **The scope of our service** under this contract shall cover the entire spectrum of your payroll management support. We shall offer payroll processing and payment support services that includes:

A. Monthly Payroll Processing

- ✓ Ascertain employees' annual emoluments
- ✓ Obtain monthly variation instructions from you for your various employees
- ✓ Process the monthly payroll of the employees of the Company including computation of PAYE (Pay-As-You-Earn) tax and other employee-related obligations (such as Pension, Industrial Training Fund (ITF), National Housing Fund (NHF) and Nigeria Social Insurance Trust Fund (NSITF) contributions)
- ✓ Submit reports of the monthly payroll and payslips so prepared
- ✓ Send payslips to individual employee electronically on a monthly basis
- ✓ Send Payroll Journal to the Company's Finance team for upload into the accounting software
- ✓ Prepare and send quarterly payroll reports (3months summary) at the end of each quarter

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Attention: {Contact Person}

The Managing Director
{Company Name}

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- ✓ Prepare and send annual payroll reports (showing summary of individual employee's pay from January to December) at the end of every calendar year

B. Monthly Payment (Salaries, PAYE Tax, Pension NHF & NSITF) Support Service

- ✓ Advise the Company's HR/Finance team on the total net salaries payable
- ✓ Advise the HR/Finance team on the total PAYE tax payable to relevant tax authorities
- ✓ Advise the HR/Finance team on the total Pension contributions
- ✓ Advise the HR/Finance team on the amount payable to the Federal Mortgage Bank of Nigeria (FMBN) as statutory National Housing Fund Contribution
- ✓ Advise the HR/Finance team on the amount payable to the NSITF for the statutory Employees Compensation Scheme
- ✓ Obtain and update individual staff salary account, NHF and pension fund details
- ✓ Liaise with the HR and Finance teams on funding of the dedicated staff salaries' account
- ✓ Upload approved salaries (net salaries and bank details of individual employees) on the e-payment platform
- ✓ Upload approved PAYE tax payment (per Relevant Tax Authority) on the e-payment platform
- ✓ Upload approved Pension contributions (per Pension Fund Administrator) on the e-payment platform
- ✓ Send payment instructions to the Bankers based on approved salaries/PAYE tax/Pension contributions uploaded
- ✓ Monitor the successful completion of salaries transferred to individual employee
- ✓ Obtain evidence of PAYE tax paid to each Relevant Tax Authority
- ✓ Send Pension contribution schedules to Pension Fund Administrators based on approved report
- ✓ Obtain evidence of remittance of Pension contribution
- ✓ Obtain evidence of remittance of NHF contribution
- ✓ Obtain evidence of remittance of NSITF contribution

Our Responsibilities

5. **Eben F. Joels (Country Partner) is the lead Partner on this assignment.** 'Yomi Salawu will be part of the team to serve you. Other key staff will be assigned as required.
6. **The product(s) of our work** will be documentations between us and you which when put together will evidence our work. Such documentations will be received and accepted on your behalf by **the Human Resources Manager** of {Company Short Name} or any other officer designated by you as the **lead user of our product(s)**.
7. **Our communications with you are confidential** and would not be disclosed to third parties without your approval. However, our working papers may be reviewed internally by certain international firms to which we subscribe for peer review. In such instances, we shall take all reasonable care to ensure that the content of such working papers are restricted to the purpose - to ensure quality in our work.

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The Managing Director

{Company Name}

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Your Responsibilities

8. **It is your responsibility** to provide information that to the best of your knowledge is accurate and complete.
9. **It is your duty to furnish** us with all information that you consider relevant to your business operations as they affect our services. All such information should be brought to our notice even where you may be uncertain as to its usefulness for our purpose.

Indemnity

10. **It is our desire to provide you with a high-quality service** that would create value in excess of our fee.
11. **We undertake that we will exercise due care in the performance of our** work in accordance with applicable professional standards. In the event that our work or any part thereof does not comply with this undertaking, we will as much as possible remedy the deficiency by re doing the work. Should this remedy yet prove deficient, our liability to {Company Short Name} shall be limited to the fees we have earned on this engagement or any portion of the fees as a panel of arbitrators jointly appointed by {Company Short Name} and Stransact Partners may find reasonable.
12. **Our Fees**

Our fees are based on the time and level of expertise required for the assignment. Our fees are exclusive of VAT and out-of-pocket expenses, such as transportation, hotel accommodation, stationery, etc. Please find below, the breakdown of our fees:

Payroll Management Services	Monthly Rate (₦)	Annual Total (₦)
Payroll Processing ¹	XXX	XXXXX
Payment Support	XXX	XXXXX
SUB-TOTAL	XXXXX	XXXXXXXX
Relationship Discount	(XXX)	(XXXX)
TOTAL	XXXXX	XXXXXXXX

We shall bill for the payroll management services on monthly basis.

¹ Payroll Processing Fee is billed monthly based on staff strength:

First 50 employees	₦XX/Month
Between 51 – 70 employees	₦XXX/Month
Between 71 – 100 employees	₦XXXX/Month
Between 101 – 150 employees	₦XXXXX/Month

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13. Any other services required outside the above shall be billed at our charge out rate listed below:

Partner:	₦60,000/hour
Manager:	₦35,000/hour
Senior Associate:	₦20,000/hour
Associate:	₦10,000/hour

Any fees based on the rates listed above shall be discussed and agreed with you before billing.

Confirmation

14. If this letter reflects your understanding of the terms of our engagement, please sign below and return one copy to us.

We look forward to being of service to you.

Yours faithfully,
f: **Stransact Partners**

Yomi Salawu
Partner

Copy to be returned to Stransact

I accept the terms of this engagement letter on behalf of **{Company Name}**

Signed: _____

Date: _____

Name: _____

Position: _____