

Michael Anthony Gultia
Accounting Solutions Corp.
23 Ortigas Avenue Extension
Taytay, Rizal 1920

October 17, 2014

Bertrand Alexander Paran
President, CEO
Paseo De Roxas Avenue
Makati City, 1209

Dear Mr. Paran:

As a witness to the outstanding work that your company has done in the community, I, with great pleasure, have enjoyed having the opportunity to see how your company, Bison Enterprises, function from the inside. As you indicated on your Request for Proposal letter, Bison Enterprises has grown to a point where it needs to 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 Vega 3.0 accounting system on the network. Install the Vega 3.0 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 existing software you have, which is the Ken Era Researchers' Ken 7.0 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 Vega 3.0 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 Ken Era Researchers' software to capture cash receipt information. (Note: Ken Era Researchers' 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 Ken Era Researchers staff.)
 - D. Establish specifications for the bridge from the Ken Era Researchers software to bridge payment schedules for grants issued. (Note: Ken Era Researchers has a standard bridge but requires minor modification. The interface will be modified by Ken Era Research staff.)
 - E. Write the bridge to receive (import) the information into the Vega 3.0 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 Vega 3.0 to assure that it is functioning as intended and producing accurate financial reports based on your input.

3. Conversion and Post-Conversion Support

- A. Assist in planning and assembling data for the conversion to Vega 3.0, as required. (Note: Data entry assistance is P1, 200.00 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 P500.00 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 merchant payable, including amounts outstanding (by invoice), addresses, phone numbers, merchant terms, merchant classes (if any), and other necessary merchant information. Total amounts outstanding on the merchant 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, Bison Enterprises will be successfully converted to the Vega 3.0 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 Vega 3.0 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,

Michael Anthony Gultia

Vice President, Accounting Solutions Corp.

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ACCOUNTING SYSTEM PROPOSAL

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SOFTWARE: VEGA 3.0

SOFTWARE COST

Library Multi-Record Including Report Master	P50, 200
General Ledger	P34, 000
Accounts Payable	P34, 000
Import Master	P25, 800
Total Software Cost	P144, 000

PROFESSIONAL SERVICES COSTS

Hourly Fee	P3, 600
Total Estimated Hours	77
Total Professional Services Cost	P277, 200.00

ITEMIZED TASK LIST AND ASSOCIATED HOURS

Task	Hours
Installation Plan	11
1. Identify responsibilities	
2. Establish schedule	
3. Select conversion date	
Installation of Software	6
1. Install Vega 3.0 modules on network	
2. Set terminal ID's and preferences	
3. Set printers and defaults	
4. Establish security	

Implementation of Modules	10
1. Establish parameter and master files	
2. General Ledger, Accounts Payable, and custom financial statements	
Training: All Modules and Backup	10
1. Document Procedures	
2. Demonstrate hands-on entry reporting	
Conversion	9
1. Define conversion tasks and methods	
Build Import from Ken Era Researchers.	18
Coordinate Bridge to/from Ken Era Researchers' Software.	18
1. Meet with neighborhood group to establish coordination specifications.	
2. Meet with representatives from Ken Era Researchers to establish responsibilities.	
Total Hours	82