

FINANCIAL BOOKKEEPING AGREEMENT TEMPLATE FOR SUBCONTRACTORS

This Financial Bookkeeping Agreement (the "Agreement") is entered into this _____ day of _____, 20_____, by and between:

Contractor: _____
Address: _____
Contact Information: _____

And

Subcontractor: _____
Address: _____
Contact Information: _____

Collectively referred to herein as the "Parties."

1. PURPOSE OF AGREEMENT

The purpose of this Agreement is to establish the standards, requirements, and responsibilities of the Subcontractor regarding financial record keeping, bookkeeping, and reporting in relation to the services provided under the primary subcontractor service agreement dated _____.

2. RECORD-KEEPING STANDARDS

The Subcontractor agrees to maintain complete, accurate, and systematic financial records of all transactions related to the performance of services under the primary contract. These records must be kept in accordance with:

1. Generally Accepted Accounting Principles (GAAP).
2. All applicable federal, state, and local tax regulations and laws.
3. Specific reporting formats and guidelines requested by the Contractor.

3. REQUIRED DOCUMENTATION

The Subcontractor shall retain and organize the following documents:

1. Itemized invoices submitted to the Contractor.
2. Receipts for reimbursable expenses, if authorized.
3. Timesheets, payroll records, or logs verifying hours worked and labor costs.
4. Proof of payments to second-tier subcontractors, vendors, and suppliers.
5. Tax identification records and filed tax documents directly relevant to this engagement.

4. INSPECTION AND AUDIT RIGHTS

Upon reasonable notice of _____ business days, the Contractor, or its designated representative, shall have the right to inspect, review, and audit all financial records, books, and receipts maintained by the Subcontractor related to this Agreement. Such audits may be conducted to verify invoice accuracy, compliance with tax regulations, or performance verification.

5. RETENTION PERIOD

The Subcontractor shall retain all financial and bookkeeping records related to this Agreement for a minimum period of _____ years following the termination or completion of the primary agreement, or for the duration required by applicable law, whichever is longer.

6. CONFIDENTIALITY AND SECURITY

The Subcontractor shall implement appropriate administrative, physical, and technical safeguards to secure financial records containing proprietary information, personal data, or trade secrets of the Contractor. Financial records related to this project shall not be disclosed to any third party without prior written consent from the Contractor, except as required by law.

7. CONSEQUENCES OF NON-COMPLIANCE

Failure to maintain accurate and verifiable financial records in accordance with this Agreement constitutes a material breach of contract. The Contractor reserves the right to withhold payments due to the Subcontractor until adequate, transparent, and compliant financial records are provided.

8. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of _____, without regard to its conflict of law principles.

9. ENTIRETY AND MODIFICATION

This Agreement constitutes the entire understanding between the Parties regarding financial record keeping. Any amendments or modifications to this Agreement must be made in writing and signed by authorized representatives of both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date