



# Outsourcing Statement of Work

Date: September 11, 2023

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and County of Humboldt (“you” and “your”, “the County”) dated January 12, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

## 1. **Scope of professional services**

CLA will perform the following:

- Assist with process improvement and propose policy recommendations related to financial processing and budgeting for the County’s special purpose Headwaters Funds.
- Assess County processes related to allocation of administration expenses to the Headwaters Funds. Assist with process improvements and propose internal control recommendations in relation to allocation of administration expenses in accordance with the Headwaters Fund Charter.
- As time permits, reconcile expenses charged to the Headwaters Funds. Propose adjusting journal entries for management review and approval.

## 2. **Engagement limitations and responsibilities**

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Your management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

We will perform this engagement in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA’s Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

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 entity

or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's financial statements that may not be identified as a result of misrepresentations made to us by you.

CLA's relationship with you shall be solely that of an independent contractor and nothing in the MSA or a SOW shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

**3. Schedule**

We expect that your needs will require approximately 20 hours of services per week starting October 9, 2023. As the engagement progresses, we will update time estimates and engage you in conversation about the project status. If possible, we request a two-week advance notice of your intent to release the consultant back to CLA to ensure adequate time to re-schedule the consultant to another engagement.

**4. Fees**

The professional fees for services rendered for the scope of services described in this SOW will be billed at the hourly rates (for actual time spent) described in the table in the Consultant section below. The actual number of hours incurred on this engagement will be billed. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. Total fees (including technology and client support fee) will not exceed \$40,000 without prior written consent.

Travel is not expected on this engagement; however, travel time will be billed at the normal hourly rate if travel is required. We will also bill you in arrears for reimbursement of any out-of-pocket travel expenses incurred (e.g., hotel, airfare, meals as actual or per diem, etc.) on a pass-through basis.

Should the duration of this engagement go beyond 6 months or the scope of services change, CLA retains the right to discuss an hourly rate adjustment.

Fees, plus applicable state and local taxes, will be billed twice per month in arrears, due upon receipt.

**5. Consultant**

Heather Lyons is responsible for the services identified in this agreement. An Engagement Director will be assigned based on the project needs and designation of the project start date. Additional consultants will be assigned as needed.

The consultants and associated billable hourly rates will be:

<b>Consultant</b>	<b>Rate</b>
Engagement Director	\$185

Engagement Principal / Technical Reviewer

\$300

**6. Non-Solicitation**

You agree that during the term and for a period of one year after the expiration or termination date of the MSA, you will not solicit, hire, contract with, or engage the services of any person providing services to you on behalf of CLA without the prior written consent of CLA. If you breach this non-solicitation provision, you shall pay \$125,000 to CLA as liquidated damages within two weeks of the date on which the former CLA employee or consultant begins his or her new employment with you.

**7. Agreement**

We appreciate the opportunity to provide the services described in this SOW under the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

**CliftonLarsonAllen LLP**

Heather Lyons  
Northern California Client Leader  
916-266-8448  
heather.lyons@claconnect.com

**Response**

This SOW correctly sets forth the understanding of County of Humboldt and is accepted by:

**CLA**

CliftonLarsonAllen LLP

**Client**

County of Humboldt

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Heather Lyons, Northern California Client Leader

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Elishia Hayes, Humboldt County Administrative  
Officer