**APPENDIX K: COLLABORATIVE ENGAGEMENT AGREEMENT - FINANCIAL**

[Date]

Client: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Client: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear Clients:

**1. Overall**

You have both chosen the collaborative divorce process and have signed a collaborative participation agreement. Thank you for choosing our firm to assist you with the tax, financial planning and other financial issues related to your divorce. This letter constitutes an agreement between both of you and [Firm Name], under which we will provide divorce consulting services as a financial neutral to both of you in conjunction with the collaborative process. Our services will be directed by you and/or your attorneys.

As discussed, please understand that both of you are retaining [Firm Name]. As such, all of our communications will be with both of you, and wewill coordinate with you to schedule conference calls and meetings at mutually convenient times. All financial related emails, letters and reports shall be sent tobothof you, as well as to your attorneys and any other team members**,** as appropriate. You also authorize us to have conferences, phone calls or other correspondence with any team members, as we deem necessary. We would be willing to meet or speak with you individually provided that both of you and the other team members authorize us to do so; however, after each such individual meeting or discussion; we will provide a report to all parties.

**2. Conflict of Interest**

Each of you hereby waives any conflict of interest that might arise as a result of our representation of both of you jointly in the collaborative process. Each of you hereby acknowledges that any introductory conversations or emails that may have occurred with either one of you was for the purposes of establishing the collaborative engagement only, and you hereby waive any conflict of interest that might arise as a result of those introductory communications. As discussed in Paragraph 7, we will not provide any services for either of you other than our joint representation of both of you in the collaborative process and assistance with completion of the terms of the agreement reached in the collaborative process and, if requested and agreed by both of you, tax services for the year of transition.

**3. Full Cooperation of Parties**

Each of the parties agrees to cooperate fully with our firm, to be open and truthful in their statements and to provide our firm with complete, accurate and reliable financial information as requested.

The parties agree not to omit any material financial information or documents that may adversely affect our ability to perform the services for which we are engaged.

The parties further agree to provide information requested in a timely manner and to be available for meetings and phone calls as needed within a reasonable time frame in an effort to facilitate the process.

The parties acknowledge that our firm will rely exclusively on the information provided, and that our firm shall not be responsible, nor subject to liability for any errors or omissions in our work product that result from the failure of either or both of the parties to provide complete, accurate and reliable information.

I would have to withdraw from the Collaborative Process with you in the event that you withhold or misrepresent information that should properly be shared as part of the Collaborative Process and **continue to withhold or misrepresent such information, or otherwise act so as to undermine or take unfair advantage of the Collaborative Process.**  You agree that, if litigation later occurs, you will not subpoena any of the Collaborative Professionals participating in the Collaborative Process, unless agreed by both you and your spouse and the professional subpoenaed.

**4. Scope of Engagement**/**Disclosure**

Our role as a financial neutral professional is to be an educator/facilitator in all matters relating to finance. In addition, we will gather any financial information we deem necessary to help the team work together to achieve a mutually agreeable settlement for the family. As discussed above, we require full disclosure andthat information requested be provided in a timely manner. Our work does not include an “audit” of the financial information. Our work is limited to the collaborative process only. All information provided will be made available to both parties and to the collaborative team upon request. The professional consulting services we may provide, in consultation with you and/or your counsel may include:

1. Preparing, reviewing, and/or updating a schedule of your disposable income and personal living expenses and those of your spouse.

2. Preparing, reviewing, and/or updating a schedule of your assets, liabilities, and net worth and those of your spouse.

3. Preparing a proposed property settlement schedule for use during the process.

4. Providing tax planning assistance regarding payment of alimony, child support, and property distributions, as applicable.

During the course of our engagement, it may be necessary for us to prepare schedules and other written reports that support our conclusions. These reports will only be used in connection with your collaborative process and may not be published or used in any other manner without the written consent of this firm. None of the schedules, outlines, or other documents produced, or discussions that we may have with you or your attorney, constitute legal advice or representation in any form.

It is the client’s responsibility to review reports and financial schedules and note any incorrect information or missing information during the engagement to the best of your ability.

It may become necessary during our engagement to recommend input from other financial experts in certain areas. We do not warrant the qualification of any other financial expert involved in the process or that of any other team member. The inclusion of another financial expert will be discussed with the team and agreed upon as part of the collaborative process. *Any fees incurred for other financial experts will be at the clients’ expense.* The clients agree not to seek outside financial services without consulting the team.

**5. Tax Issues**

The parties acknowledge that discussion of tax issues requires anticipation of future changes in tax law and regulations. However, the actual future statutory, administrative or judicial authority may differ from those originally planned. Such differences may produce significant unfavorable income tax consequences.

**6. Professional Fees**

Since each of you is retaining [Firm Name], each of you is individually responsible for all of the fees that may be incurred by our firm in the course of this engagement. We do assume that all the work performed for this engagement is approved by both of you and is billable to both of you. None of the fees associated with this engagement will be billed separately to one party, unless a new and separate engagement is entered into with a separate engagement letter and retainer in such an event. You must *both* inform us, in writing, if you wish to enter into a separate engagement for services that will be billed solely to just one of you.

Please provide us with a retainer fee of $\_\_\_\_\_\_\_\_\_. We will deduct our fees and costs which appear on your monthly bill from your retainer, up to $\_\_\_\_\_\_\_\_\_ of your retainer. Any unearned portion of your retainer will be refunded at the conclusion of our work or at such time as you elect to terminate our relationship for any reason.

We will submit bills to you periodically, at least monthly. Payment is due upon receipt. Please review your bills from our office and notify us in writing within thirty (30) days from the date of the invoice if you have any objections to the charges shown. Otherwise, the invoice will be deemed proper and accepted by you and we will not consider making any adjustments. We do not extend credit.

Our standard hourly rate for this type of consulting is $\_\_\_\_\_\_\_\_, plus out-of-pocket expenses. At the discretion of the undersigned, some of our services may be undertaken by other staff members, under my direct supervision and control, and will be charged at a lower rate.

If your balance is not kept current, we reserve the right to suspend our services until the balance has been brought current.

Due to the nature of divorce financial consulting, it is difficult to predict our total fees and costs. We make no representation or guarantee concerning the outcome for matters for which we have been engaged, nor your total fees, costs and expenses relating to this matter. Payment of fees and costs owed is not dependent or contingent upon your spouse.

We do request that if either party needs to cancel a meeting for any reason that requires my or any other staff member’s attendance that the party will give notice as soon as possible, but not less than 48 hours prior to a meeting. If such notice is not given, we reserve the right to bill for the meeting time scheduled.

**7. Termination of Services**

After you have reached a settlement using this collaborative engagement, we will not provide any future services for either of you, other than assistance with completion of the terms of the agreement reached in the collaborative process and, if requested and agreed by both of you, tax services for the year of transition.

If you are unable to reach a settlement during the collaborative process, and you terminate the process, [Firm Name] will not be able to represent or assist either one of you, or your attorney. [Firm Name] cannot be called to be a witness in court in any areas involving the litigation of your divorce. The parties agree that our work product, including all content (written and oral), is confidential and will be inadmissible as evidence in any court proceeding.

The Client may terminate our services in writing at any point. [Firm Name] will not engage in any other services after the time the written communication is received. All work done up to the time the termination correspondence is received will be billed and is payable immediately.

Finally, in the event we do not feel that we are contributing productively to your collaborative process, we reserve the right to withdraw. If we exercised this right to withdraw, we would inform your attorneys of our decision and give both of you three business days written notice of such decision prior to withdrawal. In addition, if either of you decides to terminate our services all fees incurred to date will be due and payable immediately. Any financial information that we have gathered and work products developedwill be turned over to any future financial neutral within a reasonable time frame, and **we** will acquaint any successor collaborative financial professional with the financial facts of the case.

**8. Retention of Records**

We will retain your records, possibly in an electronic format, for 5 years after the end of your engagement. Administrative time to scan or copy documents that we need to retain will be billed. After that time, they will be destroyed. Any of your original documents held by [Firm Name] will be returned to the client.

We enclose duplicate originals of this agreement. Please execute one copy and return it to us, together with the appropriate retainer fee. This agreement will enter into effect upon receipt of the executed original and fee. If the need for additional services arises, we will revise the terms hereof. Again, thank you for the confidence you have placed in our firm.

You may expect to receive a termination letter at the end of your engagement. Such termination does not relieve you of the obligation to pay for all services rendered and costs or expenses paid or incurred on your behalf prior to the date of termination.

**9. Client Communications**

We routinely use non-encrypted e-mail to communicate with our clients. E-mail communications may not always be secure due to many factors. Additionally, many people use e-mail addresses at their place of employment, where their employer has a workplace policy that e-mails are not private and can be accessed by company representatives. Accordingly, some of our clients who authorize us to communicate with them by e-mail choose to set up a separate e-mail account for us to use. We cannot evaluate or advise about the security of an e-mail provider, system or communication.

**Please indicate below your instructions as to e-mail communications:**

I authorize communications with me via e-mail.

Communications with me by e-mail should be sent to the following e-mail address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

I prefer that all communications with me be sent by U.S. mail.

Communications with me should be sent to the following address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

I prefer that all communications mailed to me by U.S. mail be marked “PERSONAL & CONFIDENTIAL.”

**Please indicate below your instructions as to delivery of your monthly bills:**

I authorize delivery of my bills by e-mail.

My bills should be sent to the following e-mail address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

I prefer that my bills be mailed to me by U.S. mail.

My bills should be sent to the following address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

Regards,

[Name of Financial Professional]