[Company Header/Letterhead]

[Date]

[Third-Party Payor Name]
[Representative Name/Title]
[Address]
[City, State, Zip Code]

RE: Engagement for Third-Party Payment Services

Dear [Contact Name],

This letter ("Agreement") confirms the engagement of [Third-Party Payor Name] ("Payor") by [Employer Company Name] ("Employer") to provide third-party disbursement and payroll funding services effective [Start Date].

1. Scope of Services
The Payor agrees to facilitate the transfer of funds for the purpose of [e.g., employee salaries, tax withholdings, benefits premiums, or vendor payments] as directed by the Employer. This includes the calculation, processing, and distribution of funds via [e.g., ACH transfer, wire, or check].

2. Funding Obligations
The Employer agrees to provide cleared funds to the Payor no later than [Number] business days prior to the scheduled disbursement date. The Payor shall not be obligated to distribute funds if the Employer fails to meet the funding deadline.

3. Fees and Compensation
The Employer shall pay the Payor a service fee of [Amount/Percentage] per [Pay Period/Month]. Any additional administrative costs or transaction fees will be billed separately as incurred.

4. Compliance and Data Privacy
Both parties agree to comply with all applicable local, state, and federal laws, including [e.g., Fair Labor Standards Act, IRS regulations, and GDPR/CCPA data privacy requirements]. The Payor agrees to maintain strict confidentiality regarding all employee and corporate financial data.

5. Term and Termination
This engagement shall continue until terminated by either party with [Number] days' written notice. In the event of termination, the Payor will complete any pending disbursement cycles already funded by the Employer.

6. Liability
The Payor shall be liable for errors resulting from its own negligence in the processing of funds.

The Employer remains responsible for the accuracy of the payroll data and employee information provided to the Payor.

Please acknowledge your acceptance of these terms by signing below.

Sincerely,

[Signature]
[Name of Authorized Employer Representative]
[Title]

Accepted and Agreed:

For [Third-Party Payor Name]:

Signature: _____

Name: [Name]

Title: [Title]

Date: [Date]