**Engagement Letter Template**

**Consulting Services: Assistance with PPP Loan Forgiveness[[1]](#footnote-1)**

<Date>

<Client Representative>

<Client Name>

<Client Address>

Dear <Client Representative>:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. Please read this letter carefully as it is important to both <Firm> and <Client> that you understand and accept the terms under which we have agreed to perform our services, as well as Management’s responsibilities under this agreement.

**Consulting Services[[2]](#footnote-2)**

It is our understanding that <Client> has received a loan under the Pay check Protection Program (“PPP” or “Program”) through the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) that is administered by the U.S. Small Business Administration (“SBA”). You have asked for our firm’s assistance to help you complete the SBA’s PPP Loan Forgiveness Application (Form 3508 or Form 3508EZ). We will work with you to gather the financial and tax information and other documents that may be needed to assist you with calculating and determining the amount of your potential PPP loan to be forgiven in accordance with Section 1106 of the CARES Act, as revised by the Paycheck Protection Flexibility Act signed into law on June 5, 2020.

<*If applicable:* Specifically, you have requested assistance from <Firm Name> in projecting the amount of expenses that may qualify for loan forgiveness in accordance with current guidelines promulgated by the SBA. You have also requested assistance in estimating weekly payroll to help maximize the amount of potential loan forgiveness. We will assist you with calculations and gathering documentation for purposes of meeting the requirements for loan forgiveness under the PPP under the SBA’s current guidelines. We will rely on the assumptions, representations and information provided by you. Depending upon regulations promulgated by the SBA and/or Congress regarding the forgiveness processes, our consulting services may include, but will not necessarily be limited to, the following:

1. List services>

You agree to provide us with all information material to <Client> that we deem necessary in connection with the performance of these services. Such documentation deemed necessary by the SBA to consider forgiveness under the PPP rules includes, but is not limited to, (1) payroll tax filings reported to the Internal Revenue Service; (2) state income, payroll, and unemployment insurance filings; and/or (3) financial statements or other documentation (e.g., cancelled checks, payment receipts, etc.) verifying payment of debt, lease and utility obligations that may be subject to forgiveness.

This engagement does not contemplate the preparation or reporting on financial statements. If an accountant’s report is required or desired, such services will be covered under a separate engagement letter.

**By your signature below, you understand and agree that Management is responsible for the submission of the SBA’s PPP Loan Forgiveness Application (Form 3508 or Form 3508EZ) and for the accuracy and completeness of all certifications that may be required by the SBA. Given the limited nature of our services, our firm will not be responsible for the SBA’s ultimate forgiveness decision, or any loan funds the SBA deems ineligible for forgiveness. We will use our best judgment when interpreting the SBA’s promulgated forgiveness rules when our services are rendered. There may be subsequent SBA pronouncements regarding loan forgiveness that may affect the information we previously provided to you, and these effects may be material. There is no guarantee that the SBA will grant your application for loan forgiveness. As such, by your signature below you understand and agree that we assume no liability for any subsequent pronouncements by the SBA or your lender or the SBA’s ultimate decisions regarding the forgiveness of your PPP loan.**

**Our firm does not act as an “agent” for purposes of this Program, nor will our firm accept responsibility for or sign documents as an “authorized representative” of your company. By your signature below, you understand and agree that Management is responsible for the accuracy, completeness and timeliness of all certifications and information required by your lender and the SBA as part of the loan forgiveness process.**

[***Add the following if CPA’s independence is to be maintained:*** It is our understanding that Management has designated qualified individuals with suitable skills, knowledge and/or experience, preferably within senior management, to be responsible and accountable for overseeing the specified consulting services performed as part of this engagement. By your signature below, you acknowledge that Management agrees to evaluate the adequacy of, and accept responsibility for, the results of all the services performed as part of this agreement.]

By your signature below, you represent and warrant to <Firm> that all information provided to us will be accurate and complete to the best of your knowledge; and agree that our firm will be able to rely, without independent verification, on the accuracy and completeness of the information provided. As our services are limited in nature, our engagement cannot be relied on to disclose errors, fraud, or noncompliance with laws and regulations that may exist.

Any work product prepared by us is intended solely for your use in accordance with the terms of this agreement. Therefore, you agree not to distribute our work to any other parties, for any other purpose, without our written permission.

Further, <Client> understands and acknowledges that our firm will not be rendering any legal advice as part of this engagement. Therefore, you should engage separate legal counsel to assist as appropriate in addressing any legal issues that may arise.

**Fees**

**<Specify firm’s fee structure.> [[3]](#footnote-3)**

**Other Matters**

**Because of the importance of oral and written management representations to the effective performance of our services, <Client> releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by Management and its representatives.**

**[*Include this clause if rendering services pro bono:* In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them given that the firm will be providing services under this agreement at no charge. As such, the client agrees, to the fullest extent permitted by law, to hold the accounting firm harmless and limit the firm’s liability from any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall be one dollar ($1.00). The client and the accounting firm intend and agree that this limitation shall apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law.]**

We may from time to time, and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

<*If applicable:* In accordance with the confidentiality rules under §7216 of the Internal Revenue Code, we will require your specific written consent to disclose any tax return information to the Lender, who is considered a third party under these rules. As such, we ask that you sign and return both the copy of this engagement letter and the attached consent form.>[[4]](#footnote-4)

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions. However, as emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to keep records related to this engagement for <number> years. However, <Firm> does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by any government or regulatory agencies. <Firm> does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records.

By your signature below, you acknowledge and agree that upon the expiration of the <number>-year period, <Firm> shall be free to destroy our records related to this engagement.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the <Name of Association> under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the <Name of Association>, except that under all circumstances the arbitrator must follow the laws of <Name of State>. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys’ fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.[[5]](#footnote-5)

We appreciate the opportunity to be of service to your company and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

**If the foregoing is acceptable to you, please sign the original copy of this letter <*if applicable*: and the attached client consent> where indicated and return to us in the enclosed envelope.**

Very truly yours,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<Accountant Name>

<Firm Name>

**Accepted:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<Client Representative>

<Client Name>

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

**Client Consent[[6]](#footnote-6)**

Federal law requires this consent form be provided to you. Unless authorized by law, <Firm> cannot disclose your tax return information to third parties for purposes other than the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of your signature.

By your authorization below, you confirm that you have requested our firm to disclose your tax return information to <Name of Lender> so that they may provide assistance to you with your efforts to obtain a Paycheck Protection Program loan. The information disclosed may include all information contained within, or derived from, your <Company>’s current or prior tax return(s), as well as information that may be contained within, or derived from, your individual current or prior tax return(s), unless you request in writing a more limited disclosure.

**ACKNOWLEDGMENT**

I, <Client Name>, authorize <Firm> to disclose to <Name of Lender> my company tax returns and related information to assist with my company’s Paycheck Protection Program loan.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Client (and spouse, if applicable) Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Signed

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Duration of Consent

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484 or by email at complaints@tigta.treas.gov.

1. Updated to incorporate the changes promulgated under the Paycheck Protection Flexibility Act signed into law on June 5. [↑](#footnote-ref-1)
2. Refer to the AICPA’s Loan Forgiveness Services Matrix for guidance regarding the nature and scope of the services contemplated for assisting clients with PPP loan forgiveness. This consulting engagement letter should be tailored as appropriate for the specific consulting services to be performed.

   <https://www.aicpa.org/content/dam/aicpa/interestareas/privatecompaniespracticesection/downloadabledocuments/coronavirus-ppp-loan-forgiveness-services-matrix.pdf> [↑](#footnote-ref-2)
3. If the firm intends to charge the client for these services, CAMICO recommends adding the following to the firm’s fee arrangement language: *Our fees are not contingent upon the results of our services.* [↑](#footnote-ref-3)
4. Include this clause and the referenced consent only if the firm anticipates having to provide any documents directly to the Lender. [↑](#footnote-ref-4)
5. This paragraph should be deleted if the firm is rendering these services pro bono. [↑](#footnote-ref-5)
6. Written client consent will be required if the firm anticipates having to provide any tax return documents and/or related information directly to the Lender. [↑](#footnote-ref-6)