

September 29, 2020

[Client Name]

[Client Officer Name and Title]

[Client Address]

Dear [Client Name]:

*Firm*, “we”, are pleased to provide [Client Name], “you”, with the professional services described below. This letter and any attachment incorporated herein, (collectively, “Agreement”), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

***Engagement Objectives, Scope and Approach***

You have received a loan from a lender approved by the U.S. Small Business Administration (“SBA”) under the Payroll Protection Program (“PPP”) established by the Coronavirus Aid, Relief, and Economic Security Act. You have requested that *Firm* assist you with the assembly of your Paycheck Protection Program Loan Forgiveness Application issued by SBA (hereinafter, the “Application”). Additionally, we will assist you in the collection and organization of supporting documentation and related calculations required to be submitted with your Application. Such documentation is required to be maintained by you.

We will assist in preparing your loan forgiveness application. We will additionally perform an examination of this information to express an opinion based on attestation standards and procedures established by the American Institute of Certified Public Accountants (AICPA) for examination services based upon the *Statement on Standards for Attestation Engagements* (SSAE). Our responsibility is to express an opinion based on our examination on the information reported and submitted to your lender on SBA Form 3508 and to determine if all requirements have been met for 100% loan forgiveness to be granted in regards to your PPP loan and Form 3508 submitted.

Our examination involves performing procedures to obtain evidence about the use of PPP loan proceeds and if they were disbursed to expenses as defined as ‘eligible cost’ in the guidance published in the Federal Register under 13 CFR Part 120 as well as other guidance related to the PPP loan program as issued by the Small Business Administration (SBA), and the United States Treasury.

The scope of the services is limited to the foregoing. We will assist you in the submission of your Application to your lender. The scope of the services also does not include responding to or assisting with inquiries or audits of your PPP loan from either your lender or the SBA.

The rules, regulations and guidance related to this engagement and the preparation and submission of your Application are governed by federal regulations. Such federal regulations are subject to change, and therefore, may affect advice provided by us as part of this engagement. These effects may be material. You are responsible for understanding all forgiveness requirements and restrictions applicable to your PPP loan. You are encouraged to seek the advice of your own legal counsel before and during the entirety of the loan forgiveness process.

Our services are dependent upon the accuracy, completeness and timeliness of the representations and information that we receive from you. We will use financial information provided by you to assemble your draft Application. We will not audit this information. We will perform an examination of this information in order to render our opinion based on our examination procedures on the information reported and submitted to your lender on SBA Form 3508 and to determine if all requirements have been met for 100% loan forgiveness to be granted in regards to your PPP loan and Form 3508 submitted.

Inaccurate, incomplete or untimely representations may result in an inaccurate submission of the Application by you and/or a loan forgiveness decision adverse to your interests.

This engagement is limited to the professional services outlined above. You may request that we perform additional services not contemplated by this engagement letter. If so, we will communicate the scope and estimated cost of these additional services in an amendment to this letter or a separate engagement letter to reflect the scope of such obligations and the obligations of both parties.

### ***CPA Firm Responsibilities***

We will perform our services in accordance with the *Statement on Standards for Attestation Engagements* (SSAE) issued by the AICPA. Our responsibility is to express an opinion based on our examination on the information reported and submitted to your lender on SBA Form 3508 and to determine if all requirements have been met for 100% loan forgiveness to be granted in regards to your PPP loan and Form 3508 submitted.

The Firm, in its sole professional judgment, reserves the right to refuse to take any action that could be construed as making management decisions or performing management functions.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls, unless otherwise specified in the scope of this Agreement. You are responsible for developing and implementing internal controls applicable to your operations.

We are not an SBA lender. The SBA lender to which you submit your Application controls the loan forgiveness process, and we have no involvement with, or influence upon, this process. We cannot guarantee that your Application will be approved and have no control over the terms or timing of this process once you have submitted the Application to your SBA lender.

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on tax returns or in your Application.

### ***Engagement Deliverables***

We anticipate that deliverables will include the following:

- Draft Application for your review and submission to your SBA lender; and
- Calculation of FTE's for baseline and covered periods along with calculations for wage reductions in accordance with Federal Register under 13 CFR Part 120.
- Prepare Form 3508 '*Schedule A*' and associated calculations and worksheets based on the information provided by you.
- Collection and organization of your documentation that is required to be submitted with your Application.

In addition, we will also assist you with the collection and organization of other documentation that the SBA requires you to maintain.

Requirements regarding the documentation that you are required to submit and maintain are outlined in the SBA's PPP loan forgiveness application instructions for borrowers.

The deliverables presented as part of this engagement are limited to the use outlined in this Agreement and should not be used for any other purpose.

After we provide you with the deliverables, we shall have no obligation to update or revise the calculations reflected in our deliverables, if new information, future events or changes in applicable laws and regulations affect the observations or conclusions reflected in those deliverables.

You understand and agree that our services may include advice and recommendations based upon our knowledge, training, and experience, but at all times, the decisions related to implementation of the advice or recommendations are solely your responsibility. We encourage you to consider our recommendations and advice and implement what you believe is best for you.

If, for any reason, we are unable to complete the engagement, we will not issue a deliverable.

At the conclusion of the engagement and prior to the provision of our deliverables to you, we will ask you to sign a representation letter regarding the accuracy and reliability of the information provided to us in connection with the engagement.

### ***Client Responsibilities***

We will require the support of your personnel to achieve timely completion of the engagement. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings. Failure to receive such support in a timely manner may negatively affect our ability to fulfill the scope requirements described above within the agreed-upon timeframe.

It is your responsibility to ensure that the information provided to us about your business is accurate, complete and not contradicted by information contained in other documents, such as, but not limited to, your tax returns as filed and any other corporate filing documents or other documentation that lenders may request when reviewing your Application.

You will designate a member of your management, who possesses suitable skill, knowledge, or experience, (the "Project Sponsor") to oversee the services and conduct of this engagement,

including coordination of your resources needed and review of draft deliverables. You authorize us to accept instructions from the Project Sponsor for this engagement.

Your management agrees to:

- make all management decisions and perform all management functions, including, but not limited to, reviewing, signing and submitting the Application and required documentation to your SBA lender;
- accept responsibility for the accuracy and completeness of all certifications included in the Application and other that may be required by your SBA lender;
- maintain documentation to support your draft Application as required by the SBA and/or your SBA lender;
- evaluate the adequacy and results of the services performed;
- accept responsibility for the results of the services, including decisions regarding the implementation of any recommendations provided by us; and
- establish and maintain internal controls and to monitor ongoing activities.

You agree that your management and employees are responsible for the accuracy and reliability of information provided to us, including but not limited to, the proper recording of transactions, the safekeeping of assets, and the accuracy of the financial statements.

You agree that you will not, and are not entitled to rely upon, any advice unless it is provided in writing.

We cannot guarantee whether any amount of your PPP loan will be approved for forgiveness. You agree to hold us harmless from any and all claims arising from or related to the acceptance and approval of the Application and the ultimate forgiveness of the relevant portion of the SBA loan you received due to *Firm* CPA's good faith completion of services described in this Agreement.

### ***Indemnification***

You agree to indemnify, defend, and hold harmless *Firm* and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns with respect to any and all claims made by third parties arising from this engagement, regardless of the nature of the claim, and including the negligence of any party, excepting claims arising from the gross negligence or intentional acts of the *Firm*.

### ***Timing of the Engagement***

We expect to begin our services upon receipt of this executed Agreement and the information requested, at a time mutually determined by you and *Firm*. Our services will conclude upon the earliest occurrence of one (1) of the following events:

- issuance of the deliverable(s) outlined in this engagement letter to you;
- written notification by either party that the engagement is terminated; or
- one (1) year from the execution date of this Agreement.

We will provide you with a checklist of documents and items needed within three business days of receipt of this executed Agreement and receipt of the initial payment. Once you notify us that all requested documents have been provided to us, via your secure portal, we will verify these documents and begin our work shortly thereafter. We expect to complete our deliverables in three to four weeks from the beginning of our procedures.

***Professional Fees***

Our professional fee for the services outlined above is estimated to be in the range of \$XXXXX to \$XXXXX, of which \$XXX is due upon execution of this Agreement as the initial payment. This fee is based upon the complexity of the work to be performed, and our professional time. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis.

Our services will be charged based on the hourly rates of the Firm CPAs staff performing the services. Our fees will be invoiced upon either the completion of the draft forgiveness package or the submission of your PPP forgiveness package, with payment due upon receipt.

Our fees are not contingent on any outcome achieved as a result of our services and we do not warrant or predict results or final developments in this matter.

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We appreciate the opportunity to be of service to [Client Name]. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement and the initial payment.

Very truly yours,

*Firm*

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CPA's name

[CPA's Title]

ACCEPTED:

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[Client Name]

[Client Officer or Authorized Client Representative Name]

[Title of Officer or Authorized Client Representative]