

[Date]

[Client Name]
[Client Address]

Re: *Termination of Professional Services to [Client]*

Dear [Client]:

[Accounting Firm] was engaged by [Client] to [insert services provided].

This letter confirms that effective [Date], [Accounting Firm] resigns from all engagements with or for [Client]. Due to this termination of professional services, certain aspects of some matters [Accounting Firm] was working on were not completed. [Accounting Firm] will not provide any further professional services and, accordingly, is not responsible for completing any unfinished work. [Client] acknowledges that [Accounting Firm] has not completed some work, and further acknowledges that all unfinished work is being turned over to [Client and/or Client's new accountants] unfinished and "as is."

[Accounting Firm] agrees to cooperate with [Client's] new accountants to a reasonable extent. [Client] acknowledges that all original documents in [Accounting Firm's] possession have been returned to [Client].¹ [Client] also acknowledges that it has received copies of all tax returns and financial reports prepared or issued by [Accounting Firm] and has been given copies of all information necessary to meet its future needs. [Accounting Firm] agrees to give [Client's] new accountants access to its workpapers (if access is requested) and provide copies of the workpapers as [Accounting Firm] deems appropriate. [Client] acknowledges that [Accounting Firm's] workpapers are the exclusive property of [Accounting Firm].

Since some professional services remain unfinished, it is important to remember that some of these matters are time sensitive and require completion and/or filing by a certain date. In particular, [describe time sensitive assignments and date they must be completed and/or filed]. If these matters are not completed within the time provided, there may be adverse consequences, such as [generally describe consequences, i.e., penalties, loss of credit line, etc.]. It is [Client's] sole responsibility to ensure that these matters are completed and/or filed in a timely fashion, and, as stated above, [Accounting Firm] is not responsible for completing these tasks or ensuring their timely completion or delivery.

¹ This sentence could be replaced with "[Client] acknowledges that [Accounting Firm] does not possess any of [Client's] original documents."

[Client] acknowledges that all amounts paid to [Accounting Firm] for professional services relate to services already performed by [Accounting Firm] and were properly due and paid.

Additionally, as we discussed, it is agreed that all outstanding invoices for professional services provided, totaling \$[amount], will be paid to [Accounting Firm] by [Client] within [#] days after acknowledging this disengagement letter. If payment is not received by [Accounting Firm] within [#] days after acknowledgement of this letter, the total amount owed by [Client] will be increased by \$[amount] per day until full payment (including expenses) is received, plus legal fees or costs incurred as a result of [Client's] failure to make timely payment.

[Client] also agrees that it will reimburse [Accounting Firm] for all costs or expenses incurred by [Accounting Firm] if it is called upon at any time in the future to respond to inquiries from client's affiliates, creditors or shareholders, any governmental agency, or as the result of receiving formal legal process such as, but not limited to, a civil, criminal or Grand Jury subpoena seeking testimony or documents, or an information subpoena. [Client] will reimburse [Accounting Firm] for all reasonable attorneys' fees incurred and will compensate [Accounting Firm] for all time expended responding to any such inquiry at [Accounting Firm's] normal hourly rates.

In the future, all inquiries regarding these matters should be directed to [insert name of responsible person for Accounting Firm]. Although you may have dealt with other individuals at this firm in the past, all responses will come from [insert name of responsible person for Accounting Firm], so making your inquiries directly to [insert name of responsible person for Accounting Firm] will expedite our answer.

Please acknowledge your agreement with the foregoing by signing a copy of this letter on the line provided below and returning it to me.

Please contact [insert name of responsible person for Accounting Firm] if you have any questions or we can be of further assistance.

Very truly yours,

[Accounting Firm]

Agreed and acknowledged:

[Client Representative]

[Client Name]