**CARES ACT PROVIDER RELIEF PROGRAM FORGIVENESS LETTER**

This letter has been designed to assist accounting firms when clients engage in consulting services once the proceeds from the provider relief program are received. Retention and use of the funds are subject to certain conditions, as provided by the U.S. Department of Health and Human Services, which, if met, payments will not be required at a future date. Having an engagement letter in place will help diminish client misunderstandings and minimize liability exposure.

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[Date]

[Client Contact]

[Client Name]

[Client Address]

Dear [Client Contact]:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide.

Recipients of the Health Resources and Provider Relief funds, also known as the HHS loans, are eligible to have certain amounts forgiven after registering and submitting a report thru the Provider Relief Fund Portal.

We will assist you with the application and the related reports that may accompany the application. There is no guarantee, however, that the Health Resources & Service Administration (HRSA) will grant your application for forgiveness; your use of the loan proceeds or other actions may not have complied with the forgiveness criteria. We assume no responsibility, therefore, if the HRSA determines that you have not satisfied the required conditions under the Cares Act and such loan is not forgiven.

The following documents will be required for us to perform the consulting services described above:

Evidence of lost revenue including, but is not limited to income tax filings reported to IRS and state taxing authorities, bank statements, billing records, insurance claim forms.

You agree to provide us with all information relevant and material to your business that we deem necessary in connection with the performance of these services. By your signature below, you represent and warrant to us 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 on, without independent verification, on the accuracy and completeness of the information provided.

Any work product prepared by us is intended solely for your use in submitting your loan application to HRSA under the terms of this Agreement. As such, you agree not to distribute our work to any other parties for any other purpose.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, suppose by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ we do not receive from you, as per our requests, sufficient information from which to assist you with the loan forgiveness process. In that case, it may be necessary for us to suspend our services or withdraw from this engagement.

We will not audit or otherwise verify the data you submit to us in connection with this engagement, and we will not express an opinion or other form of assurance thereon. We also will not review or evaluate your systems of internal control in an effort to identify and communicate significant deficiencies or material weaknesses therein. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, other illegal acts, or internal control deficiencies or weaknesses that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any such matters that come to our attention.

You are responsible for adopting sound accounting policies, maintaining an adequate and efficient accounting system, safeguarding assets, authorizing transactions, and retaining supporting documentation for those transactions. Furthermore, you are responsible for management decisions and functions, designating a competent employee to oversee any of the services we provide, and evaluating the adequacy and results of those services.

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Our fees for this engagement are not contingent on the results of our services.

Rather, they will be based on our standard hourly rates, as set forth on the attached rate sheet. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services. We estimate that our fee for these services will range from approximately \_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_. You acknowledge that this range is not a limit to the total fees we may charge for our services and that our fees may actually exceed that range. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees will exceed the aforementioned range, we will adjust our estimate and obtain your prior approval before continuing with the engagement.

Prior to commencing our services, we require that you provide us with a retainer in the amount of \_\_\_\_\_\_\_\_\_\_. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly and are payable within 30 days of the invoice date. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to a late fee of 1.0% per month. We reserve the right to suspend our services or withdraw from this engagement if any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including attorneys' fees.

Suppose we elect to terminate our services for nonpayment or any other reason provided in this letter. In that case, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended and reimburse us for all of our out-of-pocket costs through the date of termination.

We may communicate with you and/or store engagement data via email, portals, cloud platforms, or other digital means. We and any third-party vendors will maintain reasonable measures to safeguard communications and engagement data in those environments. Notwithstanding those measures, there are inherent risks that engagement data may be breached. In the specific case of email, messages may be undelivered, intercepted or used by, disclosed to, or shared with an unintended third party. You accept those risks and authorize us to proceed with the aforementioned digital activities.

Further, we advise you to use our portal or encrypted email as the most secure means of digitally transmitting your confidential, proprietary, and personally identifiable information to us. You agree to hold us harmless as to any adverse consequence you may sustain as a result of sharing your data with us not in accordance with our advice, or from any other data breach in connection with this engagement, except to the extent determined to have been caused by our gross negligence or willful misconduct. In the event of a data breach, each of us agrees to notify the other in the most expedient time possible and without unreasonable delay.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than a copy of your SBA loan application, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion unless required by law, and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order, or other legal processes for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, as set forth above, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or maybe a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

The parties will submit to mediation, before initiating litigation, any dispute (other than our efforts to collect any outstanding invoice) arising from this engagement or any prior engagement between them. The parties will participate in that process in good faith in [County and State] before [Name of Mediation Organization]. And the parties will bear their own costs, except that they will share equally any charges assessed by the mediation organization. The results of any such mediation will be binding only upon the parties' Agreement to be bound. Any ensuing litigation will be conducted within the county and according to the state law noted above.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

Our liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall we be liable for the consequential, special, incidental, or punitive loss, damage, or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of the form of action, whether in contract, negligence, or otherwise) shall be limited to the fees received by us for this engagement.

The provisions set forth in this paragraph shall survive the completion of the engagement.

Notwithstanding anything contained herein, both parties agree that regardless of where you are domiciled and where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our office located in <Specific County>, <Specific State>, USA, and that <Specific County>, <Specific State>, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement.

This Agreement shall be interpreted and governed in accordance with the Laws of <State>.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you agree to authorize us to proceed with this engagement after full consideration and consultation with counsel if so desired, please execute this letter on the line below designated for your signature and return the original of this executed. You should keep a copy of this fully executed letter for your records.

Thank you for your attention to this matter, and don't hesitate to get in touch with us with any questions that you may have.

Very truly yours,

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

[Firm Contact]

[Title]

ACCEPTED AND AGREED:

[Name of Client Entity]

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

By: [Signor’s Name] Date