**Illustrative Agreed-Upon Procedures Engagement Letter with Borrower – PPP Loan Forgiveness**

**As of 5/1/2020**

Circumstances include the following:

* The CPA is engaged by the borrower
* The procedures are prescribed and the borrower acknowledges, in the engagement letter, that the procedures to be performed are appropriate for the purpose of determining the amount of PPP loan to be forgiven in accordance with Section 1106 of the CARES Act.

[*CPA Firm Letterhead*]

[*Client’s Name and Address*]

To Management of ABC Borrower:

This will confirm our understanding of the arrangements for our performance of certain agreed-upon procedures related to the supporting documentation provided by ABC Borrower to XYZ Lender to substantiate ABC borrower’s expenses during the [define the “covered period”] (the “supporting documentation”).

You agree to the procedures enumerated in the attachment to this letter and acknowledge that the procedures to be performed are appropriate for the intended purpose of determining the amount of your Paycheck Protection Program (PPP) loan to be forgiven in accordance with Section 1106 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Our responsibility is to carry out these procedures and report our findings. We will conduct our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. It is understood that we make no representation regarding the appropriateness of the procedures described in the attachment for the purpose for which this report has been requested or for any other purpose.

You are responsible for the completeness and accuracy of the supporting documentation and for any other information provided to us. You are also responsible for the design, implementation, effectiveness, and monitoring of controls over the preparation of the supporting documentation. It is understood that we make no representation regarding the completeness or accuracy of any information provided to us during this engagement.

You agree to provide, at the conclusion of our engagement, written confirmation concerning representations made to us in connection with the agreed-upon procedures engagement. [INCLUDE THE FOLLOWING ONLY IF LENDER WILL ALSO BE ASKED TO AGREE TO/ACKNOWLEDGE THE PROCEDURES: *You agree that such written confirmation will include a representation that you have obtained XYZ Lender’s agreement to the procedures and acknowledgment that the procedures performed are appropriate for their purposes.*]

Our engagement to perform agreed-upon procedures is substantially less in scope than an examination or review, the objective of which is the expression of an opinion or conclusion, respectively, on the supporting documentation. Accordingly, the report will not express an opinion or any other form of assurance thereon and if additional procedures were to be performed, other matters might have come to our attention.

At the completion of the agreed-upon procedures, we expect to issue a report that will state the procedures performed and the findings from those procedures. If, however, we are not able to complete all of the specified procedures, we will so advise you. [OPTIONAL RESTRICTION OF USE: *Our report will include an alert that restricts its use to you and XYZ Lender.*]

[*Discuss other practitioner-specific matters, such as billing arrangements.*]

If this letter correctly expresses your understanding of this engagement, please sign the enclosed copy where indicated and return it to us.

Sincerely,  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
[*Firm Name or Firm Representative’s Signature*]

Accepted and agreed to by ABC Borrower

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
[*Representative’s Signature (such as Name of Chief Financial Officer*)]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
[*Title*]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
[*Date*]

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