

[IMPORTANT: The information and materials contained herein should not be considered or relied upon as legal advice on specific factual situations. Users are urged to consult legal counsel concerning particular situations and specific legal questions.]

This letter can be used whenever a firm sends a long-time client an engagement letter for the first time.

ENGAGEMENT LETTER TRANSMITTAL DRAFTING FORM

[CPA Firm Letterhead]

[Date]

[Client's Name and Address]

Dear _____:

We have served as your accountant for many years and I am happy to say that our relationship has been an enjoyable experience for me. Although there have been occasions when you and I did not always agree, the strength of our friendship and mutual respect has always enabled us to resolve our differences. It was for this reason that I never thought that it was important that we have a formal agreement describing the services that our firm renders to you.

My colleagues in the accounting profession, however, advise me that working on this basis places you in some jeopardy since you may not fully appreciate the limitations of our services and some of the risks to your business which are not being adequately addressed by our efforts. Accordingly, our firm has come to the conclusion that we should provide all of our clients with an engagement letter so that they will have a better understanding of our services to you and some of their more important limitations. If you do not understand the limitations of our current services or would like to discuss modifying our agreement, please call me. If the enclosed letter meets with your approval, please sign the second copy and return it to me.

Very truly yours,

[Partner's Name]