**Retainer Letter**

**Suggested Generic Example**

**(TO BE USED WHEN FEES HELD IN ADVANCE ARE RECEIVED FROM A CLIENT)**

**When a professional accounting firm receives fees held in advance regarding professional services (a retainer), in the absence of a signed written agreement between the client and the firm being in place prior to the receipt of the funds, the funds must be dealt with in accordance with Rule 612 and must be deposited in a trust account in accordance with Rule 612.3 and reported on annually in accordance with Rule 612.14.The following suggested generic retainer letter when completed satisfies the requirements of Rule 212.2 exempting retainers from the requirements of Rule 612.**

**NOTE: The following should be revised to reflect specific aspects of each unique situation. Registrants should obtain legal advice prior to accepting trust funds for the first time or if there are any questions or concerns about the contents of a retainer letter.**

AGREEMENT BETWEEN [NAME OF FIRM OF CHARTERED PROFESSIONAL ACCOUNTANTS] AND [NAME of CLIENT] [***hereafter referred to as “Respective Parties”****]*

REGARDING RETAINER FEES RECEIVED IN ADVANCE OF PROFESSIONAL SERVICES PROVIDED INVOLVING [TO INSERT NATURE OF SERVICES]

With respect to the advance fees of $............... received from [client name] by [firm name] on [To insert date(s) of receipt], the following terms are agreed to between the Respective Parties:

a) On a periodic basis [to specify exact agreed time period, say monthly], invoices will be rendered [insert period covered, i.e. monthly] covering professional services provided/delivered by the firm to date

b) Invoices will be subject to approval by the client in the following manner:

[To insert narrative describing approval process as agreed to by the respective parties]

No invoices will be paid from advance fees unless they are approved

c) Advance fees will be applied as payment of approved invoices as follows:

[To insert specific manner of application as agreed to by the respective parties]

d) Statements detailing issuances of invoices and applications of advance fees will be rendered by the firm to the client on a [to insert frequency as agreed] basis. **NOTE: This must be done at least on an annual basis.**

e) After completion of the engagement to which the advance fees applies, any advance fees in excess of rendered and approved invoices will be refunded by the firm to the client within 30 days from the date of completion.

f) In the event that the firm determines that the professional services that they were engaged by the client to perform cannot be completed, the excess of funds on hand will be refunded by the firm to the client as follows:

[To insert narrative describing refund process as agreed]

g) In the event that agreement on the amount of advance fees to be applied to invoices rendered by the firm cannot be obtained from [client name] in accordance with clause (b), the respective parties agree to use the Chartered Professional Accountants of Alberta (CPAA) Fee Arbitration program to resolve the dispute. The firm will make the application and hereby agrees to provide to the CPAA or its designee the fees received in advance or any of those fees that remain accruing to the client. Those funds will then be paid out in accordance with the Arbitrator’s decision.

The above stated terms are hereby agreed to:

Firm Name Client Name

Date Date