

Contract Cancellation Due to Budget Constraints

Subject: Service Contract Cancellation - Budget Restructuring

Dear [Service Provider Name],

Due to unexpected budget constraints and financial restructuring within our organization, I regret to inform you that we must cancel our service contract for [Service Type] effective [Date].

This decision was not made lightly, as we have been satisfied with the quality of service provided.

However, current economic conditions require us to reduce operational expenses and discontinue non-essential services.

I am providing [X days] notice as stipulated in our contract agreement. Please confirm the final service date and provide information about:

- Any cancellation fees or penalties that apply
- Final billing statement and payment due date
- Procedures for returning any leased equipment or materials
- Outstanding obligations that must be fulfilled before contract termination

We hope that when our financial situation improves, we may be able to resume our business relationship. I appreciate your understanding during this difficult period.

Please send written confirmation of this cancellation request.

Sincerely,

[Your Name]

[Title]

[Company Name]

[Date]

Get more templates here:

<https://www.lettersandtemplates.com/letters/service-contract-cancellation-letter-sample>