

## Cancellation of Order, Goods Not Received

Dear

Pursuant to our purchase order #: \_\_\_\_\_ dated \_\_\_\_\_, our Company agreed to purchase certain goods and/or services. However, our Company has not received the goods and/or services as of the cancellation date and therefore gives you final notice of cancellation of this purchase order. .

This cancellation does not affect any other purchase orders our Company has with you. Should you have any questions, please contact at us at our address.

Yours very truly,

\_\_\_\_\_  
Authorized Employee

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### Review list

This review list is provided to inform you about the document in question and assist you in its preparation.

1. A buyer's right to cancel a contract for goods is determined by the contract and the law. The governing law in most states is the Uniform Commercial Code (UCC). Make sure that you are legally entitled to cancel the contract before sending this notice. The best grounds available under the UCC are time specific ones, such as going past a cancellation date. If the goods are not made for your specific use, this notice is usually enough to end the issue. If the goods are made to your specific specification, and the Seller has nowhere else to sell them, then you have a more troubling issue that good negotiations can usually resolve. This is the most benign kind of notice because it merely cancels this one order but does not affect others or disrupt the overall relationship.
2. This notice is typically sent when the goods called for in the contract are not delivered. If the goods were received but do not conform to the contract, you should send our Rejection of Non-Conforming Goods Notice. This Notice must be sent timely to ensure the buyer's rights and remedies are not lost. The term of art is that both parties must act properly to mitigate, or lessen, each other's potential losses. This is a good faith common sense approach that Courts vigorously review should litigation occur (e.g., "Did the party or parties act reasonably to protect the interests of the other?" And so on and so on).
3. This notice is designed for use with the purchase of "goods" (i.e., tangible personal property such furniture, supplies and other such items). It does not include real estate or intangible property (i.e., copyrights, software and other intellectual property).
4. Keep a copy of this letter in your Vendor file. Frequent requirement to use this letter should suggest seeking another vendor to fulfill your business requirements and provides evidence of bad performance on their part for any legal ramifications that may arise out of their attempt to make late deliveries. As a practical matter, you can often use this letter to obtain extended payment terms in return for you accepting late goods, assuming you can use them. Occasionally, you can often get a price concession for acceptance of late goods.