

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Comprehensive Cash Flow Forecasting and Budgeting Engagement

Dear [Client Contact Name],

This letter confirms the terms and objective of our engagement to provide [Firm Name]'s services regarding cash flow forecasting and budgeting for [Client Name].

1. Scope of Services

We will assist management in the following areas:

- Development of a detailed annual operating budget.
- Creation of a rolling [12-month/13-week] cash flow forecast.
- Analysis of historical trends to identify key revenue and expense drivers.
- Scenario and "What-If" sensitivity analysis.
- Monthly variance reporting comparing actual results to budgeted figures.

2. Management Responsibilities

The management of [Client Name] is responsible for:

- Providing accurate and timely financial data and underlying assumptions.
- The final approval of all budgets and forecasts.
- Maintaining internal controls over financial reporting.
- Informing us of any significant changes in business operations or strategy.

3. Limitations

This engagement is limited to the services described above. We will not perform an audit, review, or compilation of your financial statements. Our work cannot be relied upon to disclose errors, fraud, or illegal acts. Forecasts are based on estimates and assumptions; therefore, we cannot provide assurance that the projected results will be achieved.

4. Fees and Billing

Our fees for these services will be [Rate/Fixed Fee Amount]. We will bill [Monthly/Upon Milestone Completion]. Invoices are payable upon receipt. Any additional work outside this scope will be billed at our standard hourly rates.

5. Term and Termination

This engagement begins on [Start Date] and will continue until [End Date] or until terminated by either party with [Number] days' written notice.

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Your Name/Partner Name]

[Firm Name]

Accepted by:

[Client Representative Name]
Date: _____