

[Date]

[Client Name]

[Client Title]

[Company Name]

[Address]

[City, State, Zip]

Re: Engagement for Annual Cash Flow Forecasting and Budgeting Services

Dear [Client Name],

This letter confirms the terms and objective of our engagement to provide corporate annual cash flow forecasting and budgeting services to [Company Name] for the fiscal year ending [Date].

1. Scope of Services

We will perform the following services:

- Preparation of the annual operating budget in coordination with department heads.
- Development of a monthly cash flow forecast for the upcoming twelve-month period.
- Analysis of historical financial data to identify trends and seasonal variances.
- Establishment of key performance indicators (KPIs) to track budget-to-actual performance.
- Review of capital expenditure requirements and debt service obligations.

2. Client Responsibilities

The management of [Company Name] remains responsible for:

- Providing accurate and timely financial records and internal data.
- The final approval and adoption of the budget and forecasting assumptions.
- Maintaining internal controls over financial reporting.
- Informing us of any significant changes in business operations or strategic goals.

3. Deliverables

At the conclusion of this engagement, we will provide:

- A comprehensive Annual Budget Report.
- A 12-month Rolling Cash Flow Forecast Model.
- A Variance Analysis Template for ongoing monthly monitoring.

4. Fees and Payment

Our fee for these services is estimated to be [Amount], based on an hourly rate of [Rate] or a fixed project fee. An initial retainer of [Retainer Amount] is required upon signing this letter. Invoices will be issued [Monthly/Upon Completion] and are payable within [Number] days of receipt.

5. Limitation of Liability

Our work is intended for internal management use. We will not perform an audit or review of the financial statements and, accordingly, will not express an opinion on them. Our liability for any claim related to this engagement is limited to the total fees paid for the services provided.

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:

Signature: _____

Name: [Authorized Signatory Name]

Title: [Title]

Date: [Date]