

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

## **Re: Engagement for Cash Flow Forecasting and Budgeting Services**

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 Company Name].

### **1. Scope of Services**

We will assist management in the following areas:

- Development of an annual operating budget.
- Creation of a [Weekly/Monthly] rolling cash flow forecast.
- Analysis of historical trends to support future projections.
- Comparison of actual results to budgeted figures (Variance Analysis).

### **2. Management Responsibilities**

The reliability of the forecasts depends on the accuracy of the data provided. Management is responsible for:

- Providing all financial records and underlying assumptions in a timely manner.
- The final approval and adoption of all budgets and forecasts.
- The design and implementation of internal controls related to financial activities.

### **3. Limitations of Engagement**

A forecasting engagement involves future events and circumstances that have not yet occurred; therefore, actual results will likely vary from the forecast, and these variations may be material. We do not provide assurance that the projected results will be achieved.

### **4. Fees and Billing**

Our fees for these services will be [Amount/Hourly Rate]. Invoices will be issued [Monthly/Upon Completion] and are payable within [Number] days of the invoice date.

### **5. Confidentiality**

Both parties agree to maintain the confidentiality of all proprietary and sensitive financial information shared during this engagement.

## 6. Term and Termination

This engagement commences on [Start Date]. Either party may terminate this agreement 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]

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### Accepted by:

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_