

[Your firm name and logo]

[Consulting firm name]

[Firm address]

[Date]

[Client legal name]

Attention: [Sponsor name], [Title]

[Client address]

Re: [Project name]

Dear [Sponsor name],

Background and objective

[Client legal name] has asked [Consulting firm name] to help with [the business problem, in two or three sentences]. The project will be successful if [measurable outcome].

Contacts

Your sponsor is [sponsor name] and your day-to-day contact is [contact name]. Our engagement lead is [lead name]. Each of us may change these people by written notice.

Scope

We will carry out the workstreams, activities and deliverables in Schedule A. The following are not included: [implementation, system configuration, hiring, legal or tax advice, other exclusions].

Your role and choices

We advise; you choose. You keep all management responsibilities, including which recommendations to adopt, and you are responsible for carrying them out and for the results.

Independence (optional)

Because our firm also provides [audit / review] services to you, we will not take on any management responsibility. You will name [overseer name] to oversee our work, evaluate it and accept responsibility for its results.

Assumptions and inputs

Our timeline and fees assume that: your staff will give [number] hours a week to the project; you will provide the data extracts, process documents, contracts and prior reports listed in Schedule A by the dates shown; and you will give feedback on each deliverable within the acceptance period.

Milestones and acceptance

We will deliver each item on the dates in Schedule B. You will have [number] business days after delivery to send written comments. If we receive none, the deliverable is accepted. We will revise once for comments that fall within scope.

Change orders

Any change to the scope, timeline or fees needs a change order signed by both of us, in the form attached. We will estimate the effect on time and fees before any added work starts.

Communication

We will tell you promptly of significant findings, of any serious doubt we have about the scope or the

expected benefits of the project, and of any conflict of interest that may arise.

Fees and expenses

Option A: a fixed fee of [amount], invoiced by milestone as shown in Schedule B. Option B: [rate] per hour, capped at [amount] without a change order. Expenses agreed in advance are billed at cost, up to [amount]. Invoices are due within [number] days.

Ownership

Once you have paid for a deliverable, we assign to you all rights in the final version of it. We keep our pre-existing tools, methods and know-how, and grant you a non-exclusive license to use any of them included in the deliverables for your internal purposes.

Confidentiality and data

We will use your information only for this project, share it only with staff who need it, and receive files through [secure upload method]. At the end of the project we will return or destroy your data, except copies we must keep by law or professional standards.

Limitation of liability (optional)

Our total liability under this letter will not exceed the fees you paid for the project. Neither of us is liable for indirect or consequential damages.

Indemnity (optional)

You will indemnify us against third-party claims that arise from your use of our deliverables outside the purpose stated in this letter, or from information you gave us that was false or incomplete. [CPA firm with an attest client: limit this clause to knowing misrepresentations by management, the case the AICPA code accepts.]

Non-solicitation (optional)

During the project and for [number] months after it ends, neither of us will solicit for employment any employee of the other who worked on the project, unless the other agrees in writing. General job ads are not solicitation.

Governing law and disputes (optional)

This letter is governed by the laws of [state]. Any dispute about our services will first go to non-binding mediation in [city, state] before either of us starts other proceedings.

Ending the project

Either of us may end this engagement with [number] days' written notice. You will pay for work done and expenses incurred to that date, and we will hand over work in progress.

Signatures

Please sign below to accept this letter and its schedules. We will start on [start date] or on the date we receive your signed copy, if later.

Best wishes,

[Engagement lead name], [Title]

[Consulting firm name]

Signature: _____ Date: _____

Accepted for [Client legal name]: [Sponsor name], [Title]

Signature: _____ Date: _____

Attachments: Schedule A (scope), Schedule B (milestones and fees), change order form