

Jim Hitchner's

Valuation Products and Services

# DO YOU KNOW?

ISSUE 42 - DECEMBER 2019

*A free periodical to promote education and alert you to important areas of interest in the financial valuation, fraud, and litigation services profession.*

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## Do you know...

### **... how important the language in an engagement letter is for collecting fees?**

How can engagement-letter language help you collect your fees? The correct language is very important. Sometimes just a short paragraph or a few precisely chosen words make the difference in whether you get paid or not. Don't let using a boilerplate engagement letter cause you to lose out at collection.

Below are some examples taken from an engagement letter for a valuation in litigation where the attorney is the signatory. FVA is Jim Hitchner's firm, Financial Valuation Advisors.

- "It is FVA's policy to require a retainer prior to the commencement of our engagement. Kindly enclose a retainer of \$\_\_\_\_\_ with the signed engagement letter. This retainer will be applied against our final invoice."
- "We will bill periodically for services rendered and expenses incurred on this engagement. Such expenses, for example, may be those directly incurred for travel, business meals, delivery, photocopies, graphics, data charges, and overhead applicable to this engagement. We may utilize administrative support personnel in the performance of certain tasks for this engagement; if so, we will charge for such time at their hourly rates."

- “All invoices are payable upon receipt. All bills will be paid prior to testimony of any kind or the delivery of written analyses or reports.”
- “All fees associated with the preparation for and the actual attendance of any depositions concerning our analysis will be paid by your Client. You and your Client agree that it is the Client’s responsibility to collect any fees from opposing counsel and that failure to collect such fees has no bearing on your Client’s responsibility to pay us.”
- “If for any reason the transaction is terminated prior to its consummation and FVA is requested to terminate work, then FVA’s fee shall not be less than FVA’s total time and costs at our normal rates, plus out-of-pocket expenses.”
- “If we do not hear to the contrary within a 30-day period of time, it is understood that our invoice is accepted as presented. We reserve the right to discontinue services as well as retract all analyses and reports if billings are not paid when due.”

Jim Hitchner will discuss these and other areas of concern in his December 17, 2019 webinar, "**Business Valuation Reports and Engagement Letters -- *An ADVANCED look at the Beginning and the End of a Valuation.***" The examples above are excerpts from the engagement letter handout for this webinar.

This session will also include the review of WORD versions of a Detailed Report and Engagement Letter and cover more key examples that will help you get paid.

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