

# Cost Variance Explanation

Date: [Insert Date]

To: [Management/Recipient's Name]

From: [Your Name/Your Position]

Subject: Explanation of Cost Variance for [Project/Department Name]

Dear [Recipient's Name],

I hope this message finds you well. I am writing to provide an explanation regarding the current cost variance observed in [Project/Department Name]. The analysis indicates a variance of [amount/%] from our projected budget.

The key factors contributing to this variance are as follows:

- **[Factor 1]:** [Brief explanation]
- **[Factor 2]:** [Brief explanation]
- **[Factor 3]:** [Brief explanation]

To address this variance, we are implementing the following corrective actions:

- **[Action 1]:** [Brief explanation]
- **[Action 2]:** [Brief explanation]
- **[Action 3]:** [Brief explanation]

We are committed to bringing the project back on track and will closely monitor expenditures moving forward. I appreciate your understanding and support in this matter.

Should you have any questions or require further clarification, please do not hesitate to reach out.

Thank you for your attention to this important matter.

Sincerely,

[Your Name]

[Your Position]

[Your Contact Information]