

Letter Template: Guidance on Assessing Contingent Liabilities

Date: _____

To: [Recipient's Name]

[Recipient's Title]

[Company/Organization Name]

[Address]

Dear [Recipient's Name],

Subject: Guidance on Assessing Contingent Liabilities

As part of our ongoing commitment to ensure comprehensive financial reporting, we would like to provide you with guidance on assessing contingent liabilities in our upcoming financial statements.

Contingent liabilities arise from past events and their outcomes depend on future occurrences. It is crucial to properly assess these liabilities to ensure accurate reporting and compliance with accounting standards.

Key Considerations:

- Identify all potential contingent liabilities.
- Evaluate the likelihood of occurrence: probable, possible, or remote.
- Determine the potential financial impact of each liability.
- Document all findings and maintain thorough supporting evidence.

We recommend that you collaborate closely with our legal and accounting teams to ensure a comprehensive assessment. Please maintain clear records of all evaluations and decisions made during this process.

If you have any questions or require further clarification, feel free to reach out to me directly.

Thank you for your attention to this important matter.

Sincerely,

[Your Name]

[Your Title]

[Company/Organization Name]

[Contact Information]