

Revenue Recognition Framework

Date: [Insert Date]

To: [Insert Recipient's Name]

[Insert Recipient's Title]

[Insert Company Name]

[Insert Company Address]

Dear [Recipient's Name],

We are writing to confirm our compliance with the revenue recognition framework as outlined by the Financial Accounting Standards Board (FASB). As part of our commitment to uphold the highest standards of audit compliance, we have implemented the following processes:

- **Identification of Contracts:** We have established criteria for identifying contracts with customers to ensure clear visibility of revenue streams.
- **Performance Obligations:** We clearly define performance obligations within contracts to properly recognize revenue upon completion.
- **Transaction Price:** We assess the transaction price according to each agreement, allocating amounts as necessary to performance obligations.
- **Revenue Recognition:** Revenue is recognized when control of goods or services is transferred to the customer, following the 'Five-Step Model' of revenue recognition.

We conduct periodic reviews and internal audits to ensure our practices align with the current accounting standards, thereby ensuring accuracy and transparency in our financial reporting.

We appreciate your attention to this matter and remain committed to ongoing communication regarding our compliance efforts.

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]

[Your Company Address]

[Your Contact Information]