

Letter of Clarification

Date: [Insert Date]

To: [Recipient Name]

From: [Your Name]

Subject: Clarification on Inventory Valuation Process

Dear [Recipient Name],

I hope this message finds you well. I am writing to clarify the inventory valuation process that we are implementing in our organization. It is important that all team members are aligned and understand the steps involved to ensure accuracy and consistency in our financial statements.

1. **Inventory Classification:** We will categorize our inventory into raw materials, work in progress, and finished goods.
2. **Valuation Method:** We will be using the [Choose a method: FIFO, LIFO, or Weighted Average]. This method was selected based on [reason for choice].
3. **Regular Reviews:** Inventory will be reviewed on a [monthly/quarterly/annual] basis to assess valuation accuracy and make any necessary adjustments.
4. **Documentation:** All inventory transactions must be documented and updated in our inventory management system promptly.

Please feel free to reach out if you have any questions or require further information regarding this process. Your cooperation and adherence to these procedures are crucial for the success of our inventory management.

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Position]

[Your Contact Information]