[Date]

[Recipient Name]
[Recipient Title]
[Company Name]
[Company Address]

Subject: Management Letter Regarding Uncollectible Accounts and Allowance Assumptions

Dear [Recipient Name],

This letter provides a formal summary of management's assessment and assumptions regarding the Allowance for Doubtful Accounts for the fiscal period ending [Date].

1. Methodology for Estimation
Management utilizes the [Percentage of Sales / Aging of Receivables / Specific Identification] method to estimate the allowance. This approach is based on historical loss patterns, current economic conditions, and specific knowledge of individual customer creditworthiness.

2. Key Assumptions
The current allowance is based on the following assumptions:
- Receivables over [Number] days past due are considered high risk.
- A historical default rate of [Percentage]% has been applied to the current balance.
- Specific adjustments have been made for [Industry-specific risks or economic factors].

3. Specific Write-Offs
During this period, accounts totaling $[Amount] have been identified as uncollectible and recommended for write-off. These accounts have met the criteria for exhaustion of collection efforts as per company policy.

4. Adequacy of Allowance
As of [Date], the balance in the Allowance for Doubtful Accounts is $[Amount]. Management believes this amount is adequate to cover anticipated losses within the existing accounts receivable portfolio.

5. Internal Controls
We continue to monitor credit limits and collection procedures to minimize future exposure. Any significant deviations from historical collection rates are reviewed by the [Title of Officer] on a monthly basis.

Please let us know if further documentation or clarification regarding these assumptions is required.

Sincerely,

[Signature]
[Name of Management Official]
[Title]