

Date: [Insert Date]

To: [Management Name/Board of Directors]

From: [Accounting/Audit Department Name]

Subject: Management Letter Regarding Deferred Revenue Amortization Schedules

Dear [Name],

In connection with our recent review of the company's financial records for the period ending [Date], we have evaluated the internal controls and accounting procedures related to deferred revenue and the associated amortization schedules.

Current Status:

Deferred revenue represents payments received in advance of performance obligations. As of the reporting date, the total deferred revenue balance is [Amount].

Observations and Recommendations:

- **Schedule Accuracy:** We recommend a monthly reconciliation between the general ledger and the detailed amortization schedules to ensure all service contracts are captured accurately.
- **Recognition Consistency:** Revenue should be recognized systematically over the life of the contract. Any deviations or manual adjustments should be documented and approved by senior management.
- **Software Integration:** Consider automating the amortization process within the ERP system to reduce the risk of manual entry errors inherent in spreadsheet-based tracking.

Management Response:

[Insert Management Response/Action Plan Here]

We appreciate the cooperation of your staff during this review. Please let us know if you require further clarification regarding these recommendations.

Sincerely,

[Signature]

[Name]

[Title]