Date: [Date]

To:
[Client Name/Company Board]
[Address]
[City, State, Zip Code]

Subject: Recommendation for Voluntary Disclosure Agreement (VDA)

Dear [Client Name/Contact Person],

Based on our recent review of [Company Name]'s [Tax Type, e.g., Sales and Use/Unclaimed Property] compliance history, we have identified potential prior period liabilities in the state(s) of [State Names].

To mitigate financial exposure, we formally recommend that the company pursue a Voluntary Disclosure Agreement (VDA). Entering into a VDA offers several critical advantages:

- **Penalty Abatement:** Most jurisdictions waive all late payment and filing penalties.
- **Limited Look-back Period:** Liability is generally restricted to the past [3 or 4] years, whereas an audit could reach back indefinitely.
- **Audit Protection:** Successful completion of the VDA process provides immunity from future audits for the periods covered.

By proactively disclosing these liabilities before receiving an audit notice, the company can significantly reduce the total cost of compliance and resolve outstanding issues with minimal administrative burden.

We recommend initiating this process immediately to ensure the company remains eligible for these benefits. Please let us know if you would like us to prepare the necessary application documents.

Sincerely,

[Your Name]
[Your Title]
[Your Firm Name]