



Donovan CPAs

FIDUCIARY (ESTATES AND TRUSTS) TAX RETURN ENGAGEMENT LETTER

Dear Client:

This letter is to confirm and specify the terms of our engagement and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare the 2020 federal and resident state fiduciary income tax returns from information that you will provide to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. ***If you have taxable activity in a state other than your resident state, you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns.***

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. **You have the final responsibility for the fiduciary income tax returns and, therefore, you should carefully review them before you sign and file them.**

Our work in connection with the preparation of the fiduciary income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items we will bring them to your attention. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns. If we discover any errors or omissions on a prior year return we will bring that to your attention.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

We do not automatically file tax extensions on your behalf. You must notify us if you would like us to file an extension. The notification should include your estimate of any balance due with the extension. Or, at your request and when all pertinent tax documents are provided, we will assist with the calculation. Failure to file an extension may cause you to be subject to various penalties and interest if your return is not filed by the tax return due date. Additionally, an extension does not relieve you from paying the tax due on the due date or making quarterly estimated tax payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on these penalties, please contact us.

The returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination, we will be available, upon request, to represent you under a separate engagement letter for that representation.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. Invoices that are over 30 days past due will be charged a service charge of 1.5% per month. All invoices are due and payable upon presentation.

It is our policy to keep records related to this engagement for seven years. However, Donovan does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Donovan shall be free to destroy our records related to this engagement.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office. If there are other tax returns you want us to prepare, such as gift and/or property, please note such just below your signature.

We want to express our appreciation for this opportunity to serve you.

Very truly yours,

Donovan

Accepted by (print name): _____

Signature: _____

Date: _____

Comments or additional requests: _____



Donovan CPAs

PRIVACY POLICY

CPAs, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. CPAs have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

TYPES OF NONPUBLIC PERSONAL INFORMATION WE COLLECT

We collect nonpublic personal information about you that is either provided to us by you or obtained by us with your authorization.

PARTIES TO WHOM WE DISCLOSE INFORMATION

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees and, in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

PROTECTING THE CONFIDENTIALITY AND SECURITY OF CURRENT AND FORMER CLIENTS' INFORMATION

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

Basic Information

2020

Estate/Trust Name _____

Address _____

City, State, ZIP code _____

Employer Identification Number _____

Trustee/Executor Name _____

Please provide copies of all Form(s) W-2 and 1099 and any nontaxable distribution details.

Ordinary Income

Name of Payer	Type*	Taxable Amount	Federal Tax Withheld	2019 Amount

*Enter:
"W" for Wages and Salaries
"P" for Pensions and Annuities
"L" for Lump-Sum Distribution
"C" for Copyright or Patent
"O" for any other type of income

Beneficiary's Information

2020

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Did any beneficiaries change?
 If yes, please designate below.

Please indicate if there were any distributions made to a beneficiary below.
 Distributions may be required, discretionary, or made under the 65-day rule.
 Distributions made on or before March 6, 2021 may be included as a 2020 distribution under the 65-day rule.

Beneficiary's Personal Information

		Distributions	2019 Amount
Name	Required Discretionary 65-Day		
Name (continued)			
Address			
City, State, ZIP code			
SSN/Tax ID number			
Name	Required Discretionary 65-Day		
Name (continued)			
Address			
City, State, ZIP code			
SSN/Tax ID number			
Name	Required Discretionary 65-Day		
Name (continued)			
Address			
City, State, ZIP code			
SSN/Tax ID number			
Name	Required Discretionary 65-Day		
Name (continued)			
Address			
City, State, ZIP code			
SSN/Tax ID number			
Name	Required Discretionary 65-Day		
Name (continued)			
Address			
City, State, ZIP code			
SSN/Tax ID number			

Questions (Page 1 of 2)

General Information:

Yes No

Is there a new fiduciary?

Has the trustee or executor changed?

Has the trustees / executor's address changed?

Miscellaneous:

Did you receive correspondence from the IRS or any state taxing authority?
If yes, please provide a copy.

Do you maintain a bank account for the trust?

Have you received any foreign income or paid any foreign taxes?

Is this the initial year for the trust/estate?

If yes, please provide a copy of the trust document or decedent's will and the IRS confirmation letter assigning EIN.

Is this the final year for the trust/estate?

If yes, please provide a list of expenses incurred but unpaid at the end of the year.

Was the estate or trust the grantor or transferor to a foreign trust which existed during the year?

Income:

At any time during the tax year, did the estate or trust have an interest in or a signature or other authority over a financial account in a foreign country?

If yes, please identify: _____

Did you receive any distributions from foreign trusts?

If yes, from whom? _____

Amount: _____

Does the estate or trust have an interest in a partnership, S corporation, or another estate / trust?

If yes, please provide a copy of the Federal and State Form(s) K-1. Pass-through entities reported on last year's return have been listed on an attached Form 9 for your convenience.

Did you receive any tax refunds from any state taxing authority?

If yes, please attach details.

Did the estate or trust receive any income not reported on this organizer?

If yes, please attach details.

Questions (Page 2 of 2)

Expenses:

Yes No

Has there been a sale, purchase, or exchange of real estate?
If yes, please provide a copy of the settlement sheet. _____ _____

Did you purchase any bonds this year?
If yes, please provide a copy of the purchase confirmation slip. _____ _____

Did the estate or trust pay any taxes (other than income taxes)?
If yes, please provide the amount and details. _____ _____

Did this estate or trust pay any mortgage or investment interest?
If yes, please describe the nature and amount. _____ _____

_____ \$ _____

_____ \$ _____

Were any fiduciary fees paid?
If yes, please describe the nature and amount. _____ _____

_____ \$ _____

_____ \$ _____

Were any attorney fees paid?
If yes, please describe the nature and amount. _____ _____

_____ \$ _____

_____ \$ _____

Have there been any contributions made to a charitable organization?
If yes, please provide the name of the charity and amount. _____ _____

_____ \$ _____

_____ \$ _____

Have there been any other disbursements not previously provided?
If yes, please describe the nature and amount. _____ _____

_____ \$ _____

_____ \$ _____

May the IRS or other taxing authority discuss the return with the preparer? _____ _____

Rental/Royalty Income and Expenses

Type of Property: _____

Location of Property: _____

If this property was disposed of, please enter date _____

Yes	No

Have you prepared or will you prepare all required Forms 1099?

	2020	2019
Ownership percentage if not 100%	%	%

Income

Rental Income		
Royalty Income		
Other Income:		

Expenses

Advertising		
Auto and travel		
Bad debts		
Cleaning and maintenance		
Commissions		
Insurance		
Legal and other professional fees		
Management fees		
Mortgage interest paid to financial institutions (please provide form 1098)		
Other mortgage interest		
Other interest		
Repairs		
Supplies		
Taxes		
Utilities		
Other Expenses:		

Total		

Tax Payments and Refunds

Federal Estimated Tax Payments	Amount Due	Date Paid if Not By Date Due (Mo/Da/Yr)	Amount Paid
2020 1st Quarter Estimate			
2020 2nd Quarter Estimate			
2020 3rd Quarter Estimate			
2020 4th Quarter Estimate			

State Estimated Tax Payments	Amount Due	Date Paid if Not By Date Due (Mo/Da/Yr)	Amount Paid
2020 1st Quarter Estimate			
2020 2nd Quarter Estimate			
2020 3rd Quarter Estimate			
2020 4th Quarter Estimate			
2019 state extension payment			

Tax Refunds	Amount
State and local income tax refunds	

If you have an overpayment of 2020 taxes, do you want the excess:

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| Refunded | <input type="checkbox"/> | <input type="checkbox"/> |
| Applied to your 2021 estimated tax liability . . . | <input type="checkbox"/> | <input type="checkbox"/> |

Consolidated Brokerage Statement

11A

2020

Brokerage Name	Account Number
Brokerage Address	

Interest Income and Foreign Information

Interest Income: (List all items sold during the year on Form 11C.)

	Source	Ordinary Interest	U.S. Bonds and Obligations
A			
B			
C			
D			
E			

Special Interest Code: 2 - Nominee Interest 4 - Original Issue Discount Adjustment
 1 - Qualified Educational Series EE Bonds 3 - Accrued Interest 5 - Amortizable Bond Premium Adjustment

Code	Special Interest	Tax-Exempt Interest	Private Activity Bonds	Early Withdrawal Penalty	Investment Expenses
A					
B					
C					
D					
E					

	Federal Withholding	State Withholding	2019 Interest Amount
A			
B			
C			
D			
E			

Foreign Taxes Paid or Accrued:

	Source	Name of Foreign Country Imposing Tax	X if Tax Accrued	Date Paid or Accrued (Mo/Da/Yr)	Tax Amount (in Foreign Currency)	Tax Amount (in U.S. Dollars)
A						
B						
C						
D						
E						

Consolidated Brokerage Statement Dividend Income and Foreign Information

Dividend Income: (List all items sold during the year on Form 11C.)

	Source	Form 1099-DIV			2019 Gross Dividends Amount
		Box 1a Total Ordinary Dividends	Box 1b Qualified Dividends	U.S. Bond Interest Amount or Percent in Box 1a	
A					
B					
C					
D					
E					

	Box 2a Total Capital Gain Distribution	Form 1099-DIV					Box 6 Investment Expenses
		Box 2b Unrecaptured Section 1250 Gain	Box 2c Section 1202 Gain	Box 2d Collectibles (28%) Gain	Box 3 Nontaxable Distributions	Box 4 Federal Withholding	
A							
B							
C							
D							
E							

	Box 11 Exempt Dividends	Box 12 Private Activity Bond Dividends	Box 15 State Tax Withheld
A			
B			
C			
D			
E			

Foreign Taxes Paid or Accrued:

	Source	Name of Foreign Country Imposing Tax	X if Tax Accrued	Date Paid or Accrued (Mo/Da/Yr)	Tax Amount (in Foreign Currency)	Tax Amount (in U.S. Dollars)
A						
B						
C						
D						
E						