

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 2021 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: _____
Fiduciary Full Name

Date: _____

Comments or additional requests: _____
