

**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: \_\_\_\_\_

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M**

## **2021 FIDUCIARY TAX ORGANIZER**

**T  
O**

**This tax organizer has been prepared for your use in gathering the information needed for the 2021 Fiduciary tax return.**

**To save you time, selected information from the 2020 tax return has been entered within this organizer. Please line through any information which does not apply to the 2021 tax return.**

**In some cases, 2020 amounts have been included in a separate column. These amounts are for comparison purposes only. You do not need to change these prior year amounts.**

**If we may be of further assistance, please contact us at your convenience.**

**REMOVE THIS SHEET PRIOR TO RETURNING THE COMPLETED ORGANIZER**

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## **2021 FIDUCIARY TAX ORGANIZER**

**T  
O**

**I have submitted this information for the sole purpose of preparing the fiduciary tax return. Each item can be substantiated by receipts, canceled checks, or other documents. This information is true, correct, and complete to the best of my knowledge.**

<b>Trustee - Executor Signature</b>	<b>Date</b>
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<b>E-mail Address</b>	<b>Telephone Number</b>
<b>Preferred Method of Contact</b>	





2021

# Beneficiary's Information

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, 2022 may be included as a 2021 distribution under the 65-day rule.

## Beneficiary's Personal Information

		Distributions	2020 Amount
Name	<input type="text"/>	Required	
Name (continued)	<input type="text"/>	Discretionary	
Address	<input type="text"/>	65-Day	
City, State, ZIP code	<input type="text"/>		
SSN/Tax ID number	<input type="text"/>		
Name	<input type="text"/>	Required	
Name (continued)	<input type="text"/>	Discretionary	
Address	<input type="text"/>	65-Day	
City, State, ZIP code	<input type="text"/>		
SSN/Tax ID number	<input type="text"/>		
Name	<input type="text"/>	Required	
Name (continued)	<input type="text"/>	Discretionary	
Address	<input type="text"/>	65-Day	
City, State, ZIP code	<input type="text"/>		
SSN/Tax ID number	<input type="text"/>		
Name	<input type="text"/>	Required	
Name (continued)	<input type="text"/>	Discretionary	
Address	<input type="text"/>	65-Day	
City, State, ZIP code	<input type="text"/>		
SSN/Tax ID number	<input type="text"/>		
Name	<input type="text"/>	Required	
Name (continued)	<input type="text"/>	Discretionary	
Address	<input type="text"/>	65-Day	
City, State, ZIP code	<input type="text"/>		
SSN/Tax ID number	<input type="text"/>		



- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Is there a new fiduciary? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| _____   |                          |                          |
| _____   |                          |                          |
| _____   |                          |                          |
| 2. Has the trustee or executor changed? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| _____   |                          |                          |
| _____   |                          |                          |
| _____   |                          |                          |
| 3. Has the trustee's/executor's address changed? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| _____   |                          |                          |
| _____   |                          |                          |
| _____   |                          |                          |
| 4. Did you receive correspondence from the IRS or any state taxing authority? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please provide a copy.  |                          |                          |
| 5. Do you maintain a bank account for the trust? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you received any foreign income or paid any foreign taxes? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is this the initial year for the trust/estate? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please provide a copy of the trust document or decedent's will.   |                          |                          |
| 8. Is this the final year of the trust/estate? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please provide a listing of expenses incurred but unpaid at the end of the year.  |                          |                          |
| 9. Was the estate or trust the grantor or transferor to a foreign trust which existed during the year? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. 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? .....               | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please identify: _____  |                          |                          |
| 11. Did you receive any distributions from foreign trusts? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, from whom? _____  |                          |                          |
| Amount _____  |                          |                          |
| 12. Does the estate or trust have an interest in a partnership, S corporation, or another estate/trust? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 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. |                          |                          |
| 13. Did you receive any tax refunds from any state taxing authority? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please attach details.  |                          |                          |
| 14. Did the estate or trust receive any income or contribution not reported on this organizer? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please attach details.  |                          |                          |







2021

# Electronic Filing

## Electronic Filing:

Electronic filing is the means by which your return is transmitted directly to the IRS. The IRS has implemented an electronic filing mandate requiring certain preparers to file all returns that they prepare electronically. Some states also require certain preparers to electronically file state returns prepared. The IRS and some states allow taxpayers to elect not to file their returns electronically. If you prefer not to electronically file your return, please refer to and sign the opt-out statement below. Because some states have official opt-out forms, additional signatures may be necessary before your return can be filed.

Do not electronically file the federal return .....

Do not electronically file the state return(s) .....

## Opt-Out Statement:

\_\_\_\_\_ has informed me (us) that my (our) 2021 Fiduciary Income Tax return may be required to be electronically filed if the firm files the return on my (our) behalf. I (We) understand that electronic filing may provide a number of benefits to taxpayers, including an acknowledgment that the IRS received the return, a reduced chance of errors in processing, and faster refunds. I (We) do not want to file my (our) return electronically and will personally file the paper return. My (Our) signature(s) below represent(s) my (our) agreement that I (we) was (were) not influenced by my (our) preparer or any other member of the firm to sign this statement.

Fiduciary signature: \_\_\_\_\_ Date: \_\_\_\_\_

**The IRS requires the use of a 5-digit self-selected Personal Identification Number (PIN) in lieu of mailing a signature document when electronically filing.**

Would you like to use a randomly generated PIN? ..... 

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

If No, please enter a 5-digit self-selected PIN: ..... \_\_\_\_\_













2021

# Tax Payments and Refunds

<b>Federal Estimated Tax Payments</b>	<b>Amount Due</b>	<b>Date Paid if Not By Date Due (Mo/Da/Yr)</b>	<b>Amount Paid</b>
2021 1st Quarter Estimate .....			
2021 2nd Quarter Estimate .....			
2021 3rd Quarter Estimate .....			
2021 4th Quarter Estimate .....			

<b>State Estimated Tax Payments</b>	<b>Amount Due</b>	<b>Date Paid if Not By Date Due (Mo/Da/Yr)</b>	<b>Amount Paid</b>
2021 1st Quarter Estimate .....			
2021 2nd Quarter Estimate .....			
2021 3rd Quarter Estimate .....			
2021 4th Quarter Estimate .....			
2020 state extension payment .....			

<b>Tax Refunds</b>	<b>Amount</b>
State and local income tax refunds .....	

If you have an overpayment of 2021 taxes, do you want the excess:

	<b>Yes</b>	<b>No</b>
Refunded .....	<input type="checkbox"/>	<input type="checkbox"/>
Applied to your 2022 estimated tax liability .....	<input type="checkbox"/>	<input type="checkbox"/>