# 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,	
Oonovan	
Accepted by:	
iduciary Full Name	
Date:	
Comments or additional requests:	

#### **2021 FIDUCIARY TAX ORGANIZER**

T 0

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

Mail/ Presentation Sheet - to fiduciary 101005 04-01-21

#### **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.

Trustee - Executor Signature		Date
		•
E-mail Address	Teleph	one Number
Preferred Method of Contact		



#### **Basic Information**

1

#### **Estate/Trust Name**

Address City, State, ZIP code Employer Identification Number

Trustee/Executor Name

#### **Ordinary Income**

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

Name of Payer	Type*	Taxable Amount	Federal Tax Withheld	2020 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**

	^
•	
4	•

			Yes	No
Did any beneficiaries change?  If yes, please designate below.				
ii yes, piease designate below.				
Please indicate if there were any distributions made Distributions may be required, discretionary, or made Distributions made on or before March 6, 2022 may	e under the 65-day rule.	dav rule.		
Beneficiary's Personal Information			2000 4	
		Distributions	2020 An	nount
Name	Required			
Name (continued)	Discretionary			
Address	65-Day			
City, State, ZIP code				
SSN/Tax ID number				
Name	Required			
Name (continued)	Discretionary			
Address	65-Day			
City, State, ZIP code				
SSN/Tax ID number				
Name	Required			
Name (continued)	Discretionary			
Address	65-Day			
City, State, ZIP code				
SSN/Tax ID number				
Name	Required			
Name (continued)	Discretionary			
Address	65-Day			
City, State, ZIP code				
SSN/Tax ID number				
Nama	Post-ired			
Name (continued)	Required			
Name (continued) Address	Discretionary 65-Day			
City, State, ZIP code				
SSN/Tax ID number				





# Questions (Page 1 of 2)

		Yes	No
1.	Is there a new fiduciary?		
_			
2.	Has the trustee or executor changed?		
3.	Has the trustee's/executor's address changed?		
0.			L
4.	Did you receive correspondence from the IRS or any state taxing authority?		
	If yes, please provide a copy.		
5.	Do you maintain a bank account for the trust?		
0.	be year markama bark account for the tract.		
6.	Have you received any foreign income or paid any foreign taxes?		
7.	Is this the initial year for the trust/estate?		
•	If yes, please provide a copy of the trust document or decedent's will.	L	<b></b>
_			
8.	Is this the final year of the trust/estate?  If yes, please provide a listing of expenses incurred but unpaid at the end of the year.		
	The year provided a nothing of experience meanined but an paid at the order of the year.		
9.	Was the estate or trust the grantor or transferor to a foreign trust which existed during the year?		
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?		
	If yes, please identify:		
11	Did you receive any distributions from foreign trusts?		
	If yes, from whom?		L
	Amount		
12	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	<b></b>	<b></b>
	on last year's return have been listed on an attached Form 9 for your convenience.		
12	Did you receive any tax refunds from any state taxing authority?		
10.	If yes, please attach details.		<b>└</b>
14.	Did the estate or trust receive any income or contribution not reported on this organizer?		
	If yes, please attach details.		



## Questions (Page 2 of 2)

4

		Yes	No
15.	Has there been a sale, purchase, or exchange of real estate?		
	If yes, please provide a copy of the settlement sheet.	•	•
16.	Did you purchase any bonds this year?		
	If yes, please provide a copy of the purchase confirmation slip.		
17.	Did the estate or trust pay any taxes (other than income taxes)?		
	If yes, please provide the amount and details.		
18.	Did this estate or trust pay any mortgage or investment interest?		
	If yes, please describe the nature and amount.		
10	Wassans fiducios face said?		
19.	Were any fiduciary fees paid?		
	If yes, please describe the nature and amount.		
20	Were any attorney fees paid?		
20.	Were any attorney fees paid?  If yes, please describe the nature and amount.	L	
	in yos, please describe the nature and amount.		
21.	Have there been any contributions made to a charitable organization?		
	If yes, please provide the name of the charity and amount.		
22.	Have there been any other disbursements not previously provided?		
	If yes, please describe the nature and amount.		
23.	May the IRS or other taxing authority discuss the return with the preparer?		
24.	Did the estate or trust take out a Payroll Protection Program loan?		
	If yes, enter the date and total amount of the Payroll Protection Program loan(s) disbursed.		
	Date (Mo/Da/Yr) Amount		
	If yes, did the estate or trust have any eligible expenses that were paid with the Payroll Protection Program loan(s)?		
	If yes, are these amounts included in the expenses reported for the estate and trust?		
	If yes, did the estate or trust receive loan forgiveness or is the estate or trust seeking forgiveness?		
	If no, enter the date loan forgiveness was denied or that the estate or trust decided not to seek forgiveness.		
	Date (Mo/Da/Yr)		
	If no, enter the amount of the loan for which forgiveness was denied or the amount of the loan for which the estate		
	or trust decided not to seek forgiveness.		



#### **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 provide a number of benefits to taxpayers, including an acknowledgment the processing, and faster refunds. I (We) do not want to file my (our) return election signature(s) below represent(s) my (our) agreement that I (we) was (were) not to sign this statement.	at the IRS received the return, a reduced chance of errors in stronically and will personally file the paper return. My (Our)
Fiduciary signature:	Date:
The IRS requires the use of a 5-digit self-selected Personal Identificatio electronically filing.	n Number (PIN) in lieu of mailing a signature document when
Would you like to use a randomly generated PIN?	Yes No
If No. please enter a 5-digit self-selected PIN:	

Form EF-1 101022 04-01-21



### Interest Income

Please provide copies of all Form(s) 1099-INT or other documents relating to interest received.

Name of Payer	Savings & Loans, Bank and Other	U.S. Bonds and Obligations	Tax-Exempt Interest	2020 Amount
Total				

#### **Seller-Financed Mortgage Interest Information:**

Name of Individual to Whom	Identification	2021 Interest	2020 Interest
Mortgage Interest Was Paid	Number of Individual	Amount	Amount

Address of Individual to Whom Mortgage Interest Was Paid



#### **Dividend Income**

Please provide copies of all Form(s) 1099-DIV or other documents relating to dividends received.

Name of Payer	Box 1a Total Ordinary Dividends	Box 1b Qualified Dividends	Box 2a Total Capital Gain Distributions	2020 Amount
Total				



Please provide copies of all Form(s) 1099-A, 1099-B, 1099-S and any other statements documenting cost basis.

Description or Type of Property	Date Acquired	Date Sold	Sales Price	Cost Basis





# Rental/Royalty Income and Expenses

If this property was disposed of, please enter date	ype of Property:		
Have you prepared or will you prepare all required Forms 1099?    2021   2020	ocation of Property:		
Have you prepared or will you prepare all required Forms 1099?    2021	If this property was disposed of, please enter date		Yes No
Ownership percentage if not 100% 96  Rental Income Royalty Income Other Income:    Commonstrate   Commonstrate	Have you prepared or will you prepare all required Forms 1099?		
Rental Income Royalty Income Other Income:		2021	2020
Rental Income Royalty Income Other Income:	Ownership percentage if not 100%	%	%
Royalty Income Other Income:    Comparison	ncome		
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 Cother interest Repairs Supplies Taxes Utilities	Rental Income Royalty Income		
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 Cother interest Repairs Supplies Taxes Utilities			
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 Cother interest Repairs Supplies Taxes Utilities	-		
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 Cother interest Repairs Supplies Taxes Utilities			
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 Cother interest Repairs Supplies Taxes Utilities	xpenses		
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	• • • • •		
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			
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			
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			
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			
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			
Management fees  Mortgage interest paid to financial institutions (please provide form 1098)  Other mortgage interest  Other interest  Repairs  Supplies  Taxes  Utilities			
Mortgage interest paid to financial institutions (please provide form 1098)  Other mortgage interest Other interest Repairs Supplies Taxes Utilities			
Other mortgage interest Other interest Repairs Supplies Taxes Utilities			
Other interest Repairs Supplies Taxes Utilities			
Repairs Supplies Taxes Utilities			
Supplies Taxes Utilities			
Taxes Utilities	Cumpling		
Utilities	Tayon		
	I MANUACIA.		
	Other Expenses.		





# Income from Partnerships, S Corporations, Estates and Trusts Please provide all Schedule(s) K-1 sent to you by the passthrough entity.

Name of Entity	Tax ID Number





## **Tax Payments and Refunds**

Federal Estimated Tax Payments	Amount Due	Date Paid if Not By Date Due (Mo/Da/Yr)	Amount Paid
2021 1st Quarter Estimate			
2021 2nd Quarter Estimate			
2021 3rd Quarter Estimate			
2021 4th Quarter Estimate			
State Estimated Tax Payments	Amount Due	Date Paid if Not By Date Due (Mo/Da/Yr)	Amount Paid
2021 1st Quarter Estimate			
2021 2nd Quarter Estimate			
2021 3rd Quarter Estimate			
2021 4th Quarter Estimate			
2020 state extension payment			
Tax Refunds			Amount
State and local income tax refunds			
If you have an overpayment of 2021 taxes, do you want the e			
Refunded	No		
Applied to your 2022 estimated tax liability			