2024 Fiduciary Tax Return Engagement Letter (GF)

Dear Client:

We look forward to providing you with tax return preparation services this year! The purpose of this letter is to specify the terms of our engagement and clarify the nature and extent of the services we will provide. This way, you know what to expect from us, and we can strive to deliver high-quality, seamless services.

We seek to make our tax return process as straightforward and convenient as possible for you. Our goal is to minimize any hassle on your end while also making things as efficient as possible on our end. This allows us to deliver your returns expediently, while also bringing to bear a high level of technical expertise and personal service. It also helps us keep our costs down for all clients.

What Services Are Covered under This Engagement?

Preparation of U.S. Federal and State Returns

With this letter, you are engaging us to prepare your 2024 U.S. and state fiduciary income tax returns. We will do so with the information you furnish to us in the process described below. If you have taxable income or loss in a state or locality other than your resident state, we will generally prepare your nonresident state or locality returns, as well, unless you indicate in advance that you prefer we not prepare these nonresident filings.

Preparation of Foreign Bank Account Reports (FBARs)

If based on the information you have provided to us, we believe that you have a requirement to file FinCEN Form 114 (otherwise known as a Foreign Bank Account Report or "FBAR"), the preparation of your 2024 FBAR(s) will be covered under this engagement. If you prefer that we not prepare your FBAR(s), you may opt out by checking the appropriate box in your annual tax questionnaire or notifying us in writing.

Preparation of Forms 3520 and 3520-A (Foreign Gifts, Foreign Inheritance, Certain Foreign Trusts)

If based on the information you have provided to us, we believe that you have a requirement to file Form 3520 and/or Form 3520-A, the preparation of those forms will be covered under this engagement. We will prepare those forms in conjunction with your fiduciary tax returns, under the same terms.

What Is the Scope of This Engagement?

This engagement is limited to the professional services outlined above. We will not prepare any tax returns other than those identified above, without your written request, and our written consent to do so. Also, we will not prepare financial statements or perform valuations of any kind. We will prepare the above-referenced tax returns solely to assist you with your tax filing obligations with the IRS and applicable state and local tax authorities. Our services are not intended to benefit or influence any third party, including any entity or investment which may seek to evaluate your creditworthiness or financial strength.

Note on Bookkeeping Assistance

In some cases, we may determine that you require accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services are typically outside the scope of tax return preparation. As such, in most cases, we will provide you with referrals to bookkeepers. In limited cases, we may provide you with such assistance directly. In those cases, these services are intended to be nominal, are not a separate accounting or bookkeeping service, will fall under the scope of this engagement letter, and will be performed solely in accordance with the AICPA Code of Professional Conduct. In the event we conclude that such services are necessary to prepare your tax returns, we will bill you for the required services. You agree to pay for those required services.

What Services Are Not Covered under This Engagement? (Most Are Offered as a Separate Engagement.)

The following services are examples of services that are outside the scope of this engagement. However, we regularly assist clients with many of these matters. Should you request these additional services, and we agree to provide them, we will send you a separate engagement letter for those services.

Tax Planning

During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. This engagement does not include advice that affects the calculation of tax or the filing of tax forms and schedules for previous or future tax years. If you ask us to provide tax planning services, and we agree to provide them to you, we will confirm this engagement in a separate agreement.

Corporate Transparency Act Beneficial Ownership Information Disclosures

Assisting you with your compliance with the Corporate Transparency Act (CTA), including beneficial ownership information (BOI) reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at **https://www.fincen.gov/boi**. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information. If you ask us to provide BOI services, and we agree to provide them to you, we will confirm this engagement in a separate agreement.

Prior-Year Returns

If for the preparation of your current-year returns, you provide us with a copy of your prior-year returns, our review of the prior year's tax return will necessarily be limited and may not find all errors. If you become aware of any information impacting prior year tax returns, please contact us. If you ask us to prepare amended tax returns or an administrative adjustment request, and we agree, we will confirm this engagement in a separate written agreement.

Foreign Tax Returns

You may have a filing requirement or tax liability in a foreign country. Generally, you are responsible for determining whether you must file and pay taxes in a foreign country and to comply with any requirements. In some cases, upon request, we may agree to assist in making these determinations. Should we agree, this would be covered under a separate engagement. We do not prepare foreign tax returns. Should you need assistance with your foreign tax filings, or with confirming filing requirements, we would be happy to refer you to a provider in that country. See information below on referrals.

Partnership-Related Adjustments

If you are or were a partner at any time in a partnership and receive(d) Schedule K-1 (1065), you may receive a Form 8986, Partner's Share of Adjustments to Partnership-Related Items. Form 8986 is used by partnerships to correct errors on previously filed partnership returns and to provide the IRS and partners with each partner's share of those tax corrections. Recipients of

Form 8986 must report this information and any additional tax due to the IRS on Form 8978, Partner's Additional Year Reporting Tax, within a specified timeframe.

Adjustments on Form 8986 may affect your previously filed state tax returns, as well. Assisting with matters related to Form 8986 and/or Form 8978 is outside the scope of this engagement and may be handled under a separate engagement.

What Are Your Responsibilities during the Tax Preparation Process?

Timely Information and Clarifications

You must provide all the information required for the preparation of complete and accurate returns. Our team is committed to getting your return done as efficiently as possible, but to do so, we need you to deliver all records and information we request in a timely manner. You are responsible for fully and accurately disclosing to us all relevant facts affecting your returns.

To help you assemble the information needed for your returns, we will provide you with a questionnaire, organizer, and/or other document requesting specific information. Our questionnaires include deadlines for sending us your information, based on the type of return(s) you file and whether you hope to file by the original deadline, by the extended deadline, or after the deadlines.

You agree to provide us with a copy of the most recent trust documents, a trial balance, and other supporting data that we may request, including any required trust accounting necessary to prepare your tax returns. You are responsible for providing us with accurate and complete information, including income and activities outside of the U.S. or your home state.

Once your information is assembled and organizers and questionnaires are complete, you will submit your complete information to us. Please know that failure to provide information via completed questionnaires and organizers may require an extraordinary effort on our part, which may be reflected in our fee for service.

If, during the course of your tax return preparation, we determine that additional information or clarifications are needed in order to complete your returns, we will let you know. You are responsible for providing such additional information in a timely manner so that we can prepare your returns efficiently and timely. Please know that lack of responses on your part may result in extraordinary follow-ups and efforts on our part, which may be reflected in our fee for service.

We will provide you with guidance on the timeline for submitting your tax information to us. It is your responsibility to provide your complete tax information to us in a timely manner so that we can prepare your tax returns in time for you to file them by the due dates. You also have the final responsibility for the tax returns, and therefore, once you receive them, you should carefully review the returns (to determine that there are no omissions or misstatements) before signing them and submitting them to the tax authorities, or authorizing e-filing of the returns.

If you receive new information (such as corrected tax forms or a partner's Form 8986) once our work has begun but prior to the filing of your tax return, you are responsible for alerting us immediately. If you do not alert us or request our assistance, we will infer that you have not received updated forms.

Please know that a fundamental term of this agreement is that you will provide us with all information relevant to the services to be performed and to provide us with any reasonable assistance as may be required to properly perform the engagement. You agree to bring to our attention any matters that may reasonably be expected to require further consideration to determine the proper treatment of any relevant item. You also agree to bring to our attention any changes in the information as originally presented as soon as such information becomes available. Unless otherwise indicated, any deliverables are solely for your internal use and benefit.

Because of the time-sensitive nature of tax payments and tax filings, please be aware that if you do not provide timely, accurate information, you may incur economic or other losses, such as disallowance of tax deductions or credits claimed, additional tax, penalties or interest assessed against you, loss of administrative rights, or criminal punishment. In these cases, you will be responsible for any losses you incur, including any professional fees required to defend or correct changes made to your tax returns or prepare previously unfiled or amend previously filed tax returns.

The responsibilities detailed in this section are not exhaustive, and our services to you may require additional responsibilities not listed.

Personal Expenses

In general, personal expenses are not deductible for income tax purposes. You are responsible for ensuring that personal expenses, if any, are separated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

What Are Your Responsibilities Related to Foreign Assets, Foreign Ownership & Digital Assets?

Both U.S. tax residents and non-residents may be required to disclose ownership of, or transactions in, digital assets (such as Bitcoin, other cryptocurrency, NTFs, etc.), as well as certain foreign assets, transactions, or ownership.

We will send you an annual tax questionnaire, to identify the information, forms, and schedules that must be included in your U.S. tax return for the year. Please be aware that if we determine that you need to file certain forms, we may request further information needed to prepare the forms, including completion of specialized supplemental questionnaires specific to your forms. You are responsible for completing each questionnaire, in addition to any supplemental questionnaires we send you.

FinCEN Form 114 (FBAR)

Based on the information you provide, you may be required to file FinCEN Form 114, also known as the Foreign Bank Account Report or FBAR.

You are responsible for informing us of all foreign financial assets and interests, including any financial interest in, or signature authority over assets, or financial accounts located in a foreign country. This information includes but is not limited to savings accounts, checking accounts, current accounts, securities accounts, custodial accounts, certificates of deposit, time deposits, mutual funds, annuities, insurance policies with cash surrender values, retirement accounts, and pension accounts. In addition, any ownership interests you directly or indirectly hold in an entity or company located in a foreign country such as a corporation, partnership or trust must be reported. Please disclose all items that may possibly fall within this broad definition. You are responsible for asking us if you have any questions about what is required to be reported.

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your FBAR. Our records do not satisfy your documentation responsibility. You should retain all documents that provide evidence and support for reported balances on your FBAR, as required under applicable laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by FinCEN, or other tax authorities. You will be responsible for any liability, including but not limited to, civil or criminal penalties, interest and related professional fees, due to inadequate documentation.

Failure to file an FBAR when required, or to fully and accurately disclose all information requested in the report, may result in the imposition of civil or criminal penalties, and interest charges on unpaid penalties. If you have income earned on your accounts outside of the United

States, additional penalty and interest charges can be assessed by the IRS and other tax authorities on such income if it is not reported on your income tax returns. These penalties and related interest charges may be significant. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

U.S. Filing Obligations Related to Foreign Financial Interests

Based on the information you provide, you may be required to file Foreign Informational Reports, either within your fiduciary tax returns or separately. Examples include, but are not limited to, the following International Information Reports:

- Ownership of or an officer relationship with respect to certain foreign corporations (Form 5471);
- Foreign-owned U.S. corporation or domestic disregarded entity (Form 5472);
- Foreign corporation engaged in a U.S. trade or business (Form 5472);
- U.S. transferor of property to a foreign corporation (Form 926);
- U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A);
- U.S. person with interests in a foreign partnership (Form 8865);
- U.S. person with interests in a foreign disregarded entity (Form 8858);
- U.S. shareholders of controlled foreign corporations (Form 8992);
- A U.S. person who owns stock (or holds an option to purchase stock) of a foreign corporation and elects to treat such stock as the stock of a qualifying electing fund (Form 8621);
- Forms 1065, 1120-S, and 8865 Schedules K-2 and K-3; and
- Ownership of specified foreign financial assets (Form 8938).

You are responsible for informing us of all foreign assets owned directly or indirectly, including but not limited to financial accounts with foreign institutions, other foreign non-account investments, and ownership of any foreign entities, regardless of amount, so that we may accurately reflect them in the preparation of your tax returns. Once we identify a potential filing requirement, we may send you a follow-up questionnaire specific to that requirement. If we send you a follow-up questionnaire, you are responsible for completing it and returning it to us in a timely manner.

Failure to timely file the required forms may result in substantial civil and/or criminal penalties. You agree to provide us with complete and accurate information regarding any foreign investments (or activity) in which you have a direct or indirect interest, or over which you have signature authority, during the above referenced tax year.

Please note that these forms may be required to be included as part of your fiduciary tax returns. If they are required and you decline to provide the necessary information or you prefer not to file the forms, we may no longer be able to proceed with the engagement.

The foreign reporting requirements are very complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please alert us and request assistance. Otherwise, we will infer that you do not have foreign activity. We assume no liability for penalty and interest charges associated with the failure to file or untimely filing of any of these forms.

Gifts from Foreign Persons

If you transferred property to or received property from a foreign person or trust, or are a U.S. person who "owns" assets in a foreign trust, you may be required to file a separate IRS Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts or Form 3520-A, Annual Information Return of Foreign Trust with a U.S. Owner. You are responsible for providing us with details of any cash, property, or value exchanged with foreign persons or trusts, or of ownership of foreign assets, including access to foreign bank or investment accounts. We will then prepare the Form 3520 as part of the current engagement.

Schedules K-3

If the fiduciary is a partner or shareholder in certain pass-through entities, you may be required to obtain Schedules K-3, "Parter/Shareholder's Share of Income, Deductions, Credits, etc. – International," in addition to Schedules K-1. It is your responsibility to make sure that any pass-through entities are aware of the fiduciary's correct status. It is also your responsibility to notify any pass-through entities timely (generally more than 30 days before the due date for the pass-through tax return) of the fiduciary's requirement to receive a Schedule K-3, if such a requirement applies.

Digital Assets

There are specific tax implications of investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate and similar assets). The IRS considers these to be property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, digital assets are subject to the same general tax principles that apply to other property transactions.

If you transacted in digital assets during the tax year, you may have tax consequences and/or additional reporting obligations associated with such transactions. You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, digital assets during the applicable tax year. If you have any questions regarding your digital assets and/or transactions, please ask us, and we will respond in writing.

Our firm reserves the right to use our internal company policies and procedures to report income, expenses, credits, deductions, and foreign financial asset declarations should there not be an expressly stated method in the Internal Revenue Code, Regulations, or IRS Frequently Asked Questions (FAQs).

How Long Should You Keep Your Records?

You should retain all documents, canceled checks, and other data that are used when preparing your tax return. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. It is your responsibility to keep your tax records for as long as they may be relevant to your taxes (at least 7 years) in the event of an audit. Additionally, any records related to the purchase or sale of real property should be kept permanently.

What Are Our Responsibilities under This Engagement?

As a CPA firm, our work is held to high standards. We will prepare your returns in accordance with leading industry standards from the Statements on Standards for Tax Services (SSTSs), issued by the American Institute of Certified Public Accountants (AICPA), and the U.S. Treasury Circular 230.

We will perform our services based on the information you have provided, taking into account applicable federal, state or local laws, regulations, and associated interpretations relative to the appropriate jurisdiction as of the date the services are provided.

We will not audit or otherwise verify the information you provide us; however, we may ask for additional clarification of some information. You should maintain the documentation necessary to support the data used in the preparation of your tax returns should you be required to produce them upon examination by the taxing authorities.

Pursuant to the standards prescribed in Circular 230 and the Internal Revenue Code (IRC), we, as tax return preparers, are prohibited from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the tax return or we have a reasonable basis for the tax return position taken in the return. If you request that we include a deduction, credit, or refund that we do not believe you qualify for, or you decline to disclose a position that, in our professional judgment, we feel must be disclosed, we may be unable to sign your return and may terminate this agreement.

What Positions Do We Take When Tax Law Is Not Clear?

We will use our judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so.

If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include but are not limited to, the Internal Revenue Code (IRC), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees.

Reliance on Others

There may be times when another tax advisor is engaged to assist us in providing services. If you wish to take a tax position based upon the advice of another tax advisor, we must comply with Circular 230, §10.37(b) and AICPA SSTS No. 1 and related Interpretations 1-1 and 1-2, which require the position to meet the "realistic possibility," "substantial authority," or "more likely than not" standard, as applicable. You agree to obtain a written statement from the advisor confirming the standard that should apply so the position may be properly disclosed. If we believe additional research or disclosure is required, you agree to pay for the additional charges necessary to complete the disclosure or research, as this is not included in the scope of our service. Moreover, you understand that the IRS, state, or local tax authority could disagree with the position taken on the return. If this occurs, you will be responsible for any additional tax, penalties and interest, as well as any related professional fees, you may incur.

IRS Disclosure Statements, Form 8275 and 8275-R

The IRS and many states impose harsher accuracy-related penalties for substantial understatement of tax. Substantial understatement of tax may be found where the tax that should be reported on your return is less than what is actually reported on your return, based on a statutory formula which defines when an understatement is "substantial." In some cases, avoiding substantial understatement penalties can be achieved if the tax position is adequately disclosed in a method approved by the IRS. Similar rules may apply at the state level.

If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you consent to attach Form 8275, Disclosure Statement, or Form 8275-R to your tax return for filing after we discuss the matter with you. If the IRS, state or local tax authorities later contest the position taken, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability arising from such contest, including but not limited to, additional tax, penalties, interest, and related professional fees for the position taken. If you decline to disclose the tax position, we will be unable to proceed and may terminate this agreement.

Abusive Tax Strategies

Certain tax positions or strategies, while not currently identified as “abusive” by the IRS, may ultimately be determined to be so in the future. Consequently, you agree to advise us of any transaction you have entered into that entitles you to disproportionate tax benefits (deductions, credits, or refunds), that generates significant income deferral or non-recognition, or that generates significant tax losses without corresponding cash impacts (“abusive tax strategy”). If you fail to timely notify us, in writing, of any abusive tax strategy you have entered into, you will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees.

Reportable Transactions

The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose listed and other reportable transactions on Form 8886, Reportable Transaction Disclosure Statement and, in some cases, extends the statute of limitations tax authorities have to contest any tax return claiming those tax positions. In general, reportable transactions are potentially abusive transactions identified by the IRS that have a primary purpose of tax avoidance, including but not limited to listed transactions, confidential transactions, transactions with contractual protection, loss transactions, and transactions of interest (a definition of “reportable transactions” is located at **https://www.irs.gov/instructions/i8886** and includes a link to a summary of listed transactions).

If we determine that your return contains a reportable transaction and you do not consent to the required disclosure, we will be unable to proceed and may terminate this agreement.

What Do We Do with Your Information? What Don’t We Do?

We take care to safeguard your information. In addition, we are prohibited by law and by professional standards from sharing your information (subject to certain limitations, described below) and from using it for unauthorized purposes.

In some cases, you may wish to grant us a specific legal authorization that enables us to share your tax information with an investment advisor or other party, for a specific purpose. If we agree, we will send you the requisite form to sign. (There is a separate fee for this service.)

Federally Authorized Practitioner – Client Privilege

IRC §7525, Confidentiality Privileges Related to Taxpayer Communication, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations. This privilege is limited in several important respects. For example, the privilege may not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.

Financial Comfort Letters

We will not respond to any request from banks, mortgage brokers, or others for verification of any information reported on these tax returns. Except where compelled by court order or subpoena, we do not communicate with such third parties or provide them with copies of tax returns.

Method of Communication

Our firm may utilize electronic communications (e.g., fax and e-mail) during this engagement. You consent to our firm's use of electronic communications and recognize and accept the inherent risks related to these forms of communication (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications, and the risks of viruses or other harmful intrusions).

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Newsletters and Similar Communications

We may send newsletters, emails, explanations of technical developments or similar communications to you. These communications are of a general nature and should not be construed as professional advice. We may not send all such communications to you. These communications do not constitute a client relationship with you, nor do they constitute advice or an undertaking on our part to monitor issues for you.

Brokerage, Investment Advisory or Digital Asset Statements

If you provide our firm with copies of brokerage, investment advisor, or digital asset statements Form 1099-DA, we will use the information solely for the purpose described in the scope section of this agreement. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt, and direct any questions regarding account activity to your banker, broker or investment advisor.

How Do We Handle Extensions of Time to File Tax Returns?

Extensions of Time to File Tax Returns

Each year, the tax package we send you includes the original filing deadline for your tax return(s), the extended due date, and other important dates. We also include the dates by which we need to receive your complete information, in order to complete your returns by the deadlines.

If you would like us to file an extension on your behalf, or if you need more time to gather your information and thus require an extension, just let us know. If you have not yet sent your tax information, then we require that you at least send us an executed version of this agreement, as well as your express written authorization to file an extension, before we can file one on your behalf. In some cases, your signature may be required on such applications prior to filing. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.

If you submit your information to us after the information submittal cut-off date indicated in your tax questionnaire but before the original deadline, we may automatically file an extension on your behalf. If you prefer to file your own extension, then be sure to let us know at the time you submit your information. In some years, we can begin (and sometimes complete) returns that come in after the cut-off date, by the original filing deadline. However, we make no guarantees, and we often file protective extensions for these returns as a matter of course, typically soon after we receive your tax information.

If you prefer to file by the original due date of your returns (without an extension), then be sure to send your information early, and no later than the information submittal cut-off date indicated in your tax questionnaire. Our firm works on a first-in, first-out basis. The cut-off dates each year are set based on historical volumes. If you send your complete information by that date, then we typically finalize your returns in time to file by the original deadline. However, your submittal by the cut-off date is not a guarantee that we will complete your returns by the original due date.

In some cases, you or we may determine that additional time is needed to file your returns. For example, your return may include complexities that require further analysis or clarifications; you may be waiting on missing forms or other information after the cut-off; we may discover close to the deadline that additional information is needed; we may experience unprecedented high volumes; or you may want to take additional time to answer questions, review your returns, or send your e-file authorizations back to us.

We reserve the right to unilaterally file and place **any** client on extension if we determine that our firm will be unable to complete a true, accurate, and complete tax return by the filing deadline.

We also may file “protective” extensions at our discretion, during the last week of the filing deadline, to allow our clients more time to review their returns, ask questions, and submit their e-file forms, and to allow our team the necessary time to make any updates, complete reviews, and e-file.

Please note that a tax return extension typically will not bring you higher on the IRS’s radar. In fact, the majority of returns historically selected for audit come from those filed by the original deadline, and many CPAs extend their returns as a matter of course. Applying for an extension of time to file may, however, extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

Although we may assist you in the preparation of an extension to file your returns, you have sole responsibility for the filing of any extension, and you agree to hold our firm harmless from any consequences, including waived elections, where the extension is not timely filed.

Extension Payments

Even if your tax return filing deadline is extended, all taxes owed must still be paid by the original filing due date. Otherwise, the tax authorities will charge penalties based on the amount owed and the date you ultimately pay it. You are responsible for estimating and making any extension payments timely.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file extensions or returns, late filing of returns, and underpayment or late payment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

How Do We Handle Calculation of Estimated Tax Payments?

Estimated Tax Payments

You may be required to make quarterly estimated tax payments in various tax jurisdictions. Our organizer/questionnaire allows you to indicate whether you would like us to prepare these estimates and on what basis ("safe harbor" or tailored). We will calculate these payments for the 2025 tax year based upon the information you provide to prepare your 2024 tax returns. Updating recommended quarterly estimated tax payments to more closely reflect your actual current year's income is not within the scope of this engagement, unless requested by you, and agreed to by us, in writing. These services will be billed at our standard hourly rates and will be subject to the terms of this agreement.

What Happens Once We Deliver Your Returns to You?

Ultimately, you have the final responsibility for your fiduciary income tax return. Once we send it to you, you should review your return carefully before signing it. If you have questions, you should reach out to your preparer timely, and we would be happy to assist.

When we deliver your returns to you, we will send you filing instructions. If your returns qualify for e-filing, you are responsible for timely signing the e-file authorization forms and returning them to us by the cut-off times specified in our communications. You are also responsible for making any tax payments directly to the tax authorities. If we receive your signed e-file authorization forms, we will send you confirmation of e-file acceptance. You are responsible for maintaining proof of timely filing.

If part or all of your forms or return(s) must be paper filed, you are responsible for timely signing those forms/returns and mailing the returns by the deadlines. You are also responsible for maintaining proof of timely filing. To be timely filed, any mailed returns must be U.S.

postmarked by the deadline (or clear U.S. customs by the deadline). In some cases, the IRS disregards the postmarked date and will issue late-filing penalties if they do not receive your returns by the deadline. Although you can fight these penalties by showing proof of timely mailing, we recommend sending your returns as early as possible to avoid any uncertainty. In addition, we recommend that you make copies of any final signed returns and mail your returns certified mail with return receipt (or your country's equivalent), so that you have proof for your records. We are unable to mail your returns or send payments to the tax authorities on your behalf.

Additional Information Provided after the Fact

In reviewing their returns, some clients discover that they forgot to send us certain forms or information or inadvertently sent us incorrect information. We highly encourage you to be thorough in the original data you provide to us. If you provide us additional information after we send you your returns, we must re-do already completed work. Given our heavy workload, we understandably do not want to re-do work that we have already completed.

If you provide additional information after we have delivered your return, we will assess a fee to update your return with the new information. If you provide such information close to a deadline, we may not be able to update your return by the deadline. In such a case, we may advise you to may payments before the deadline, to minimize interest and penalties, and we will update your returns as soon as we are able to do so.

Responsibility for Timely Filing and Payment

In the U.S., the obligation to file a tax return (including extension, if needed) is the sole responsibility of the taxpayer. Although we will make every reasonably prudent effort to assist you with this obligation, this agreement is not intended to and does not create an agent/principal relationship. You are ultimately responsible for complying with any substantive or procedural tax law that applies to you, and for ensuring your tax returns, extensions, and any tax payments are timely received by the appropriate tax authority. Notwithstanding any term of this agreement, this responsibility cannot be delegated to us.

What Are Our Fees for This Engagement? When and How Are They Charged?

Fees for our services are based on the complexity of your returns, the tax forms prepared, and the amount of time required at our standard hourly billing rates. Please note that the manner in which the data is presented to us and any necessary tax research on a particular subject can affect the final fee.

Fees are considered earned when payment is received, or services concluded, whichever is earlier. Invoices are due and payable on presentation. Past due balances may be subject to finance and collection charges. The ________________________ reserves the right to progress bill (on an hourly basis) any returns that are delinquent (past the original or extended due date), as well as any returns where our incurred time charges exceed $5,000. Overdue or outstanding invoices may result in work being put on hold.

IMPORTANT

If you provide a personal credit card to pay the fiduciary invoice, it is imperative that the trust or estate reimburse you for this expense. Failure to receive reimbursement creates a gift from you to the trust or estate. Such a gift may produce unintended consequences for gift, estate and Generation-Skipping Transfer (GST) tax purposes.

Many clients prefer to pay their tax preparation fees via credit card. **If you would like the convenience of having your credit card on file**, please indicate your preference below. In this case, you will be directed to a payment page to enter your credit card information. Then, once your returns are completed, we will send them to you, along with a copy of your invoice for services rendered. If your returns qualify for e-filing (and we receive your signed e-file authorizations within 2 weeks of delivery), we will charge the balance of your invoice to your credit card upon receipt of your signed e-file authorization forms. If your returns must be paper filed or e-filed later, we will charge the balance of your invoice to your card upon delivery of your returns to you.

When and How Do Our Services Conclude under This Engagement?

Timing of the Engagement

We expect to begin our services upon receipt of this executed agreement, the completed 2024 income tax questionnaire/organizer, and all documents requested either in the questionnaire/organizer or by our office.

Our services will conclude upon the earlier of:

- For e-filed returns, the e-filing and e-acceptance of your 2024 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) to you, or
- For paper-filed returns, mailing or delivery of your 2024 tax returns to you, or
- Written notification by either party that the engagement is terminated, or
- Eighteen (18) months from the execution date of this agreement.

Changing Tax Laws, Regulations, and Guidance

Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their enactment dates. We do not assume responsibility (and will have no liability) for such changes occurring after the date we have completed our services.

Any advice we may provide is based upon tax reference materials, facts, assumptions, and representations that are subject to change. We will not update our advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal tax matters, we will follow the guidance contained in Circular 230, §10.37, Requirements for Written Advice.

Disassociation or Termination of Engagement

Either party may terminate this agreement at any time upon written notice of termination to the other party. In the event of termination, you will be responsible for fees earned and expenses incurred through the actual date of termination. Should termination occur prior to the completion and delivery of the tax returns, then we will invoice you (on an hourly basis) for any work conducted between the time services were authorized (by the signing of this engagement letter) and the termination of the engagement. You agree to pay these hourly fees and understand that when tax services are terminated prior to the delivery of the final tax returns, you generally will not receive a product, as our liability insurance precludes the delivery of incomplete returns. We will, however, return any original documents to you.

What Happens If You Are Later Audited?

As you may be aware, tax returns and other filings are subject to examination by taxing authorities. We will generally be available to assist you in the event of an audit or any issue for which we have provided services under this agreement. However, unless otherwise indicated, our fees for these additional services are not included in our fee for the services covered by this agreement.

Support for Examinations by Tax Authorities

Not every interpretation of promulgated tax rules is straightforward and/or without uncertainty. Accordingly, we will use our professional judgment in preparing your returns. If a tax authority should later contest a position taken, or otherwise impose penalties and/or interest for non-compliance with tax laws and regulations, there may be an assessment of additional tax plus interest and/or penalties. We assume no liability for any such additional assessments. Any items resolved against you by the examining agent are subject to certain rights of appeal. In the event of an examination, we may be available to represent you. Since the selection of your return for review or examination is beyond our control, our fee to prepare your returns does not include responding to inquiries or examination by tax authorities, unless you have opted for, and are eligible to obtain, audit insurance as part of your tax return preparation services.

In the event we are required by law, government regulation, subpoena, or other legal process, to produce documents or testimony with respect to this engagement, so long as we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel incurred in responding to such demands.

Additional Legal Terms

Engagement Limitations

You agree to indemnify and hold us harmless from any and all claims arising from the use of the tax returns for any purpose other than complying with your tax filing obligations regardless of the nature of the claim, excepting claims arising from our gross negligence or intentional wrongful acts.

The services performed under this agreement do not include the provision of legal advice, and we make no representations regarding questions of legal interpretation. You should consult with your attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, foreign tax preparers, or investment advisors. We may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or the suitability of any product we refer to you or that you separately retain. Further, we are not responsible for any services we perform that fail to meet the intended outcomes as a result of relying on the services of other professionals or products you may retain.

Limitation of Liability

Except to the extent finally determined to have resulted from the gross negligence or other intentional misconduct of The _________________________, The _________________________’s liability to pay damages for any losses incurred by the client as a result of breach of conduct, negligence or other tort committed by The

_________________________, is limited to the total amount of fees charged by The _________________________ for the particular service provided under this agreement to which such claim relates.

Limitation of Actions (Statue of Limitations)

In accordance with the Code of Virginia § 59.1-508.5, you agree to a modified Statute of Limitations to bring an action for breach of contract. The action for breach of contract must be commenced within the later of three years after the right of action accrues or one year after the breach was or should have been discovered, but not later than three years after the right of action accrues.

Other Provisions

Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this agreement due to causes beyond its reasonable control.

This agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Virginia, without giving effect to the provisions relating to conflict of laws.

Acceptance of Engagement Terms

If you authorize _________________________ to prepare your 2024 fiduciary income tax returns pursuant to the terms set forth above, please sign below and pay the retainer. Retain a copy of this letter for your records.

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

Very truly yours,

____