

Lewis D Crusoe, EA

## Engagement Letter for Form 1041 – U.S. Income Tax Return for Estates and Trusts

We will prepare your 2024 Form 1041 U.S. Income Tax Return for Estates and Trusts from information you furnish us. We will not review, compile or otherwise verify the data although we may ask you to clarify some of the information. To keep our fee to a minimum, we may provide you with tax organizers and questionnaires to help you gather and organize the necessary information for us. If you have taxable activity in any state other than Michigan, you are responsible for providing our firm with all the information necessary to prepare any additional state or local income tax returns as well as informing us of the applicable states or cities.

**We are responsible for preparing only the specific business income tax forms for the specific agencies listed in this letter. Any other required services, forms, or other actions on our part require a separate engagement letter. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter.**

Please note that any person or entity subject to the jurisdiction of the United States (including individuals, corporations, partnerships, trusts, and estates) having a **financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country, shall report such a relationship.** Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. Failure to disclose the required information to the U. S. Department of the Treasury may result in substantial civil and or criminal penalties.

If you and or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare FinCen114 required by the U.S. Department of Treasury on or before June 30<sup>th</sup> of each year. **If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.**

**Our fee does not include responding to inquiries or examination by taxing authorities.** However, we are available to represent you and our fees for such services are at our standards rates and would be covered under a separate engagement letter. You agree to notify us upon receipt of any correspondence from any agency covered by this letter. Please do not respond to or click on any links from emails purportedly from the IRS. **The IRS never initiates correspondence via email and any emails are an attempt to steal your identity.** Additionally, to protect your identity, we will verify your address, birthdate and social security number when you call or visit our office.

**It is your responsibility to maintain, in your records,** the documentation necessary to support the data used in preparing your tax returns, including but not limited to auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax return(s) before signing and or mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to us from 3<sup>rd</sup> parties including, but not limited to K-1s, 1099's, 1098's, receipts and similar items. We DO NOT automatically file tax extensions for clients. You must notify us in writing, by email or fax if you wish us to file an extension, and the notification should include your estimate of any balance due with the extension. Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended, it does not relieve you of paying any 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.

**We will use our professional judgment in preparing your returns.** Whenever we are aware that possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g. tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest, assessments and penalties. We assume no responsibility for any such taxes, penalties, or assessments.

New privacy laws were established by the IRS effective January 1, 2009, and we are now prohibited from providing any confidential information about you to anyone other than you without your prior, specific, *written* consent. To comply with these new regulations, we can provide all copies of all returns to you in a secure web portal. Your use of this portal is restricted to lawful income tax related documents.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had the opportunity to argue that the communication is privileged. You agree to pay all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged. In addition, your confidentiality privileged can be inadvertently waived if you discuss the contents of any privileged communication with a third party such as a lending institution or a friend. We recommend that you contact us before releasing information to a third party.

**It is our policy to keep records relates to this engagement for three years after which they are destroyed.** We do 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. Prior to each tax filing season, we can send organizers to our clients as a convenience to assist them with gathering their tax information. If you wish to receive an organizer, please notify us and we will send the organizer to the address we used on your prior year's tax return.

From time to time during our relationship, you may seek our advice regarding potential investments. We are not investment advisors. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered. Unless otherwise specifically agreed to in a separate engagement letter signed by the both of us, we will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

I appreciate the opportunity to serve you. Please sign and date the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to begin our services after we obtain the executed copy of this engagement letter. If any portion of this agreement is declared invalid or unenforceable, no other provisions of this agreement will be affected and all other provisions will remain in full force and effect.

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Taxpayer / Agent

Title

Date