

**2023 Form 1041- Fiduciary Tax Return Annual Engagement Letter  
Filing Deadline Date: April 15th**

Date: \_\_\_\_\_ Client Name(s): \_\_\_\_\_

We are pleased to confirm our understanding of the arrangements for your income tax return(s). This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both you and our firm that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call us before you sign it.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on the heirs, successors and assigns of you and us. The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements. We will prepare the returns from information which you will furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. We will furnish you with any questionnaires and/or worksheets that you request to guide you in gathering the necessary information. Your use of such forms will assist us in keeping our fee to a minimum. To the extent we render any accounting and/or bookkeeping assistance, including (but not limited to) telephone calls, letters, emails and 3<sup>rd</sup> party consultations it will be limited to those tasks we deem necessary for preparation of the returns and will be billed at our standard billing rates and minimums.

**Tax Preparer Responsibilities**

We will prepare your 2023, and only your 2023 Federal Individual Form 1041 Form and Oklahoma Form 513 and the related schedules from information you furnish us. We will not in any way verify the data you submit although we may ask you to clarify some of the information. Our minimum fee to prepare an individual federal tax return will be based upon our fee schedule plus any hourly charges incurred as discussed in paragraph 2 above. We are not responsible for ensuring the accuracy of forms provided to you by or prepared by other preparers. ***If you have taxable activity in a state/city or country other than that specifically listed you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns as well as informing us of the applicable states. We will prepare only those state/city returns specifically listed above and do not nor have not determined if you have taxability in those states, cities or countries not listed.***

***We are responsible for preparing only the specific individual income tax forms for the specified federal and state individual tax agencies listed in paragraph 3, above. Any other requested services, forms or other actions on our part require a separate written, signed 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. Our services are not intended to determine whether you have filing requirements other than the one(s) which you have requested in paragraph 3 above. Our firm is available under the terms of a separate written engagement letter to provide a nexus study that will enable us to determine whether any other state tax filings are required.***

**Taxpayer Responsibilities-PLEASE READ CAREFULLY**

Please note that any person or entity subject to the jurisdiction of the United States (includes 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 an aggregate 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). Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. Such disclosure includes filing Form 8938 with this Form 1041 and Form FinCen 114 directly with the Department of the Treasury. ***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 Income Tax related forms, 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.**

**If you and/or your entity have a financial interest in any foreign accounts, you are also responsible for filing Form Fin Cen 114 required by the U.S. Department of the Treasury on or before April 15th of each tax year. US citizens are required to report worldwide income on their US return.**

In addition, currently, the Internal Revenue Service, under IRC §6038 and §6046, requires information reporting if you are an officer, director, or shareholder with respect to certain foreign corporations, foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business or U.S. transferor of property to a foreign corporation. Additionally, recent Form 1040 changes require that you report any activity you may have in cryptocurrency including mining, sale, barter, etc. By your signature below, you accept responsibility for informing us if you believe that you fall into one of the above reporting categories and you agree to provide us with the information necessary to prepare the appropriate forms.

You acknowledge that you have reported all 2023 income you received including barter, cryptocurrency, customer-to-customer activity, cash-based income, and all other income whether received in-person, in-kind, or electronically. You also confirm that you have or will timely file any applicable required Forms W-2 and W-3 with the Social Security Administration and IRS for business employees or home workers.

#### **Other Items**

**Our fee does not include responding to inquires or examination by taxing authorities or third parties, for which you will be separately billed for time and expenses involved. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter. You agree to immediately notify us upon the 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 such emails are attempts to steal your identity. Additionally in order to protect your identity we will verify your id, 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 the auto, travel, entertainment, and related expenses and the required documents to support income and expenses for three years from the filing date. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and 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, K1's, 1099's, 1098's, and receipts and similar items. **We DO NOT automatically file tax extensions for clients-you must notify us in writing, 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. We must receive your information by March 1 in order to complete your return in a timely manner and information received after that date may cause your return to be extended and completed after the April 15 due date.** Failure to file an extension may make you subject to various penalties and interest.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly 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 Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

Privacy laws established by the IRS prohibit us from providing confidential information or copies to anyone other than you without your specific, **written authorization**. To comply with these regulations, we provide all copies of all returns to you in a secure web portal SmartVault, a third party service provider to facilitate compliance with disclosure and storage of your tax information. While we will use our best efforts to keep such communications secure in accordance our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices during this engagement. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing information to a third party.

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 an opportunity to argue that the communication is privileged. You agree to pay any and 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 privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing information to a third party.

**Corporate Transparency Act/Beneficial Ownership Reporting:** 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.

It is our policy to keep records related to this engagement for four years after which they are destroyed. ***However, 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. If you move or do not wish to receive an organizer, please notify us or we will send the organizer to the address we used on your prior year’s tax return.***

In the interest of facilitating our services to you, we utilize a secure web portal, SmartVault. Your use of this portal must comply with our standards of use, and as owners of the portal we retain the right to limit and deny use of the portal for inappropriate purposes. Your access to files maintained on the portal will be terminated no later than 30 days after the earlier of your or our termination of services under this agreement or April 15 (upon termination), unless we are notified in writing of your desire to extend your tax return. All confidential information sent to you or third parties (at your direction), as well as the portal will be password protected. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices.

From time to time during our relationship, you may seek our advice with regard to 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. We do not and will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

**Payments for billings are due upon receipt and billings become delinquent if not paid within 30 days of the invoice date.** If you are delinquent in payment your account may be subjected to collection actions and you will become additionally responsible for collection, legal, administrative, court and any other fees incurred by us in collecting your delinquent account. If billings are not paid within 60 days of the invoice date, at our election, we may stop all work until your account is brought current, or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay within 30 days (timely basis) for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm’s total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional’s signature on the tax returns covered by this engagement letter.

***From time to time various third parties may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return the state board of***

**accountancy prohibits us from signing any such document and any third party request to do so is a violation of those rules prohibiting us, by law, from the issuance of an opinion without performing an audit. These returns are not intended to benefit or influence any third party, either to obtain credit or for any other purpose.**

Notwithstanding anything contained herein, both the accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at Duncan, Onley & Watkins, PC located in Payne County, Oklahoma, USA, and Payne County, Oklahoma, USA, shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of Oklahoma.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

While we are, of course, available to provide you with tax and business planning services, it is our policy to put all advice upon which a client might rely into a written memorandum prior to you relying on such advice. We believe this is necessary to avoid confusion and to make clear the specific nature of our advice. You should not rely on any advice that has not been put into writing for you.

We appreciate the opportunity to serve you. Please date and sign 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 initiate services after we receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected, and all other provisions remain in full force and effect.

***Duncan, Onley & Watkins, PC***

(Trustee/Personal Rep Signature) _____	Date _____
(Trustee/Personal Rep Signature) _____	Date _____
<b>I (We) have read the above terms of the engagement letter and agree with the terms of this engagement.</b>	

Additional State(s) Requested:

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