

SPARGUR TAX & ACCOUNTING, PA

William Spargur, EA · Enrolled Agent #2009-93280

3521 Bonita Bay Blvd, Ste 100, Bonita Springs, FL 34134 · 239-777-3366 · info@spargurtax.com · spargurtax.com

Fiduciary (Trust & Estate) Tax Preparation — Engagement Letter

Date: [Date]

Client: [Client Name]

Tax Year: [Tax Year]

Thank you for the opportunity to serve you. This letter confirms the terms of our engagement, the services we will provide, and how our process works. Please review it, sign below, and return it before we begin.

1. Scope of this engagement

We will prepare the [Tax Year] fiduciary income tax return (Form 1041) for [Trust/Estate Name] and the related Schedule K-1 for each beneficiary, based on the trustee/fiduciary information and investment statements you provide. This engagement is with the trustee, personal representative, or fiduciary, who is responsible for authorizing the return.

This engagement is limited to the services described above. It does not include bookkeeping, payroll, audit or review of financial statements, tax planning, IRS representation, or any other service unless we agree to it separately in writing.

2. Our responsibilities

- We will prepare your return(s) from the information you provide, using our professional judgment and applicable tax law.
- We will keep your information confidential as described below.
- This is not an audit and is not designed to detect fraud, theft, or error in the records you provide; we rely on the accuracy and completeness of your information.

3. Your responsibilities

- Provide complete and accurate information on a timely basis, using the organizer/worksheet we provide where applicable.
- Maintain the records that support the income, deductions, and credits reported, including documentation for travel, meals, vehicle, and home-office expenses.
- Monitor your email and make sure our messages are not blocked or routed to a spam or junk folder. Please provide a working email address for the trustee or fiduciary.
- Verify that any bank account used for a refund deposit or a tax payment is correct before you approve your return.
- Review each draft and approve it before it is filed; you are responsible for the contents of the return.

4. Our process — what to expect

Timing can vary, but here is how a typical engagement moves from start to finish:

1. **Getting started.** After we receive your complete information, our goal is to send you an update or any questions within about a week. Timing can vary, and during peak tax season our response may take longer.

2. **Watch your email.** All updates, drafts, questions, and documents are delivered electronically. It is your responsibility to monitor your email and to ensure our messages are not blocked or filtered into spam or junk. Please provide a working email address for the trustee or fiduciary.
3. **Review and revisions.** We address your questions and make any revisions. If changes are needed, we send a revised draft and repeat this review; if not, we send the first draft for your approval.
4. **Approval, signatures, and invoice.** When you approve the latest draft, we send your signature pages (e-file authorization, Form 8879 or equivalent) and filing instructions digitally when possible, along with your invoice at the same time. The return must be signed by the trustee, personal representative, or other authorized fiduciary.
5. **Before we file.** We file only after BOTH are complete: your signed authorization is returned and your invoice is paid. Please also confirm that any bank account referenced for a refund or a payment is correct — verifying that information is your responsibility, and we file based on what you approve.
6. **Filing confirmation.** Once your return is submitted, we send you confirmation that it has been filed.
7. **Acceptance and copies.** After the IRS (and any state) accepts your return, we prepare your digital copies and anything to be mailed, and notify you when your digital copies are ready. That completes the filing process.

5. Fees

The base fee is \$300 for a simple trust (one or two investment statements, portfolio income, up to two beneficiaries, no business or rental activity inside the trust) and \$450 for a complex trust or estate. Investment sales, additional beneficiaries, and out-of-state returns carry the add-ons shown on our schedule.

Our published *Fees & Services schedule* (available at spargurtax.com/fees) lists the base fee and all add-on items. The fees shown are minimums; your final fee is the base fee plus only the add-on items that apply to your return. Work beyond the listed items is billed at \$250 per hour and quoted in advance.

Your invoice is sent when you approve your return. As noted in our process, payment of the invoice and your signed authorization must both be received before we file. Returns are delivered electronically through our secure client portal at no charge; printed or mailed copies are available for the fees shown on the schedule.

6. Extensions and filing deadlines

For returning clients, we file an extension automatically — approximately two weeks before the original due date (generally April 15) — so your filing window is protected even if your return is not yet complete. A separately requested extension for a new or one-time engagement is billed per our fee schedule.

Information received after April 1 cannot be guaranteed to be completed before the filing deadline, although we make every effort to do so.

When time is short, we give priority to clients who are projected to owe. The reason is that an extension extends the time to file, not the time to pay: anyone with a balance due must still pay by the original due date (generally April 15) to avoid failure-to-pay penalties and interest. Clients who are due a refund face no late-filing penalty and can be placed on extension at no cost — so finalizing the returns of those who owe first protects them from penalties and interest they would otherwise incur.

7. Estimated payments

If your situation calls for quarterly estimated tax payments, we will calculate them for you. Some clients also choose to schedule these payments with us to be submitted electronically through the e-filed return. As a courtesy to active clients, we send reminders ahead of each due date; each reminder indicates the payment method (electronic, manual, or applied from your refund) and any action you need to take. You remain responsible for any payment that is not scheduled to be submitted on your behalf.

8. Confidentiality and use of your information

We will not disclose your tax return information to anyone outside our firm without your written consent, except as permitted or required by law (Internal Revenue Code §7216). We use a secure client portal for the exchange and delivery of documents and encourage you to use it rather than email for sensitive information.

9. Limitations

- Brief reviews or simple responses to a tax notice (generally those taking only a few minutes) are provided at no charge. More involved notice resolution, examinations, or audits are handled under a separate engagement at our hourly rate.
- We do not provide legal or investment advice. Tax positions are based on the law and guidance in effect at the time of preparation, which may change.
- You are responsible for any tax, interest, or penalty assessed. We are responsible only for preparer penalties attributable to our own error, if any.

10. Term and termination

Either of us may end this engagement in writing at any time. If the engagement ends before completion, you will be billed for services performed through that date. This letter applies to the tax year above and renews each year only upon a new signed engagement letter or your written confirmation.

11. Acceptance

Your signature below confirms that you have read, understand, and agree to the terms and the process described in this engagement. The return must be signed by the trustee, personal representative, or other authorized fiduciary.

Accepted and agreed:

Client signature

Date

William Spargur, EA — Spargur Tax & Accounting, PA

Date