

**Edmundson CPA, PLLC**  
**Estate or trust**

Dear Client:

This letter is to confirm and specify the terms of our engagement with the estate or trust (hereinafter the "entity") and to clarify the nature and extent of the services we will provide. We will prepare the following tax returns: (Please check all that apply, if you do not check a box or list a return we will not prepare it)

- 2020 Federal income tax return
- 2020 North Carolina income tax return

We will prepare these returns from information you furnish us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the 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 tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of the entity's tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for the preparation of the tax returns.

We will resolve questions involving the application of tax rules in the entity's favor, if there is reasonable justification for doing so.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. Because the entity's tax attributes typically flow through to their beneficiaries, the penalty for substantial understatement of tax relating to entity items may be imposed on the beneficiaries. In addition, penalties may be imposed for late filing of the returns and the late payment of any tax due. If you would like information on the amount or circumstances of these penalties, please contact us.

Fees for our services will be at our standard rates for tax work and are due upon delivery of the returns. We will bill you for the time spent plus \$100 base overhead charge and out-of-pocket expenses. Interest is charged at 18% per annum (1.5% monthly) on all unpaid invoices and a \$20 returned check charge is applicable. Any fee estimate or quote given is only an estimate, not a fixed fee.

The entity's returns are subject to review by taxing authorities. Any items resolved against you by the examining agent are subject to certain rights of appeal. If you are audited, we will be available to represent you. **Billing for such services is at our standard rates for the nature of the service.** We are not responsible for the disallowance of deductions, or inclusion of additional income, or any resulting taxes, interest and penalties.

If the above fairly sets forth your understanding of our agreement, please sign this letter and return it to us. We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely,



Andrew Edmundson, CPA  
Edmundson CPA, PLLC

Voice: (919) 460-9966

APPROVED:

Entity name: \_\_\_\_\_

By: \_\_\_\_\_, \_\_\_\_\_  
Title

Date: \_\_\_\_\_

Fax: (919) 380-0010

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