

706 - ESTATE AND INHERITANCE TAX RETURN ENGAGEMENT LETTER

CLIENT NAME
STREET ADDRESS
CITY, STATE ZIP

Subject: Preparation of Your Estate and Inheritance Tax Returns

Dear FIDUCIARY NAME:

Thank you for selecting YOUR FIRM NAME to assist you with tax compliance for the NAME OF ESTATE. This letter confirms the terms of our engagement and clarifies the nature and extent of services we will provide. To assure mutual understanding of our responsibilities, please confirm arrangements for our services by signing and returning the enclosed copy of this letter.

We will prepare required federal and state estate and inheritance tax returns from information you furnish to us. While we may ask you for clarification of some of the information, we will not audit or otherwise verify any data you provide. We will provide checklists, questionnaires, and/or worksheets to help you secure the necessary information. Please use those forms to be sure important information is not overlooked.

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all documents, appraisals, and other data that support the calculation of the gross estate and allowable deductions. Because taxing authorities frequently challenge values, and review documentation, assumptions, and calculations, they may be needed to prove the accuracy and completeness of the returns. You have final responsibility for the estate and inheritance tax returns and you should review them carefully before you sign them.

Our work in connection with preparation of the estate and inheritance tax returns will not include procedures to discover defalcations or other irregularities. Nor do we warrant the accuracy of any valuations or the appropriateness of values used in the preparation of the returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In order to avoid potential penalties, we will apply the "more likely than not" reliance standard to resolve such issues. You agree to honor our decisions regarding disclosures of return positions in order to avoid or mitigate penalties.

The law also includes penalties that may be imposed when taxpayers understate their tax liability. If you would like information about those penalties, please call us.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by an examining agent are subject to certain rights of appeal. In the event of such an examination, we can arrange to be available at your request to represent you. A separate engagement letter will be provided for such services. Our fee for return preparation does not include representing you in any examination or dispute with the taxing authorities.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. To the extent allowed by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

We retain copies of the records you have supplied to us along with our work papers for your engagement for seven years. After seven years, our work papers and engagement files are destroyed. All original

records will be returned to you when the returns are completed. You should keep the original records in secure storage.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided.

Thank you for your confidence in our firm.

Sincerely,
YOUR FIRM NAME

ACCOUNTANT IN CHARGE

Accepted By: _____

Title _____

Date: _____