

# Young & Company CPAs, LLP

Dear Tax Client:

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will provide for you. For purposes of this engagement letter, “Client” refers to the individual(s), entity(ies), or taxpayer(s) signing this engagement letter and for whom services are performed.

## **Returns We Will Prepare**

We will prepare your 2025 Federal and State Trust and Estate (Form 1041) income tax returns solely from the information you furnish us. Other filings, including payroll, sales and use tax returns, information returns (e.g., Forms 1099), and regulatory filings, are excluded unless expressly agreed to in a separate written engagement. Services not expressly described in this letter are outside the scope of this engagement.

We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information.

## **Records You Need to Keep**

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 charitable contributions. 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 them. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

## **Fiduciary Responsibilities Initial ( )**

You acknowledge that you, as trustee, executor, administrator, or other fiduciary, are solely responsible for fulfilling all fiduciary duties related to the trust or estate, including income and principal allocations, beneficiary distributions, elections under applicable law, valuation decisions, and compliance with the governing instrument and applicable fiduciary standards. Our services are limited to income tax return preparation and do not include fiduciary administration, valuation services, or legal interpretation of trust or estate documents. You are solely responsible for the timely delivery of any Schedules K-1 or other beneficiary information returns to beneficiaries and their tax advisors, and for determining the manner and timing of such delivery.

## **E-filing of Your Returns Initial ( )**

Taxing authorities require that Federal and New York State Trust and Estate (Form 1041) income tax returns be filed electronically (“e-filing”). If we prepare income tax returns for any other state or local jurisdictions, including states outside New York, those returns will also be filed electronically, where required. We will provide you with a copy of your completed income tax returns for review prior to electronic transmission.

You must sign and return an electronic filing authorization confirming that you have reviewed the returns and that, to the best of your knowledge, they are complete and accurate. By signing the electronic filing authorization, you confirm that you have reviewed the returns in their entirety, approve the information contained therein, and authorize their electronic submission to the applicable taxing authorities. We cannot electronically file your returns without this signed authorization.

If we do not receive your signed authorization by April 13<sup>th</sup>, 2026 (two business days prior to the filing deadline), we will place your returns on extension, even if they have already been completed. In that event, you are responsible for ensuring that any tax due with the extension is timely paid to the appropriate taxing authorities, as well as for any additional costs incurred in connection with preparing the extension. While we will make reasonable efforts to ensure that your returns are successfully transmitted, we are not responsible for electronic transmission failures or errors that occur after the returns have been submitted from our office. Due to the high volume of electronic filings, taxing authorities may experience processing delays, particularly near filing deadlines.

## **Executive Order – Electronic Payments to and from the U.S. Treasury**

On March 25, 2025, the President signed Executive Order 14247, *Modernizing Payments to and from America’s Bank Account*, which directs federal agencies, including the Internal Revenue Service (“IRS”), to phase out paper check refunds and require electronic methods for tax payments and refunds, subject to limited exceptions.

You are solely responsible for establishing and maintaining appropriate electronic payment and refund arrangements (including bank account information) with the IRS and other taxing authorities. Our services do not include monitoring IRS payment system changes or ensuring compliance with electronic payment requirements unless expressly agreed to in writing.

## **Force Majeure / Government and System Outages**

In addition, we shall not be responsible for delays, failures, or inability to perform services resulting from events beyond our reasonable control, including but not limited to natural disasters, power or internet outages affecting our offices, service providers, or the surrounding area, cyber incidents, governmental actions or closures, or failures or unavailability of federal, state, or local taxing authority systems, electronic filing platforms, or payment systems.

## **Tax Law**

We will use our professional judgment in preparing your returns. Due to the magnitude of recent tax law changes enacted under the One Big Beautiful Bill Act (“OBBBA”) on July 4<sup>th</sup>, 2025, additional guidance from taxing authorities or Congress, including technical corrections, may be issued. We will apply our professional judgment and expertise based on guidance available at the time our services are performed. Subsequent changes in law, regulations, or interpretations may affect prior advice, and such effects may be material.

When applicable tax law is unclear or subject to differing interpretations, we will inform you of the potential positions available. In accordance with professional standards, we will follow positions you request, provided they are consistent with applicable laws, regulations, and authoritative guidance. If a taxing authority later challenges a position taken, additional tax, interest, and penalties may be assessed, for which we assume no liability. If you request a position that, in our professional judgment, does not meet applicable legal or professional standards, we reserve the right to cease services and shall not be liable for any resulting damages.

## **CTA and New York LLC Transparency Act Initial (\_\_\_\_)**

An entity formed under the laws of a foreign country and registered to do business in any U.S. state or Tribal jurisdiction by filing a document with a secretary of state or similar office may be required under the Corporate Transparency Act (“CTA”) to report information regarding its beneficial owners—the individuals who ultimately own or control the entity—to the Financial Crimes Enforcement Network (“FinCEN”), if the entity meets the definition of a reporting company and does not qualify for an exemption. These reporting requirements may apply to both U.S. and foreign entities, depending on entity type, jurisdiction, and applicable exemptions.

In addition, the New York LLC Transparency Act (“NY LLC Act”), effective January 1<sup>st</sup>, 2026, imposes additional beneficial ownership reporting requirements for certain limited liability companies (“LLCs”) registered to do business in New York State and largely parallels the CTA reporting framework. Management is responsible for the Client’s compliance with the CTA and the NY LLC Act, including determining applicability, exemption status, and the timely filing of any required initial, updated, or corrected reports with FinCEN and/or the New York Department of State.

Our firm does not provide legal advice or legal services under this engagement, and our services do not include advising on, consulting regarding, or preparing or submitting any reports required under the CTA or the NY LLC Act. If you need assistance with or have questions regarding your compliance with these laws, including whether an exemption applies or how beneficial ownership is determined, we strongly encourage you to consult qualified legal counsel experienced in this area. Failure to comply with these requirements may result in significant civil or criminal penalties.

## **Foreign Bank and Financial Accounts, Investments, and Trusts Initial (\_\_\_\_)**

If you and/or your entity have a financial interest in, or signature authority over, any foreign financial accounts, you may be subject to certain reporting requirements with the U.S. Department of the Treasury, in addition to the Internal Revenue Service (“IRS”). Reporting requirements may also apply to taxpayers who have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not personally hold a foreign account. Our services do not include identifying or investigating undisclosed foreign accounts, entities, or interests unless you specifically disclose them to us.

The Report of Foreign Bank and Financial Accounts (“FBAR”) is due April 15, 2026, with an automatic six-month extension available. FBARs must be filed electronically through the Bank Secrecy Act (“BSA”) e-filing system maintained by the Financial Crimes Enforcement Network (“FinCEN”). We must receive a signed authorization from you before submitting any foreign reporting forms. If we do not receive your authorization, we will not be able to file the required disclosures on your behalf.

Ownership of a foreign corporation or entity that is not publicly traded on a U.S. exchange may require one or more additional informational returns. The IRS also requires information reporting for certain foreign interests or activities under applicable Internal Revenue Code sections and related regulations. These IRS reporting requirements are in addition to U.S. Department of the Treasury requirements. You are responsible for providing us with complete and accurate information necessary to prepare any applicable forms. Failure to timely file required foreign reporting forms may result in substantial civil and/or criminal penalties. By signing this engagement letter, you agree to provide complete and accurate information regarding any foreign financial accounts, foreign business interests, foreign trusts, or other foreign reporting obligations in which you and/or your entity had a direct or indirect interest or

## **Trust/Estate Income Tax Engagement Letter**

signature authority during the applicable tax year. As a U.S. citizen or resident alien, you are responsible for reporting all worldwide income from all sources. We assume no responsibility for any penalties, interest, or other consequences arising from your failure to provide complete and accurate information regarding foreign financial accounts, foreign business interests, foreign trusts, or related foreign reporting obligations, including FBAR filings.

If you are involved with or own a foreign trust, or if you received gifts or bequests from a foreign individual or entity, you may be required to file Form 3520. Gifts or inheritances exceeding \$100,000 from a foreign person, nonresident alien, or foreign estate, or gifts exceeding \$20,116 (2025 amount, adjusted annually for inflation) from a foreign partnership or corporation generally require filing Form 3520. Preparation and filing of Form 3520 are beyond the scope of this engagement. Failure to file Form 3520, or filing with incomplete or incorrect information, may result in IRS penalties.

## **Virtual Currency / Digital Assets and Taxes    Initial (\_\_\_\_)**

The Internal Revenue Service (“IRS”) treats virtual currency (e.g., Bitcoin) and other digital assets (e.g., NFTs) as property for U.S. federal tax purposes. Accordingly, transactions involving digital assets are subject to the general tax rules applicable to property transactions and may result in tax consequences and additional foreign reporting obligations.

By signing this engagement letter, you agree to provide complete and accurate information regarding any ownership of, or transactions involving, virtual or digital assets during the applicable tax year. If you have questions regarding required records, please consult us. Any additional consulting services related to the analysis or tax treatment of digital assets will be provided, if agreed upon, under a separate engagement letter. We assume no responsibility for any consequences arising from your failure to provide complete and accurate information regarding virtual or digital assets.

## **Confidentiality and Privilege**

We may share your confidential information with third-party service providers, including cloud-based platforms, as necessary to perform our services. While we maintain reasonable administrative, technical, and physical safeguards, no electronic data transmission system is completely secure, and we make no express or implied warranties regarding security.

Federal law provides a limited privilege for certain communications between a client and the client’s CPA, applicable only to non-criminal tax matters before the IRS or in federal court and only when related to tax advice. Communications related solely to tax return preparation are not privileged, and any privilege may be waived if disclosed to third parties. If disclosure of a potentially privileged communication is requested and not legally required, we will not disclose it until you have had an opportunity to assert the privilege. You agree to reimburse us for reasonable costs, including legal fees, incurred in protecting such communications.

## **Electronic Communications**

We may communicate with you via email and other electronic means, and we use a secure Client portal and electronic signature system to exchange information and execute documents.

While we take reasonable measures to protect electronic communications and data, we cannot guarantee security, confidentiality, or delivery. You acknowledge and agree that we make no warranties regarding electronic communications or systems and shall have no liability for any loss, damage, interception, unauthorized access, or failed delivery arising from their use, including any direct, indirect, incidental, or consequential damages.

## **Our Records Retention Policy**

We will retain records related to this engagement for seven (7) years and do not maintain original client records, which will be returned to you upon completion of our services. After that period, Young & Company CPAs, LLP may destroy its records, and you remain solely responsible for retaining and safeguarding all records for any future governmental or regulatory inquiries.

## **Our Fees    Initial (\_\_\_\_)**

Our fees are based on our standard rates plus out-of-pocket expenses and are due upon completion of the returns and prior to electronic filing. If payment is not received within 15 days of invoicing, all work will be suspended until your account is brought current. If we suspend work or withdraw from this engagement due to nonpayment, we shall not be liable for any damages resulting from the cessation of services.

Our responsibility is limited to preparing the returns listed above. Our fees do not include responding to inquiries, examinations, or other proceedings initiated by taxing authorities; however, we are available to represent you under a separate engagement and for additional fees. If our Firm or any of its employees is required to provide testimony, information, documents, or work papers in any judicial, quasi-judicial, or administrative matter related to this engagement, you agree to reimburse us for all reasonable fees and

## Trust/Estate Income Tax Engagement Letter

expenses incurred, including time billed at then-current rates and any legal or related costs. Such services will be covered under a separate engagement letter.

### **Prepaid Audit Representation Services - Accept / Decline Initial ( )**

We offer prepaid audit representation services that cover the cost of responding to routine inquiries or examinations initiated by taxing authorities related solely to the tax returns prepared by our Firm under this engagement. Coverage is limited to the initial examination stage and does not include appeals, mediation, litigation, penalty or interest abatement, amended returns, or matters arising from information not provided to us, inaccurate or incomplete disclosures, or issues outside the scope of this engagement. This prepaid audit representation service is not insurance, does not cover any additional taxes, penalties, or interest that may be assessed, and does not guarantee any particular outcome with a taxing authority.

Prepaid audit representation services are available subject to partner approval and are priced at 25% of the income tax return preparation fee.

### **Payment Methods**

We accept cash, check, ACH, and all major credit cards. A \$20 NSF fee will be charged for all returned checks or ACH rejects.

### **Dispute Resolution, Limitation of Liability, and Client Responsibilities**

Any dispute arising out of or relating to this engagement shall first be submitted to good-faith mediation administered by the American Arbitration Association (“AAA”) under its rules for professional accounting disputes, with mediation costs shared equally by the parties.

Any dispute solely regarding fees charged by Young & Company CPAs, LLP, shall be resolved by binding arbitration in accordance with the AAA rules, governed by the laws of the State of New York. By agreeing to arbitration, both parties knowingly waive the right to trial by judge or jury. The prevailing party shall be entitled to reasonable attorneys’ fees and costs, as determined by the arbitrator.

To the fullest extent permitted by law, the total aggregate liability of Young & Company CPAs, LLP, for all claims arising from or relating to this engagement, whether in contract, tort, or otherwise, shall be limited to the fees actually paid for the specific services giving rise to the claim. In no event shall Young & Company CPAs, LLP, be liable for any indirect, incidental, consequential, special, or punitive damages.

You acknowledge that you are solely responsible for the accuracy and completeness of all information provided to us and that you retain final responsibility for reviewing and approving all tax returns prior to filing. Young & Company CPAs, LLP, shall not be responsible for any disallowed deductions, unsupported positions, or for any resulting taxes, penalties, interest, or other amounts assessed by a taxing authority.

If this letter reflects your understanding, please sign and return it. You also acknowledge acceptance of this engagement by providing tax information, authorizing filing, submitting returns, or paying our fees. This engagement letter may be executed electronically, and electronic signatures shall have the same legal effect as original signatures.

We appreciate the opportunity to serve you and look forward to our continued professional relationship.

Sincerely,

*Young & Company CPAs, LLP*

Approved:

Signature \_\_\_\_\_

Date \_\_\_\_\_

Trustee Printed name \_\_\_\_\_ Name of Trust or Estate \_\_\_\_\_