

Salley & Clements, PC
Trust Tax Return Engagement Letter

This letter is to confirm and specify the terms of our engagement with _____ for the year ended December 31, 2011 and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare the 2011 federal and requested state fiduciary income tax returns from information that you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information.

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 fiduciary income tax returns and, therefore, you should carefully review them before you sign and file them.**

Our work in connection with the preparation of the fiduciary income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items we will bring them to your attention. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns. If we discover any errors or omissions on a prior year return we will bring that to your attention.

We will use professional 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. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

If an extension of the time is required, any tax that may be due with this return must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on these penalties, please contact us.

The returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination, we will be available, upon request, to represent you and will render additional invoices for the time and expenses incurred.

Our fee for these tax preparation 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. We submit all returns to the IRS electronically. Your return will be transmitted to the IRS after we receive your signature on the authorization to transmit form, and you have paid your invoice.**

If the foregoing fairly sets forth your understanding, please sign a copy of this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, such as gift and/or property, please inform us by noting so just below your signature at the end of the return copy of this letter.

We appreciate this opportunity to work with you.

Very truly yours,

Salley & Clements, PC

Accepted by: _____
Signature Title Date

Comments: