

# General Engagement Letter for Partnership Tax Return Preparation

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This letter is to inform you, the partnership and partnership representative (taxpayer), of the services we will provide you, and the responsibilities you have for preparation of the tax return.

## ***Tax Return Preparation Services***

- We will prepare the 2024 Form 1065, *U.S. Return of Partnership Income*, and applicable state tax return(s) based on information you provide. Services for preparation of the returns do not include auditing or verification of information provided by you.
- This engagement does not include any audit or examination of books or records. In the event the return is audited, you will be responsible for verifying the items reported.
- Assisting you in your compliance with the Corporate Transparency Act, including beneficial ownership information (BOI) reporting, is not within the scope of this engagement.
- The tax return preparation fee does not include bookkeeping. Additional fees apply for these services.
- Fees charged for tax return preparation do not include audit representation or preparing materials to respond to correspondence from taxing authorities.
- Preparation fees do cover limited assistance and consultation during the year.
- The engagement to prepare the 2024 tax returns terminates upon delivery of the completed returns and original documents to you. Please store supporting documents and tax returns in a secure place for at least seven years. You may be assessed a fee if you request a duplicate copy in the future.

## ***Taxpayer Responsibilities***

- You agree to provide us with a trial balance and other supporting data necessary to prepare the partnership tax returns. If you receive additional information after we begin working on the return, you will contact us immediately to ensure the completed tax returns contain all relevant information.
- You affirm that all income, expenses, or other deduction amounts are accurate and that you have all required supporting written records. In some cases, we will ask to review your documentation.
- You must be able to provide written records of all items included on the return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
- You must review the returns carefully before signing to make sure the information is correct.
- Fees must be paid before the tax return is delivered to you or filed for you. If you terminate this engagement before completion, you agree to pay a fee for work completed. A retainer may be required for preparation of returns.

**Signatures.** By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities and that you understand our responsibilities in preparing the tax returns as explained above.

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*Partnership Name, Partnership Representative Signature, Title of Representative*

*Date*

**Privacy Policy.** The nature of our work requires us to collect certain nonpublic personal information about you from various sources. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to any third party without your express written permission, except where required by law. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access. Please contact us with any questions regarding our privacy policy.

**Parkers Prairie Tax Service**  
**PO Box 53**  
**Parkers Prairie, MN 56361**  
**218-338-6078**

Dear Tax Client:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. 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 your 2024 federal and state Partnership income tax returns from information which 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. We will furnish you with questionnaires and worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping the fee to a minimum.

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

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

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

Your 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 government 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 services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses.

**Payment is required before your return can be considered complete, and therefore, it will not be filed or released without payment.**

Cash, check, or E-Check (Processing fees of E-Check \$2.00) are all acceptable payment methods. If your check bounces, you will be subject to a \$35 returned check charge. **We are not a document storage facility; it is YOUR responsibility to keep your records. You will be provided with one copy of your tax return, if additional copies are needed a minimum \$50 fee per return will be charged.**

Starting in 2024, the Corporate Transparency Act ("CTA") mandates certain entities (primarily small and medium-size businesses) created in or registered to do business in the United States report information about their beneficial owners-the individuals who ultimately own or control a company-to the Financial Crimes Enforcement Network ("FinCEN"). If your individual return includes a business, you are responsible for compliance with the CTA, if applicable, and for ensuring that any required reporting of beneficial ownership information is timely filed with FinCEN as required by the CTA. As **Parkers Prairie Tax Service is not rendering any legal services as part of our engagement, we will not be responsible for advising you regarding the legal or regulatory aspects of your compliance with the CTA, nor are we responsible for the preparation or submission of beneficial ownership information reports to FinCEN.** If you have any questions regarding compliance with the CTA, including but not limited to whether an exemption may apply to your business or to ascertain whether relationships constitute beneficial ownership under CTA rules, we strongly encourage you to consult with qualified legal counsel experienced in this area.

**\*\*\*Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA.** Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

If the foregoing fairly sets forth your understanding, please sign the enclosed 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, please inform us by noting so at the end of the return copy of this letter.

Corporation Name: \_\_\_\_\_

Corporation Representative: \_\_\_\_\_

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

Title of Representative: \_\_\_\_\_

# Partnership Tax Organizer

Use a separate organizer for each partnership

## Partnership General Information

Legal name of partnership		EIN	–	
Partnership address				
Partnership Representative		Title		
		Email	Phone (     )	
Check one: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Partnership (LLP)				
Principal business activity			Date business started	/   /
Principal product or service			Date business closed	/   /
<input type="checkbox"/> Yes <input type="checkbox"/> No	Was the primary purpose of the partnership activity to realize a profit?			
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has the partnership reported any losses in prior years?			
Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)				
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the partnership file under a calendar year? (If no, what is the fiscal year?)			

## Partnership Specific Questions

<input type="checkbox"/> Yes <input type="checkbox"/> No	Is there a written partnership agreement? (If this is the first year of the partnership's existence, please provide a copy of the written partnership agreement.)
<input type="checkbox"/> Yes <input type="checkbox"/> No	Are all partners actively participating in the business?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Is any partner in the partnership a disregarded entity, a partnership, a trust, an S corporation, or an estate?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Is the partnership a partner in another partnership?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did any foreign or domestic corporation, partnership, trust, tax-exempt organization, individual, or estate own directly or indirectly 50% or more of the profit, loss, or capital of the partnership?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce principal amount of debt?
<input type="checkbox"/> Yes <input type="checkbox"/> No	At any time during the year did the partnership have an interest in, or signature authority over, a financial account in a foreign country?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Was there a distribution of property or a transfer (by sale or death) of a partnership interest during the tax year?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the partnership satisfy the following conditions? <ul style="list-style-type: none"><li>• The partnership's total receipts for the tax year were less than \$250,000, and</li><li>• The partnership's total assets at the end of the tax year were less than \$1 million.</li></ul>
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership pay \$600 or more of nonemployee compensation to any individual? If yes, include a copy of Form 1099-NEC for each.
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership have a Paycheck Protection Program (PPP) loan that was forgiven in 2024?
<input type="checkbox"/> Yes <input type="checkbox"/> No	At any time during this tax year, did the corporation (a) receive a digital asset (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)?

## Principal Partners Ownership Information

Name	Tax ID number (SSN or EIN)	Address	Ownership percentage	General or limited partner*	U.S. citizen?

\* **General partner.** A general partner is a partner who is personally liable for partnership debts.

**Limited partner.** A limited partner's personal liability for partnership debts is limited to the amount of money or other property the partner contributed, or is required to contribute, to the partnership.

## Partners Other Transactions

Partner name	Guaranteed payments	Health insurance premiums paid	Capital contributions from partner	Distributions to partner	Partner loans to the partnership	Loans repaid by partnership to partner

## All Clients – Additional information and documents required

- Provide the income/financial statements for the year (per books), balance sheet, depreciation schedule per books, and cash reconciliation of business bank accounts with ending cash balance.
- If the partnership has employees or paid independent contractors, provide a copy of all Forms W-2, W-3, 940, 941, 1096, 1099-NEC, 1099-MISC, and any other forms issued to workers.
- If any partners live in a different state or outside the U.S., provide details. The business may be subject to withholding requirements.

## New Clients – Additional information and documents required

- |                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date partnership formed                                                                                                                                                                                                                                                                                                          |
| State partnership formed in                                                                                                                                                                                                                                                                                                      |
| <ul style="list-style-type: none"><li>• Provide copies of the partnership agreement and any other supporting organizational documents.</li><li>• Provide copies of depreciation schedules for book, tax, and AMT.</li><li>• Provide copies of tax returns for last two years, including state returns (if applicable).</li></ul> |

Partnership assets at year end		Partnership debts and equity at year end	
Bank account end of year balance	\$	Accounts payable at year end	\$
Accounts receivable at end of year	\$	Payables less than one year	\$
Inventories	\$	Payables more than one year	\$
Loans to partners	\$	Nonrecourse loans	\$
Mortgages and loans held by partnership	\$	Loans from partners	\$
Stocks, bonds, and securities	\$	Partners' capital accounts	\$
Other current assets ( <i>include list</i> )	\$		

Gross receipts or sales	\$	Dividend income (include all 1099-DIV Forms)	\$
Returns and allowances	\$ ( )	Capital gain/loss (include all 1099-B Forms)	\$
Interest income (include all 1099-INT Forms)	\$	Other income/loss (include a statement)	\$

Inventory at beginning of the year	\$	Materials and supplies	\$
Purchases	\$	Inventory at the end of the year	\$
Cost of labor	\$		

Advertising	\$	Meals – business	\$
Bad debts	\$	Office supplies	\$
Bank charges	\$	Organization costs	\$
Business licenses	\$	Pension and profit sharing plans	\$
Commissions and fees	\$	Rent or lease – car, machinery, equipment	\$
Contract labor	\$	Rent or lease – other business property	\$
Employee benefit programs	\$	Repairs and maintenance	\$
Employee health care plans	\$	Taxes – payroll	\$
Entertainment (not deductible)	\$	Taxes – property	\$
Gifts	\$	Taxes – sales	\$
Guaranteed payments to partners	\$	Taxes – state	\$
Insurance ( <i>other than health insurance</i> )	\$	Telephone	\$
Interest – mortgage	\$	Utilities	\$
Interest – other	\$	Wages	\$
Internet service	\$	Other expense	\$
Legal and professional services	\$	Other expense	\$

Make/Model		Date car placed in service        /        /	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Car available for personal use during off-duty hours?		
<input type="checkbox"/> Yes <input type="checkbox"/> No	Do you (or your spouse) have any other cars for personal use?	Did you trade in your car this year? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Do you have evidence?	Cost of trade-in	Trade-in value
<input type="checkbox"/> Yes <input type="checkbox"/> No	Is your evidence written?	\$	\$

Mileage		Actual Expenses	
Beginning of year odometer		Gas/oil	\$
End of year odometer		Insurance	\$
Business mileage		Parking fees/tolls	\$
Commuting mileage		Registration/fees	\$
Other mileage		Repairs	\$

**Equipment Purchases** – Enter the following information for depreciable assets purchased that have a useful life greater than one year

[illegible]

**Equipment Sold or Disposed of During Year**

<i>Asset</i>	<i>Date out of service</i>	<i>Date sold</i>	<i>Selling price/FMV</i>	<i>Trade-in?</i>
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	

**Partnership Business Credits (if you answered Yes for any of the questions below, please provide a statement with details)**

<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership pay expenses to make it accessible by individuals with disabilities?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership pay any FICA taxes on employee wages for tips above minimum wage?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership own any residential rental buildings providing qualified low-income housing?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership incur any research and experimental expenditures during the tax year?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership have employer pension plan start-up costs?	Total number of employees
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership pay health insurance premiums for employees?	Total number of employees
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership purchase and place in service any electric vehicles or energy efficient commercial building property?	

**State Estimated or Pass-Through Entity (PTE) Tax Payments — Tax Year 2024**

<i>State</i>	<i>Amount</i>	<i>Date Paid</i>	<i>State</i>	<i>Amount</i>	<i>Date Paid</i>
	\$			\$	
	\$			\$	
	\$			\$	
	\$			\$	

**Tax Return Preparation**

We will prepare the partnership's tax return based on information provided. In the event the return is audited, you will be responsible for verifying the items reported. It is important that you review the return carefully before signing to make sure the information is correct. Unless otherwise stated, the services for preparation of the partnership's return do not include auditing, review, or any other verification or assurance.

**Taxpayer Responsibilities**

- You agree to provide us all income and deductible expense information. If additional information is received after we begin working on the return, you will contact us immediately to ensure the completed tax returns contain all relevant information.
- You affirm that all expenses or other deduction amounts are accurate and that you have all required supporting written records. In some cases, we will ask to review documentation.
- You must be able to provide written records of all items included on the return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
- You must review the return carefully before signing to make sure the information is correct.
- Fees must be paid before the tax return is delivered to you or filed for you. If you terminate this engagement before completion, you agree to pay a fee for work completed. A retainer may be required for preparation of returns.
- Keep a copy of the tax return and any related tax documents. You may be assessed a fee if you request a duplicate copy in the future.

**Signatures.** By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities.

<i>Taxpayer</i>	<i>Title</i>	<i>Date</i>
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**Privacy Policy**

The nature of our work requires us to collect certain nonpublic information. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to a third party without your express written permission, except where required by law. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access.