



Dear Applicant:

Thank you for your interest in becoming or maintain the status as an approved continuing education provider with the California Tax Education Council (CTEC). As an approved provider your course(s) are offered to the several thousand CTEC registered tax preparers.

To attain approval, providers must submit one course for evaluation. Once approved, a provider may create and offer additional courses, each of which must meet the same CTEC education standards and requirements that was required of the initial course submitted. To maintain CTEC standards periodic reviews and audits are conducted. Under CP14 periodic reviews of approved providers are conducted at least once every three years. Providers must submit, for review, their most popular course. Audits are conducted in accordance with CP28, under which a CTEC curriculum reviewer, acting as a student, registers for and takes the course. Courses are selected for audit in accordance with the provisions of CP28. Failure to maintain CTEC education standards and requirements will result in a loss of approval as a CTEC provider.

- Providers can be approved to provide two types of education, qualifying education (QE) and continuing education (CE). **A separate application and approval is required for each type of education. Note: This is an application for QE approval.**
- Providers approved to offer self-study courses are automatically approved to offer face-to-face (instructor-led) courses. However, providers approved to offer face-to-face courses **MUST** obtain additional approval in order to offer self-study courses.
- Periodic reviews of previously approved providers who are applying for renewal of their self-study provider status must submit for evaluation the course that was most frequently taken in the prior year even if that course is no longer offered.
- Where a provider has bundled courses to provide an education package, all the courses included in the bundle must be submitted for review. For example, if the provider offers four courses as a bundle to meet the annual CTEC 20-hour continuing education requirement, all four courses must be submitted for review.
- As indicated above, providers approved to offer self-study courses are automatically approved to offer group internet and face-to-face courses. However, providers approved to offer group Internet, and/or face-to-face courses **MUST** obtain separate approval to offer self-study courses (see CP02 for the provider approval process).
- All course materials and administrative paperwork **must be submitted electronically**. Where the word count formula was used to determine the continuing education credits, the course material must also be submitted digitally in Microsoft Word so the word count can be readily verified. Access to self-study courses, offered online, must be supplied by the provider. **Please submit your application via e-mail to Tabitha Bolkish tbolkish@ctec.org**

QUALIFYING EDUCATION CURRICULUM REVIEW COSTS

- **Qualifying Education Applicants:** Providers wishing to obtain CTEC approval to offer qualifying education must submit \$1,500 (\$1,000 periodic review fee) with their application packet.
- Public Universities and Colleges are exempt from submitting provider curriculum review fees.

Subsequent Curriculum Review Costs – If curriculum approval is not received during the initial curriculum review, additional fees will be assessed. (See CP14).

Submission of Application: The applicant must assemble and label the required components and submit it to CTEC with the appropriate non-refundable application fee (Reference: CTEC Policy CP15 – Provider Curriculum Review Expense).

Administrative Review: Once received, the packet will be logged in for date of receipt, and an initial administrative review will be performed to ensure that all required components have been included. If required components have been omitted, CTEC will notify you in writing identifying missing information. You are required to submit the requested information within 30 calendar days of the date of notification. Incomplete applications are subject to a \$250 administration fee that must be included with each corrective submission. Failure to respond within 30 calendar days will be considered to be a withdrawal of the application and any further submission by the provider will be considered a new application subject to provider fees.

Curriculum Review: Once a complete packet has been received, the materials will be sent to the curriculum reviewer. The curriculum reviewer will review the course, for compliance with CTEC standards. Course materials will not be reviewed until a complete application has been received.

Determination: The curriculum reviewer will provide to the Curriculum Provider Standards Committee a recommendation for approval or denial. If an applicant is denied, the reasons for the recommendation of denial will be submitted, in writing, to the Curriculum Provider Standards Committee. The Curriculum Provider Standards Committee will review the recommendation for appropriate action.

Once your course materials have been reviewed, you will receive written notification of the determination (approval or denial) within 60 days.

If your application is denied you may as provided in CP03, appeal the decision to the CTEC Board. Alternatively you may re-submit a new application and start the process anew.

We look forward to receiving your application. Please direct any questions you may have to Tabitha Bolkish at (877) 850-2832 or via e-mail tbolkish@ctec.org



QE PERIODIC REIVIEW PROVIDER APPLICATION

Schools seeking to be approved by the California Tax Education Council to meet the requirements of the Business and Professions Code §22250-22259 should use this form.

Please print or type all information

Name of Business _____

DBA's (if any) _____

Physical Address _____

Mailing Address _____

Phone (____) _____ **Cell** (____) _____ **Fax** (____) _____
(Cell phone# is for CTEC office use only)

Website _____

Applicant is:

- ☐ Individual ☐ Corporation (Corporation number – if applicable) _____
☐ Partnership ☐ University/College/School ☐ Non Profit Org. ☐ Government Agency
☐ Other (describe) _____

Designated CTEC Administrator _____ **Phone #** (____) _____

Administrator E-mail _____

Approval is requested to offer ☐ Qualifying Education

Approval is requested to offer (Check all that apply) ☐ Face-to-face (instructor led) Courses
☐ Self-study Courses

OWNERS/OFFICERS

Please list those responsible for the management of the applicant. If applicant is an individual, list that individual. Partnerships should list general partners. Corporations and associations should list three officers. Colleges, Universities and agencies should list their top three managers or administrators.

NAME	TITLE	PHONE #
_____	_____	(____) _____
_____	_____	(____) _____
_____	_____	(____) _____

ATTESTATION

Having been duly authorized by the provider, I hereby attest that:

1. The provider has appointed the individual listed as the CTEC administrator to that position.
2. The provider will adhere to the standards, guidelines and policies of the California Tax Education Council.
3. Should the provider fail to abide by the standards, guidelines and policies of the California Tax Education Council, CTEC may withdraw the provider's approval.

Signature

Name

Title

Date

(For Office Use Only)

_____ Date of receipt	_____ Date submitted for review	_____ Date of resubmission
_____ Complete _____ Incomplete	_____ Letter for complete/incomplete	_____ QE
_____ Check # _____ Amount	_____ Date Approved _____ Denied	_____ Face-to-face -instructor led / Self-study Courses
_____ Approved provider number	_____ IRS Approved provider number	_____ Date for periodic review

PROVIDER APPLICATION CHECKLIST

This checklist is provided to insure that applications are complete and the course material meets CTEC educational requirements. The checklist must be completed and included with each application. **Applications submitted without a completed checklist will be returned and will be subject to a \$250 administration fee that must be included with each corrective submission.**

CAUTION: If curriculum approval is not granted during the initial curriculum review, additional fees will be assessed (reference CTEC Policy CP14).

IMPORTANT

All materials required for the review **must be submitted electronically.** Materials will not be retrieved from the provider's website or other online source. Access to self-study courses, offered online, must be supplied by the provider. This access will only be used by reviewers to verify the bona fide nature of the online delivery platform. Reviewers **do not** complete all or any specific aspect of the course. If required materials and/or online access are not supplied the application will be rejected and returned. Where the word count formula is used to determine the course CE hours, the course materials must be submitted as Microsoft Word file so the word count can be verified.

A checklist is included to aid you in assembling your packet of materials for review. Please follow this checklist, to ensure that your application is complete. Incomplete applications will be subject to the provisions outlined below.

GENERAL APPLICATION CHECKLIST

- A. **Applicant certifies that they have read and understand the CTEC provider policies and this application complies with those policies.**

☐ YES

☐ NO

If NO - STOP, Do not submit this application

- B. **Application is for:**

Commentary: Separate approvals are required for qualifying education (QE) and continuing education (CE).

☐ QUALIFYING EDUCATION

- C. **Application is for** (Check one):

Commentary: Providers approved for self-study courses are also approved for face-to-face presentations. However providers approved for only face-to-face courses are NOT also approved for self-study courses. Thus a provider seeking approval for both face-to-face and self-study courses must submit a self-study course for approval.

☐ SELF-STUDY COURSE

☐ FACE TO FACE PRESENTATIONS

D. **Non-Refundable Application Review Fee Attached** (Check one):

Commentary: Providers seeking approval for QE must include an application fee of \$1,500.

The fee must be paid by check or money order with the application and made payable to the "California Tax Education Council."

Public Universities and Colleges are exempt from the application fee.

- ☐ \$1,500 - QUALIFYING EDUCATION COURSE
☐ NO FEE – PUBLIC UNIVERSITIES AND COLLEGES

CAUTION: If curriculum approval is not attained during the initial curriculum review, additional fees will be assessed (reference CTEC Policy CP14). Therefore it is incumbent upon an applicant to submit a complete and accurate application.

E. **Renewal or First Time Application** (Check as appropriate):

Commentary: Renewal of an application, where a course is a self-study course, the applicant is required to submit the provider's most popular course for the prior year.

- ☐ RENEWAL - if checked, indicate whether course is:
☐ Most popular

☐ FIRST TIME APPLICATION

COURSE DEVELOPMENT CHECKLIST

F. **Course Development Requirements**, Reference CTEC policy CP23 - Complete the following series of questions:

1. **The course content is** (Check one):

Commentary: Curriculum content is restricted to federal and California taxation. (Business & Professions Code Section 22255(b)).

- ☐ FEDERAL TAXATION
☐ CALIFORNIA TAXATION

2. **Learning Objectives** (Check one)

Commentary: Learning objectives should clearly state what level of knowledge or skill a participant is expected to achieve after completing a particular course. Course descriptions should be informative to potential participants.

- ☐ BASIC
☐ INTERMEDIATE
☐ ADVANCED
☐ UPDATE
☐ OVERVIEW

3. **Prerequisites, and advance preparation** (Answer Question)

Commentary: Prerequisites should be written in clear and precise language so that potential participants can readily ascertain whether they qualify for the course and whether the specified course level is appropriate for them.

DOES THIS COURSE CLEARLY STATE THE LEARNING OBJECTIVES?☐Yes ☐No

**IF NO, THE COURSE DOES NOT QUALIFY FOR THE CTEC CREDIT!
DO NOT SUBMIT APPLICATION.**

4. **Qualified Curriculum Provider is an:** (Check one)

Commentary: Courses must be developed and taught by individuals or teams having expertise in the subject matter. They must be a CRTP, EA, CPA, tax attorney or an individual with expertise demonstrated through practical experience.

- ☐ CRTP
- ☐ EA
- ☐ CPA
- ☐ TAX ATTORNEY
- ☐ OTHER

Attach statement including; name(s), contact information and details of qualifications and expertise in the subject matter of the course.

5. **Course Materials are:** (Answer Question)

Commentary - Curriculum providers must ensure that materials are clearly written, technically accurate, current, complete, and sufficient to meet the course's learning objectives. To meet learning objectives the instructional material, including questions, must be clearly written so as to be understood by the student to whose technical level of knowledge and experience the course is directed. This includes not only technical accuracy, but also grammatical and syntactical correctness to the extent that lack of syntactical correctness adversely affects the quality of the course such that educational objectives are compromised to a disqualifying extent.

- ☐ Yes ☐ NO THE COURSE MATERIALS ARE CLEARLY WRITTEN, TECHNICALLY ACCURATE, CURRENT, COMPLETE, AND SUFFICIENT TO MEET THE COURSE'S LEARNING OBJECTIVES. (See CP23(j)(5))

**IF NO, THE COURSE DOES NOT QUALIFY FOR CTEC CREDIT!
DO NOT SUBMIT APPLICATION.**

SELF-STUDY COURSE CHECKLIST

G. **If the Course is a Self-Study Course Complete the Following:**

1. Use of general professional literature, IRS/FTB or other government publications, or reference manuals are such as tax guides not suited to use as a tax course text. (Check one):

- ☐ YES - **course includes prohibited material**
- ☐ NO - **course does not include prohibited material**

Commentary: CTEC policy CP24 generally prohibits or limits the use of general professional literature, IRS/FTB or other government publications, or reference manuals such as tax guides as course material.

When using the word count formula (worksheet below) the word count shall not include any material from the type of publications listed above.

Submissions where the word count has not been properly adjusted shall be returned. **CAUTION: Where an attempt to disguise un-allowed text is discovered, the course shall be rejected without further review.**

If you answered Yes to question G1, clearly identify any and all quotations from such publications. Describe how publication material is identified: _____.
_____. (For example, identification methods may include highlighting with distinct colors, italics, or underlining.)

2. Method used the determine QE award hours (Check one):
Commentary: QE award hours must be based upon either pilot testing or word count formula. Reference CTEC policy CP13.

- ☐ QE AWARD BASED UPON PILOT TESTING AND NO GENERAL PROFESSIONAL LITERATURE WAS USED (See G1 above) – **complete Part I next page.** Note: When using the pilot testing method, no publication material can be included in the material as there is no way to adjust the pilot testing results for the inclusion of banned materials.
- ☐ QE HOUR AWARD BASED UPON WORD COUNT FORMULA – **Complete Part II next page.** Note the word count does not include publication material or excerpts from publications.

Part I – Pilot Test Results

If the course was purchased from a third party provider who provided the pilot course, complete the following:

Name of the third party provider: _____

Is that third party provider an approved CTEC or NASBA provider?.... ☐Yes ☐ No

Third parties CTEC or NASBA provider number: _____

If the course pilot testing was conducted by the applicant, provide the following information for each pilot test (minimum 3) on a separate document attached to this application.

- Pilot tester’s name
- Contact information including address and valid phone number
- Credential and credential number (must be CRTP, EA or CPA)
- Number of minutes taken to complete course
- A statement that the pilot tester is independent of the course developers
- QE Award based on pilot test results: _____

Part II - Word Count Formula Computation

1. Total number of words in course.....	_____
2. (a) Number of words not critical to the course.....	_____
(b) Number of words quoted (taken) from un-allowed publications (See paragraph 2 below and CP13). Identify these quotes in the course material so the reviewer can identify them. Use a highlighter or circle the un-allowed text material.	_____
3. Line 1 less the sum of Line 2(a) and 2(b).....	_____
4. Line 3 divided by 180	_____
5. Number of review questions.....	_____
6. Number of exam questions.....	_____
7. Sum of Lines 5 and 6.....	_____
8. Line 7 multiplied by 1.85.....	_____
9. Enter the duration (in minutes) of any audio/visual content included in the course...	_____
10.Total of lines 4, 8 and 9.....	_____
11.Line 10 divided by 50.....	_____
12.QE Award for class (rounded down to the nearest QE credit).....	_____

Commentary: Words not included in the word count:

1. Any and all material not critical to the achievement of the stated learning objectives for the course;
2. The words in the course introduction;
3. Instructions to the learner;
4. Author/course developer biographies;
5. Table of contents;
6. Glossary;
7. Supplementary reference materials;
8. Appendices.

1. Course meets Interactive Requirement (Check as appropriate)

Commentary: CTEC policy CP13 requires all self-study courses be interactive. Therefore, the course must include a minimum of 3 multi-choice review questions for each QE hour awarded. Questions must be placed at the end of each learning activity throughout the course at sufficient intervals to allow the learner to evaluate the material that needs to be re-studied. Multiple choice questions must have a minimum of 4 possible answers. True-false questions may be included as review questions but do not count towards the question minimum.

- ☐ COURSE INCLUDES A MINIMUM OF 3 MULTI-CHOICE REVIEW QUESTIONS FOR EACH QE AWARD HOUR AWARDED
- ☐ REVIEW QUESTIONS ARE PLACED AT THE END OF EACH LEARNING ACTIVITY THROUGHOUT THE COURSE AT SUFFICIENT INTERVALS TO ALLOW THE LEARNER TO EVALUATE THE MATERIAL THAT NEEDS TO BE RE-STUDIED?

If both boxes are not checked, STOP. This course is not suitable for CTEC approval.

2. Course meets Final Examination Requirement - (Check as appropriate)

Commentary: CTEC policy CP13 requires all self-study courses to include a minimum of 5 multi-choice final examination questions per credit hour. The questions must be relevant to the material and to meeting the learning objectives in the course. Successful completion of an interactive self-study course shall be demonstrated by completing 70% or more of the examination questions correctly.

Commentary: Providers are not permitted to provide students with answers to exam questions prior to the student successfully passing the examination. Providers may provide answers to specific missed exam questions to students that successfully passed the examination. However, a complete answer key containing all of the exam questions for the course shall never be provided to a student. (CTEC policy CP13)

- ☐ COURSE INCLUDES A MINIMUM OF 5 MULTI-CHOICE EXAM QUESTIONS FOR EACH QE AWARD HOUR AWARDED.
- ☐ THE QUESTIONS ARE RELEVANT TO THE MATERIAL AND TO MEETING THE LEARNING OBJECTIVES IN THE COURSE!
- ☐ FINAL ANSWERS TO THE EXAMINATION QUESTIONS ARE NOT PROVIDED TO STUDENTS PRIOR TO SUCCESSFULLY PASSING THE EXAMINATION.
- ☐ FINAL EXAMINATION REQUIRES A PASSING GRADE OF 70%.

If all boxes are not checked, STOP. This course is not suitable for CTEC approval.

QUALIFIED EDUCATION CHECKLIST

H. Additional Requirements That Apply to Qualified Education Courses.

1. Qualifying Education Subject Matter Guidelines-

Commentary: CTEC Policy CP23 provides curriculum guidelines for Qualifying Education including required subjects, awareness subjects and optional subject matter.

DOES THIS COURSE COMPLY WITH THE SUBJECT MATTER GUIDELINES..... ☐Yes ☐No

If no, the course does not qualify for the CTEC credit – Do not submit application.

2. Limitations on Use of Tax Return Preparation as a Part of Testing – Answer Question

Commentary: CTEC Policy CP20 limits the use of tax return preparation as a portion of the final examination.

DOES THIS COURSE COMPLY WITH CP20..... ☐Yes ☐No

If no, the course does not qualify for the CTEC credit – Do not submit application.

1. Qualified Education Additional Exam Requirements - (Check as appropriate)

Commentary: An additional requirement for interactive self-study QE courses is to include a minimum of two examination questions for every "required" subject and one examination question for each "awareness" subject listed in the Qualifying Education Guidelines (Reference CP23).

☐ THE QE COURSE EXAMINATION INCLUDES A MINIMUM OF 2 MULTI-CHOICE EXAM QUESTIONS FOR EVERY "REQUIRED" SUBJECT!

☐ QE COURSE EXAMINATION INCLUDES A MINIMUM OF 1 MULTI-CHOICE EXAM QUESTION FOR EACH "AWARENESS" SUBJECT!

If both boxes are not checked, STOP. This course is not suitable for CTEC approval.

REQUIRED MATERIALS CHECKLIST

I. The following materials must be included with the application:

1. Approved Provider Application Form –

- ☐ Complete and included in packet;
- ☐ If previously approved, changes from current approved provider list are circled;
- ☐ Physical address is in fact a physical address;
- ☐ If a corporation, state corporate number must be provided;
- ☐ CTEC Administrator name and phone number are complete
- ☐ Signature title matches those listed on application under Owners/Officers

2. Student Course Materials –

• Self-study courses –

- ☐ Include the entire course syllabus and materials.
- ☐ If the course is a packaged course that includes more than one of the required education elements (Fed Tax Subject, Federal tax Update, Ethics and California Tax Subjects) include and clearly identify the separate elements that make up the package.
- ☐ Include workbook, homework or practice problems included in the course.
- ☐ Include the final examination and answer key.

- **Face-to-face Courses** –

- ☐ If the course uses a syllabus, include it
- ☐ If used, include Power Point Presentation (printed)
- ☐ Include Instructors Guide or Lesson Plan

- **Qualifying Education Courses** –

- ☐ The course syllabus annotated to indicate where “required” and “awareness” requirements are satisfied.
- ☐ Final Exam annotated to indicate which questions are “required” and which are “awareness”

3. **Student Evaluation Form** – Include a copy of the “student evaluation” form used for this course.

The form must comply with the requirements of CTEC policy CP08 and at a minimum include the following rated from 1 to 5 with 5 being the highest.

- ☐ Were stated learning objectives met?
- ☐ Were course materials accurate and relevant, and did they contribute to the achievement of the learning objectives?
- ☐ Was the time allotted to learning adequate?
- ☐ Were the facilities/equipment appropriate?
- ☐ Were the handout materials satisfactory?
- ☐ Were the audio and video materials effective?
- ☐ If applicable, were individual instructors knowledgeable and effective?

4. **Completion Certificate** - Include a copy of the actual “completion certificate” used for this course. The form must comply with the requirements of CTEC policy CP11.

At a minimum the following information shall be included on the certificate.

- ☐ Full name of student (participant)
- ☐ Course name (If course is in federal studies, name should be the same as that used for federal.)
- ☐ CTEC course number
- ☐ Course completion date
- ☐ Provider name
- ☐ Provider address
- ☐ Signature of the administrator or instructor (dated)
- ☐ Certificate must include the breakdown of the hours (45 hours federal and 15 hours California).

5. **Provider Compliance Form**

- ☐ Form is signed and attached.

6. **Course Advertising and Promotion**

- ☐ If this is a renewal application include a sample advertisement that includes the course advertising and promotion disclosures as required by CTEC policy CE05.
- ☐ If is first time application; include a plan for informing students of the following policies.

Commentary: Providers shall inform prospective students that the California Tax Education Council has approved the provider and/or course. The Provider Name and Number listed in any disclosure must be the same name and number found on the curriculum provider approval received from the California Tax Education Council. The Course Name and Number listed in any disclosure must be the same name and number found in the CTEC Provider database.

Approved Disclosure Types: The following is a pre-approved disclosure for CTEC approved providers:

(1) Promotional disclosures - a short version for limited-space ads; a promotional disclosure need only list the course name, CTEC course number and hours of federal and state credit offered.

(2) (Provider Name) has been approved by the California Tax Education Council to offer continuing education courses that count as credit towards the annual "continuing education" requirement imposed by the State of California for CTEC Registered Tax Preparers. A listing of additional requirements to register as a tax preparer may be obtained by contacting CTEC at P.O. Box 2890, Sacramento, CA, 95812-2890, toll-free by phone at (877) 850-2832, or on the Internet at www.ctec.org.

CTEC has developed a set of policies that also include education standards that a CTEC approved course must adhere to. All providers are required to familiarize themselves with the current policies prior to submitting an application for approval. The current policies are listed and can be downloaded from the CTEC website at www.ctec.org

CURRICULUM GUIDELINES FOR CTEC-APPROVED 60 HOUR QUALIFYING EDUCATION TAX COURSES (Annotated Guidelines) QUALIFYING EDUCATION GUIDELINES

Background: Section 22255 of the California Business & Professions Code requires CTEC to issue a "certificate of completion" to the tax preparer who has completed not less than 60-hours of instruction in basic personal income tax law, theory, and practice by an approved curriculum provider within the previous 18 months. To become an approved provider of any 60-hour qualifying course, the provider must meet CTEC established guidelines. **The course must include a minimum of 45 hours of Federal and 15 hours of California State instruction.** Each course is evaluated to ensure that it adequately covers the following subjects. Providers must indicate page(s) in which topics can be located in course materials, time devoted to each topic, and (if course is a correspondence course) match each topic to examination questions.

				2016/2017
Topics				Guideline
I.	General Filing Issues			
	A.	Ethics		
		1.	General Ethics and Compliance Subjects	R
		2.	EITC Due Diligence	R
		3.	Preparer penalties	
		a.	Understatement (Negligence) - Sec 6694(a)	A
		b.	Intentional disregard of rules - Sec 6694(b)	A
	B.	Who must file a return?		R
	C.	Which form should be used?		
		1.	Various Taxes	
		a.	Income Taxes	A
		b.	Gift and Estate	O
		c.	Sales Taxes - Local	O
		d.	Property Taxes	
		1.	Real estate - County assesses	A
		2.	Personal property - such as DMV license	A
		e.	Luxury (excise) tax	O
		f.	Sin taxes - tobacco and liquor	O
		g.	Social Security on the self-employed	A
		h.	Employment taxes	
		1.	SUI	O
		2.	SDI	R
		3.	FICA - employee and employer	A
		2.	Various Forms	R

KEY TO GUIDELINES

- R - Required – Provider must include this subject matter in the course so as to prepare the student for dealing with this issue, including related situations that will be commonly encountered by CRTPs.
A - Awareness – Provider must include this subject matter in the course in such a manner (overview) that a student will recognize the issue and know to seek further guidance in dealing with it.
O - Optional – These are optional issues that CTEC would like included in the course material but are not mandatory.

	D.	Special tax provisions and penalty taxes - Awareness		
		1.	Alternative minimum tax - Sec. 55-59	A
		2.	Early withdrawal from pension or IRA - Sec. 72	R
		3.	Penalty for improper investment or excess contribution to a pension plan or IRA	O
		4.	One IRA Rollover per year	A
	E.	When are returns due?		R
	F.	Where are returns to be filed and payments made?		R
	G.	Miscellaneous filing issues		
		1.	Accounting methods - general	A
		2.	Accounting periods - general	A
		3.	Balance due returns versus refund returns	A
		4.	Electronic filing	R
		5.	Kiddie tax calculations	A
	H.	Return assembly and processing		A
	I.	Correcting mistakes - amended returns and claims for refunds		R
	J.	Penalties		
		1.	Delinquency - 5% per month - Sec. 6651(a)(1)	A
		2.	Failure to pay - 1/2% or 1/4% (post 1999) - Sec. 6651(a)(2)	A
		3.	Negligence or intentional disregard - Sec. 6662(b)(1)	A
		4.	Substantial understatement - Sec. 6662(b)(2)	A
		5.	Accuracy Related	A
		6.	Negotiation of Client's Refund Check	A
	K.	Interest on overpayment and underpayment of taxes		A
	L.	Preparer Filing Responsibilities		
		1.	Preparer Tax Identification Number (PTIN)	A
		2.	Retention of records of returns prepared	A
	M.	Amended Returns - what form and when to file		A
	II.	Filing Status		
	A.	Five Types		R
	B.	Requirements of each		R
	C.	Special situation		
		1.	Abandoned spouse	R
		2.	Divorce & Separation	R
		3.	Decedent issues	R

KEY TO GUIDELINES

R - Required – Provider must include this subject matter in the course so as to prepare the student for dealing with this issue, including related situations that will be commonly encountered by CRTPs.

A - Awareness – Provider must include this subject matter in the course in such a manner (overview) that a student will recognize the issue and know to seek further guidance in dealing with it.

O - Optional – These are optional issues that CTEC would like included in the course material but are not mandatory.

III.	Exemptions	
	A. Taxpayer related - husband and wife	R
	B. Dependency related	
	1. Requirements	
	a. Qualifying Child or Qualifying Relative Tests	R
	b. Taxpayer Not a Dependent Test	R
	c. Joint Return Test	R
	d. Citizenship Test	R
	2. Special Cases	
	a. Multiple support agreements	R
	b. Children of divorced parents	R
	3. Tie-breaker Rules	R
	C. Exemption AGI phase-out	R
IV.	Tax Payment Issues	
	A. Tax withholding	
	1. W-4's	
	a. Preparation	R
	2. W-2 issues	R
	3. Miscellaneous withholding issues	
	a. Tips	A
	b. Pension and annuity withholding	O
	c. Gambling withholding	O
	d. "Backup withholding"	O
	e. Various forms 1099	A
	f. Dependent care benefits	A
	B. Estimated Tax	
	1. Requirement to pay	R
	2. Penalty for underpayment	R
	3. Exceptions to penalty	R
	C. Payment by Credit	R

KEY TO GUIDELINES

R - Required – Provider must include this subject matter in the course so as to prepare the student for dealing with this issue, including related situations that will be commonly encountered by CRTPs.

A - Awareness – Provider must include this subject matter in the course in such a manner (overview) that a student will recognize the issue and know to seek further guidance in dealing with it.

O - Optional – These are optional issues that CTEC would like included in the course material but are not mandatory.

V.	Income			
	A.	Wages, salaries, tips, bonuses, fringe benefits, fees, unemployment benefits and other compensation		
		1.	Taxable types of - see list in A above	R
		2.	Non-taxable sources of compensation	
		a.	Pension and annuity exclusion rule	A
		b.	Amounts received for the services of a child are taxable to the child	O
		c.	Group term life insurance provided by employer	A
		d.	Qualifying moving expenses reimbursement from employer	A
		e.	Qualified stock options	O
		f.	Compensation for sickness or injury	
		1.	Sick pay and medical expense reimbursement	R
		2.	Medical insurance premiums paid by employer	R
		3.	Disability insurance premiums paid by employer	R
		4.	Worker compensation	R
		g.	Special rule for clergy	A
		h.	Certain meals and lodging provided by employer	A
		i.	Cafeteria employee benefit plans (briefly what type of coverage they are)	A
		j.	Education assistance program provided by an employer	A
		k.	Dependent (child) care assistance from employer, nursery or baby-sitting	A
		l.	Certain employee fringe benefits	A
		1.	Working condition fringe such as company car	A
		2.	Employee purchase discounts	A
		3.	No additional cost fringe such as free travel for airline employees	A
		4.	Transportation fringes such as free parking, van pool and bus pass	A
		5.	De minimis fringes such as company party or free coffee	A
		m.	Community Property issues (MFS)	A
	B.	Interest Income		
		1.	Taxable types such as savings accounts, Treasury bonds, interest from loans made to others, etc.	R
		2.	Non taxable types - Municipal bonds	R

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		3.	When to report interest	
		a.	Cash method and constructive receipt issues	A
		b.	Bonds issued at a discount	A
		4.	How to report interest on the return - Form 1040,1040A,1040EZ	R
	C.	Dividends		
		1.	Fully taxable ordinary income distributions	R
		2.	Capital gain distributions	R
		3.	Nontaxable distributions	R
		4.	Other distributions such as for a mutual fund	R
		5.	How to report dividends on the return	R
	D.	1099R Income and Social Security benefits		R
	E.	Rental income and expenses		A
		1.	Income	
		a.	Advance rent	A
		b.	Deposits	A
		c.	Payment of expenses by tenant	A
		2.	Expenses	
		a.	Repairs and maintenance	A
		b.	Travel and transportation and record keeping requirements	A
		3.	Vacation rental rules	A
	F.	Schedule C - Self-employed trade or business		
		1.	Gross receipts	R
		2.	Cost of goods sold calculation and inventory considerations	R
		3.	Business expenses	
		a.	Requirements to be met for the common expenses	R
		b.	Special requirements for:	
		1.	Use of home as an office or for storage, etc.	R
		2.	Record keeping for business auto use, home computers, cellular telephones, etc.	R
		3.	Travel and entertainment	R
		4.	Health insurance premiums	R
		4.	Self-employment tax issues	
		a.	When to pay	R
		b.	How to calculate	R

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	G.	Farm income - Schedule F - basics			O
	H.	Hobby Rules			A
	I.	Passive activity rules			O
	J.	Miscellaneous income sources and issues			
			1.	Royalties	O
			2.	Bartering	O
			3.	Paying back items previously taxed	O
			4.	Recoveries of items previously deducted such as state tax refunds	R
			5.	Income from partnerships, trusts, estates and S corporations; K-1 issues	O
			6.	Independent contractor versus employee issue	
			a.	Nature of the issue (criteria to determine)	A
			b.	What forms to use if employee gets a Form 1099 instead of a Form W-2	A
VI.	Exclusions - other than work related (see V.a.ii. above)				
	A.	Sale of personal residence exclusion (see VII.C.1 below)			R
	B.	Scholarships and fellowships			A
	C.	Certain debt discharges such as bankruptcy			A
	D.	Gifts and inheritances			A
	E.	Miscellaneous nontaxable items such as veterans benefits and child support payments and welfare benefits			R
VII.	Divorce and Property Settlement Issues				
	A.	Alimony			A
	B.	Property settlement			A
	C.	Child support payments			A
VIII.	Gains and Losses - sale or other dispositions of property				
	A.	Calculating the sale price			A
	B.	Determining the adjusted basis			
			1.	Original basis such as cost	A
			2.	Gifts and inheritances	A
			3.	Adjustments to basis for such things as depreciation and additions and carryover basis issues	A
	C.	Non-taxable transactions			
			1.	Sale of residence exclusion (see VI.A. above)	R
			2.	Like-kind exchanges	O
			3.	Casualties and other involuntary conversions	O
			4.	Corporate stock for stock transactions (basic rules)	O

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	D.	Installment sales rules			A
	E.	Capital gains and losses			
			1.	Capital Asset defined	R
			2.	Holding period requirements	
			a.	General - 12 months	R
			b.	Over five years if sold after 1/1/2001	O
			3.	Recapture of depreciation taxed at 25%	O
			4.	Sale of collectibles	O
			5.	Schedule D - computation rules reviewed	
			a.	Capital gain distributions only	R

IX.	Adjustments to Income				
	A.	Individual Retirement Accounts (IRA's)			
			1.	Regular IRA	R
			2.	Roth IRA (qualification conversion and theory)	R
			3.	Education IRA	O
			4.	Spousal IRA	R
			5.	Simple IRA	A
	B.	Contributions to HR-10 self-employment plan (basic)			O
	C.	Alimony paid to spouse or former spouse			R
	D.	Reimbursed employee business expenses			A
	E.	Moving expenses			R
	F.	Interest on student loans			R
	G.	Miscellaneous			
			1.	Penalty for premature withdrawal from savings account	O
			2.	Jury pay turned over to employer	O
			3.	Repayments of amounts previously taxed	O
X.	Depreciation				R
XI.	Itemized Deductions				
	A.	Standard Deduction			
			1.	General Rule	R
			2.	Taxpayer claimed as a dependent by another	R
			3.	Special rule for blind and/or over 65	R
			4.	Special rule for those married filing separately	R

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	B.	Itemized Deductions		
		1.	Qualified residence interest	R
		2.	Investment interest expense to the extent of net investment income	A
		3.	Real estate taxes	R
		4.	Foreign, state and local income taxes	R
		5.	Personal property tax such as part of the DMV charges	R
		6.	Medical expenses	R
		7.	Charitable contributions	R
		8.	Casualty losses	R
		9.	Wagering losses to the extent of wagering winnings	R
		10.	Miscellaneous itemized	
		a.	Unreimbursed employee business expenses such as union dues, uniforms, education, etc.	R
		b.	Investment related expenses	R
		c.	Losses not deductible above the line	R
		d.	2% AGI limitation	R
	C.	Itemized deduction phase-out - limit on itemized deductions		
		1.	Which deductions are effective	R
		2.	Calculations illustrated	A
XII.	Credits			
	A.	Child tax credit for children under 17		R
	B.	Child care and disabled dependent care credit		R
	C.	Credit for the elderly and disabled		O
	D.	Foreign tax credit		A
	E.	Earned income credit (including non-earned income and compliance)		R
	F.	Off road use of fuels credit		O
	G.	Overpayment of FICA credit		R
	H.	Education credits		
		1.	Hope credit	A
		2.	Lifetime learning credit	A
		3.	Recapture of education credits	A
	I.	Adoption credit		A
	J.	Mortgage interest credit		A
	K.	Residential Energy Credit		O
	L.	Retirement Savings Contribution Credit		O

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XIII. State of California Concerns (can be integrated into the material covering each topic)				
	A.	Residency requirements		
		1.	9 month & 6 month rule	R
		2.	Out of state under employment contract	R
		3.	Factors for determining residency	R
	B.	Filing Requirements		
		1.	Gross Income & CA AGI	
		a.	Gross profit & gross receipts (business, rental & stock sales)	R
		2.	Business Licenses	A
		3.	Moves out of state	R
	C.	Community Property		
		1.	When the law of community property begins & ends	R
		2.	Income subject to the law of community property	R
		3.	Commingled property	R
		4.	Effectiveness of pre-nuptial agreement	R
		5.	Application to Registered Domestic Partners	R
	D.	Filing Status Differences Between State and Federal		
		1.	Registered Domestic Partners	R
		2.	Military Spouse Issues	A
		3.	Nonresident spouse with no California source income	A
		4.	Common law marriages	A
	E.	Standard Deduction		
	F.	Personal exemption credit		
	G.	Dependents		
		1.	Filing Requirements	R
		2.	Kiddie Tax non-conformity	A
		3.	FTB Form 3800 & filing requirements	A
	H.	California adjustments - Conformity issues		
		1.	Unemployment benefits / Paid Family Leave	R
		2.	California lottery winnings	A
		3.	Interest on US Govt Securities	R
		4.	California Municipal bond earnings	R

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		5.	California state income tax refund	R
		6.	Social Security income	R
		7.	Railroad retirement tiers I & II	A
		8.	Mortgage interest credit - CA does not have	A
		9.	Discharged Personal Residence Mortgage Forgiveness	A
		10.	Miscellaneous income / Reward from a Crime Hotline	A
		11.	Out of state & CA returns have significant difference between States	A
	I.	Itemized deductions		
		1.	Itemizing on federal, not California	R
		2.	Investment interest adjustments	O
		3.	State withholding taxes	R
		4.	Prior year state balance due	R
	J.	Other conformity issues		
		1.	Health Savings Accounts	A
		2.	AMT	
			a. Tax Rates	A
			b. Exemption for small business	A
		3.	California qualified stock options	O
		4.	Employer provided transportation benefits - California differences	A
		5.	Expenses	
			a. Entertainment expenses (club dues)	R
			b. Expense disallowance for substandard housing	A
			c. Family support payments	R
		6.	Losses	
			a. Net operating losses	O
			b. Casualty & theft losses	A
			c. Passive activity losses (no qualified real estate investor rule)	A
	K.	IRA differences		
		1.	Differences in basis	R
		2.	Difference in phase out (starting in 2007)	R
	L.	Sales and exchanges		
		1.	Capital gains tax rate	R
		2.	Withholding on sales of real property	R
		3.	Carryover of unused losses	R

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M.	Credits		
		1. Joint custody Head of Household	A
		2. Credit for employer child & dependent care expenses	A
		3. Child & Dependent Care Expenses credit	R
		4. Qualified senior head of household cost	O
		5. Land conservation credit	O
		6. Excess state disability insurance	R
		7. Adoption credit	A
		8. Credit for taxes paid to other states	A
		9. Renters credit	R
		10. Other miscellaneous credits	O
		11. EIC	R
N.	Estimated taxes		
		1. Percentage of current year & prior year as base for estimated payment	A
O.	Penalties		
		1. Demand penalty	A
		2. Late filing & payment penalties	R
P.	Statute of Limitations		
		1. Automatic	A
		2. Statute on assessment of refunds	A
		3. Statute on final federal determinations	A
Q.	Non-resident issues		
		1. Sourcing payments for	
		a. Covenant not to compete	O
		b. Stock options	O
		c. Pensions (moving into and out of state)	R
		d. Installment sales	O
		e. Like kind exchanges	O
		f. Income from a trade or business	R
		2. Sourcing deductions for nonresidents	
		a. Alimony deduction	O
		b. Net operating losses	O
		c. Passive activity losses	O
		d. Part year resident	R
		3. Service members	
		a. Non-California domicile stationed in California	R
		b. California-domiciled stationed outside state	R

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	R.	Signature requirements		
		1.	Power of attorney procedures	A
XIV.	Special Topics			
	A.	Sales and use tax collection - internet transactions taxable to California		R
	B.	Independent contractor issues		
		1.	EDD common law test	O
		2.	No section 530 relief like federal	O
		3.	Unique statutory employees and non-employees	O
		4.	Independent Contractor Reporting Requirements	O
	C.	Voluntary contributions to various funds		R
	E.	California depreciation rules		
		1.	When a form 3885A is and is not required	A
		2.	Changing depreciation methods	O
		3.	MACRS differences	A
		4.	ACRS sometimes shows up on state but not on federal	A
	F.	ACA	1.	All applicable Forms
	G.	CAP & Repair		A

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Provider Compliance Form

In an effort to assist individuals in finding and identifying approved courses presented by approved providers, providers must agree to the following standards.

Provider agrees to the following:

1. We will use only pre-approved CTEC disclosures as directed in policies QE02 (Advertising Disclosures – Qualifying Education), CE05 (Advertising Disclosures – Continuing Education) & CE06 (Continuing Education Course Disclosures).
2. We will meet the Course Presentation standard # 2 by distributing stated information to all students prior to registration.
3. We will submit education electronically to CTEC within 30 calendars days between January 16 and June 30 and within 10 business days for any other period within the calendar year in which the student completes the course as outlined in policy CP06 (Provider Reporting Requirement).
4. We will evaluate courses as outlined in policy CP08 (Student Course Evaluations) with an evaluation form or some other means, of which will be disclosed to CTEC.
5. We will distribute a certificate of completion to all successful graduates. This certificate will include the required information identified in policy CP11 (Completion Certificate) and noted in Provider Reporting #1. (Providers should set up an online reporting timetable with students. For example: Students will be reported online within 10 business days.)
6. We will designate a CTEC Administrator who will represent our institution with CTEC and will inform CTEC of any changes as outlined in policy CP12 (Provider CTEC Administrator/On-Site Coordinator).
7. We will only offer courses for which we are approved. We will obtain necessary approval for any new course offering such as distance learning or interactive.
8. Provider acknowledges to agree and abide by CTEC policy CP32 – Course Update Guidelines.
9. We understand that it is our responsibility to maintain an understanding of all CTEC policies that pertain to providers.

Provider acknowledges following:

10. We have read and will abide by the entire provider policies included on the CTEC website.
11. More specifically, for self-study courses, we are aware of the requirements:
 - Pertaining to use of government and general publications (Policy CP24)
 - That CE credits are determined by either using the word formula or pilot testing methods (Policy CP13).
 - For interactive review questions (Policy CP13)
 - That the course material, exam and review questions cannot be over-simplistic, confusing or simplistic and must be technically correct and current. In addition, the review and exam questions cannot be look-up type questions. (Policy CP23)
12. The California Business & Professions Code requires that all California Registered Tax Preparers complete a 60 hour qualifying course and 20 hours of annual continuing education. We understand that courses developed in an attempt to circumvent those requirements and award inflated CE credits can lead to a loss of provider status.

Signature

Name (Print)

Title

Date

SAMPLE STUDENT COURSE EVALUATION FORM

[CE Provider Name]
[IRS-issued Course Number] [CTEC-issued Course Number]
[Course Name]

Instructions: Please comment on all of the following evaluation points for this course and circle a number grade, using a 1-5 scale, with 5 being the highest.

Were the stated learning objectives met?.....	5	4	3	2	1
Were the course materials accurate and relevant, and did they contribute to the achievement of the learning objectives?.....	5	4	3	2	1
Was the time allocated to learning adequate?.....	5	4	3	2	1
Were the facilities/equipment appropriate (if applicable)?.....	5	4	3	2	1
Was the course syllabus or handout materials satisfactory?.....	5	4	3	2	1
Were the audio and visual materials effective?.....	5	4	3	2	1
If applicable, were individual instructors knowledgeable and effective?					
Instructor (enter name)	5	4	3	2	1
Instructor (enter name)	5	4	3	2	1

Number hours to complete the course (*Self-study only*).....

Part of the course you found **most** beneficial: _____

Part of the course you found **least** beneficial: _____

Additional comments: _____

At the conclusion of the course would you like us to contact you about your comments?
☐ YES ☐ NO

Name: _____ Phone: _____

Please turn in at the conclusion of the course.

(Sample Certificate)

DO NOT SUBMIT THIS
Use this as a template to create your own certificate.

California Tax Education Council
(Replace with your school name)

Presents to:

(Insert student name)

For Completion of Basic Income Tax Course
(45-hours Federal & 15-hours State)

CTEC Course Number: 0000-QE-0001

Completion Date

Instructor

Sample Letter to your students:

IMPORTANT – CTEC REGISTRATION REQUIREMENTS

Caution - Just because you successfully completed the 60-hours qualifying education course does not permit you to prepare tax returns in the state of California. You must also complete the registration process with the California Tax Education Council (CTEC). **Carefully read the instructions below to complete that process.**

All CTEC Registered Tax Preparers (CRTP) must...

1. First complete 60-hours (45 hours federal and 15 hours state) of qualifying tax education from a CTEC Approved Provider
2. Obtain a PTIN (Preparer Tax Identification Number) from the IRS
3. Purchase a \$5,000 tax preparer bond
4. Register with CTEC within 18 months from the completion date on the certificate of completion
5. Registration Fee with CTEC \$33

If you register as a new preparer before November 1 – you are registering for the cycle year ending on October 31 of that year. **Example:** If you register as a new preparer on October 15, 2017, that registration is only valid thru October 31, 2017. You would be required to take 20-hours (10 hours of federal tax law, 3 hours of federal tax update, 2 hours of ethics and 5 hours of state) of continuing education sometime between October 15, 2017 and October 31, 2017 to renew your registration for the next registration cycle.

If you register as a new preparer after October 31 –you are registering for the next cycle year beginning November 1 of the current year and ending on October 31 of next year. **Example:** If you register as a new preparer on November 2, 2017, your registration is valid thru October 31, 2018. From November 2, 2017 thru October 31, 2018, you will be required to take 20 hours of continuing education from a CTEC approved provider in order to meet the renewal requirements for the next registration cycle, which will begin on November 1, 2018.

Always remember, CTEC's year begins on November 1 and ends on October 31 of the following year.

CTEC registrations MUST be completed online at <https://www.ctec.org/Preparer/>. You will need the following to complete your registration: your social security number (SSN), proof that you have a \$5,000 tax preparer bond, your IRS PTIN number, and payment of the registration fee with a Visa, Master Card or Debit card.

Here are some important registration issues to remember:

1. The CTEC fiscal year registration period runs from November 1 to October 31 of the following year.
2. After your initial registration, you must complete 20 hours of continuing education annually from a CTEC approved provider and renew your registration with CTEC by October 31st each year.
3. There is a late renewal period that runs from November 1st through January 15th of the following year. If you renew during that time period, a late registration fee will apply.
4. If you fail to renew by January 15th of any given year, your registration will expire and you will be required to retake the 60-hours of qualifying education course and register as a new preparer.