

Curriculum Provider Standards Committee

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PROVIDER TASK FORCE MEETING

**On May 18, 2011, twenty six education providers attended this year's
Provider Task Force meeting in Sacramento, CA.**

IRS Regulations

Amy Smith, Senior Stakeholder Liaison and Relationship Manager for CTEC, attended the Provider Task Force meeting and presented the following information:

• Return Preparer Requirement Updates:

The Internal Revenue Service has selected Prometric, Inc. as the vendor to administer a competency test for certain paid tax return preparers. The IRS has also selected Daon Trusted Identity Services as the vendor to offer fingerprinting services. An IRS live Webinar was presented in March on Requirements for Federal Tax Return Preparers. The program included current information on early program accomplishments, Preparer Tax Identification Number (PTIN) guidelines, plans for upcoming competency testing and continuing education, background checks and electronic filing requirements.

PTINs will be required for all preparers. It was announced on that webinar that there will be one competency test instead of two as previously reported. As of the end of April, over 700,000 PTINs have been issued with over 85,000 in the state of California. Dave Williams also mentioned that providers that are currently approved with OPR were granted an extension to the end of December. Also, a new tutorial page at www.irs.gov/ptin has been created. It includes two new videos: “Create a PTIN Account” and “Complete a PTIN Application”. [Return Preparer Requirements](#) or keyword: PTIN.

Circular 230 will apply to all paid return preparers, not just attorneys, CPAs and enrolled agents.

• Preparer e-File Mandate

Legislation passed in late 2009 requires electronic filing for certain return preparers beginning January 1, 2011. The new requirement applies as follows:

- Tax return preparers (or firms) who file **100 or more** individual or trust returns in **2011** are required to e-file.
- Tax return preparers (or firms) who file **11 or more** individual or trust returns in **2012** will be required to e-file.

There are various exceptions to this requirement. Form 8944, Preparer e-file Hardship Waiver Request, and Form 8948, Preparer Explanation for Not Filing Electronically, have been developed and are available on IRS.gov.

IRS will require competency tests for all paid tax return preparers except: attorneys, certified public accounts (CPAs), enrolled agents who are active and in good standing with their respective licensing agencies and preparers who do not prepare any Form 1040 series returns.

Existing preparers have until 12/31/2013 to meet the competency testing requirement.

• Continuing Education

The IRS will require all nonexempt tax preparers (including CRTPs) to complete 15 hours of continuing education annually — three hours will cover federal tax law updates, two hours will cover ethics, and ten hours will cover general federal tax law topics.

Celeste Heritage informed providers that language was put in CA SB 944 to conform CTEC hours from 12 hours federal, 4 hours state, 2 hours ethics and 2 hours either federal or state to the federal 15 hour requirement. Under this new provision of the law, CTEC will continue to require 20 hours of CE; however, the breakdown will be 15 hours of federal and 5 hours of state education starting January 1, 2012.

Because the new federal CE hours are scheduled to take effect after the start of the next CTEC registration cycle, CTEC will accept courses completed on or after November 1, 2011 to count toward the next renewal cycle. The above changes are set to take effect starting the 2012/2013 CTEC registration cycle.

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IMPORTANT !!!

Provider Task Force meeting attendance required for all providers.

In an effort to keep approved providers informed regarding important CTEC issues, the Curriculum Provider Standards Committee initiated the Provider Task Force Meeting, an annual event, usually occurring in May in Sacramento, CA.

The purpose of the Provider Task Force Meeting is to keep approved providers informed regarding issues impacting CTEC educational requirements, computer technology and updated CTEC policies and procedures. The meeting also provides a forum for providers to discuss issues and concerns they may have regarding the program.

Since the Task Force Meeting was initiated, providers have attended on a voluntary basis. However, **beginning January 1, 2012**, the following policies will take effect regarding both new providers and currently approved providers:

1. New providers will be required to attend a provider orientation session within the first year of their approval. This orientation session will occur Wednesday morning prior to CTEC's May and November board meetings. If these dates are not available for a new provider, an individual orientation session can be scheduled in Sacramento. Travel expenses to this session will be paid by the provider.
2. For all currently approved providers, they will be required to attend a Provider Task Force meeting once every three years beginning January 1, 2012. Travel expenses to these meetings will be paid by the provider.

Failure to meet either one of the above requirements will result in the loss of a provider's **"approval"** status.

Review of Curriculum Provider Policies

Tabitha Bolkish reviewed the following curriculum provider policies at the May Provider Task Force Meeting:

- **Policy CP06-01 — Provider Reporting Requirements**

Provider reporting requirements were revised and approved at CTEC's November 2010 board meeting. CTEC will no longer use classes and the computer, not the provider, will create course numbers.

On-line Reporting to CTEC — Beginning January 1, 2010, all Providers are **required** to report student education electronically to CTEC within 45 days of the date the student completes the course.

- **Policy CP11-01 — Completion Certificate**

Providers are **required** to give paper certificates to all students who successfully complete the course. As you print your course completion certificates, remember the following items **MUST** be included on the certificate:

- Provider Name
- CTEC Course Number
- Course Completion Date
- Student Name
- Signature of the administrator or instructor
- Number of hours earned, broken down and identified by Federal, California and Ethics hours.

- **Policy CP13 — Distance learning courses**

Providers attending the last Task Force meeting had questions regarding revised policy CP13; specifically, the issue of providing answers to examination questions. CP13 stated that answers to examination questions shall never be supplied to students even after successful completion of a course. Providers suggested that at the very least they should be allowed to provide their students with feedback regarding the examination questions missed. At the November 2010 board meeting, CP13 was revised and approved as follows: **Answers may be provided to the extent such answers are part of the feedback process required of interactive courses.**

- **Policy CP23—Qualifying Education Guidelines**

It was agreed that the QE Guidelines should be considered a "living" document that would undergo changes due to ever changing tax law. CTEC urges providers to review the Qualifying Education Guidelines and submit suggestions or concerns regarding the revised QE Guidelines to CTEC.

Provider Summary Report

As of May 2011, there are 128 CTEC approved providers; 84 providers offer Qualifying Education and, 111 providers offer Continuing Education.

Did you know?

From August 1, 2010 to May 5, 2011 CTEC has registered 43,410 CRTPs

Total Renewals: 35,049

Total New: 8,361

On-line: 35,941

NEW — CTEC Revamps Certificates

As of August 1, 2011, CTEC will stop automatically sending certificates, window stickers, logo slicks and public brochures in a renewal packet each year. Instead, CTEC registered tax preparers (CRTPs) who renew on-line can now download the certificate right after their registration has been completed.

CRTPs who still want CTEC brochures or window stickers can order copies either on-line by going to www.ctec.org under CTEC On-line ordering — Product Order Form, or complete the product form available from the CTEC website and mail to CTEC with the cost for shipping. Renewing preparers will receive a computer generated certificate. If a preparer wishes to receive an embossed certificate, they can order it on-line or by mail for \$10. If ordering by mail, a cashier's check or money order is required.

New preparers will still receive a one-time only statement of completion, window sticker, logo slick and public brochure at no charge by mail after initial registration is complete.

On-line Registration required

On-line registration will be required beginning August 1, 2012 for 2012/2013 registration cycle year. Paper applications will be accepted only on a case-by-case basis. Mail in registrations will no longer be accepted after August 1, 2012.

CRTP Vacancy

CTEC is looking for a qualified CTEC Registered Tax Preparer (CRTP) to serve on the board of directors. Interested applicants must be a CRTP for at least two years and cannot have another tax preparer designation (i.e. CPA, attorney or enrolled agent). As a CRTP director you will be required to serve at least 130 volunteer hours each year, attend at least two board meetings each year, plus be available for conference calls from time to time.

For more information about the position and its requirements, visit www.ctec.org and download the "CTEC Director Opening" application located at the bottom of the homepage.

CRTPs can fax the application to (877) 851-2832 or e-mail it to info@ctec.org. The application deadline is September 1, 2011.



How to Contact CTEC

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 E-mail: info@ctec.org

Mark Your Calendar!

The next Curriculum Provider Task Force meeting is scheduled for May 17, 2012 in Sacramento, CA.

The next CTEC board and committee meetings are scheduled for November 17-18 in Santa Barbara, CA

Details on meeting locations will be posted on our website as information becomes available. Agendas are posted on the website one week prior to the board meeting.

CTEC board minutes are now available online by going to www.ctec.org under CTEC Board — Board Minutes

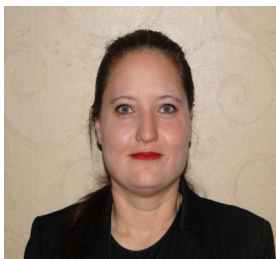
CTEC MISSION STATEMENT

“The California Tax Education Council (CTEC) will continue to establish professional tax education standards, approve tax education providers who comply with these standards and facilitate tax preparer compliance for the benefit of California taxpayers”

CTEC Products

- * Logo Slicks
- * CRTP mailing list
- * 20" x 26" color CTEC poster
- * CTEC Brochures - *How do I become a CRTP?*
 - *Choosing Your Professional Tax Preparer (English and Spanish)*
- * CTEC 2009-2010 Annual Reports are available now either online or by mail. Call CTEC toll free 1-877-850-CTEC (8232) to request a free copy.

Welcome Our New CTEC Board Members



Sandi Perry-Rees was appointed by the California Society of Accounting and Tax Professionals (CSATP). She has been a partner with Perry & Perry Associates since 2004, a tax and business services company.

Sandi is also an active member with the National Society of Accountants (NSA). Before getting into the tax business, Sandi spent 14 years in the U.S. Army as a Combat and Flight Medic. She also worked intelligence while serving in Iraq. Her highest rank held was as a Staff Sergeant.

In her spare time she enjoys volunteering at a local animal shelter. Sandi lives in Hayward with her husband, three cats and two dogs.



Randy Warshawsky was appointed by the Mission Society of Enrolled Agents. Randy is an enrolled agent and has owned a private tax practice since 1986.

Randy specializes in individual tax and bookkeeping services, estates, trusts, partnerships and corporations. In addition to tax preparation and bookkeeping, Randy also does payroll, audits and business development.

In 2005, he received the Enrolled Agent of the Year Award from the Mission Society of Enrolled Agents. When he isn't helping clients, Randy is a certified instructor to teach tax preparation courses. Randy lives in San Jose where he is a very active member of his local community. He is married with three children and has one grandchild.