



THE PROVIDER



Curriculum Provider Standards Committee

Paul Latter—Committee Chair
H & R Block Tax Service, Inc.

Margaret “Margo” Dunn, Vice Chair
National Association of Enrolled Agents

Karen De Vaney
CA Society of Tax Consultants, Inc.

Aaron Gray
CRTP—Long Beach, CA

Tim Henry
Jackson Hewitt Tax Services

Jennifer MacMillan
California Society of Enrolled Agents

Lila Perry
National Society of Accountants

Heather Smith
Liberty Tax Service

Additional CTEC Directors

C. Lester Crawford, CTEC Chair
CRTP—Los Angeles, CA

John Bishop
CRTP—Oakland, CA

Mary Beth LaMunyon-Jones
CRTP—Hanford, CA

Sandy Perry-Rees
CA Society of Accounting & Tax Professionals

Susan M. Ring
CRTP—Palm Desert, CA

Jill Senso
Nat'l Assn. of Tax Professionals

Walter Thomas
East Bay Assn. of Enrolled Agents

Randy Warshawsky
Mission Society of Enrolled Agents

RECAP OF PROVIDER TASK FORCE MEETING

On May 16, 2012, fifty seven education providers attended this year's Provider Task Force meeting in Sacramento, CA.



Dave Williams, IRS Director of the Return Preparer Office (RPO), described how the RPO was established and gave a presentation that included the following:

- **IRS accomplishments:** IRS established an oversight program infrastructure
- **Tax Practitioners – Who are they?**
- **Rules for tax practitioners vary depending on their credentials**
- **Continuing Education Program Overview and Changes in IRS CE Program Oversight**
- **Who is Eligible to Become a Provider?**
- **Applying to Become a Provider**
- **IRS Approved Providers**
- **IRS Approved Provider Requirements**
- **What's on the plate for 2012**

The new IRS continuing education requirements for nonexempt tax preparers were effective January 1, 2012. This means any tax preparer who is not an attorney, certified public accountant (CPA) or enrolled agent (EA) must complete 15 hours of federal continuing education annually. CRTPs are not exempt from any of the new IRS requirements.

The 15 hour annual requirement consists of 10 hours of federal tax law topics, three hours of tax law updates and two hours of ethics and/or professional conduct. CRTPs must obtain the courses from IRS/CTEC approved providers.

Despite the change to conform to federal regulations, please remember CTEC and IRS still have different requirements and deadlines for CRTPs.

CTEC requirements for CRTPs are not going away. **CRTPs must comply with both CTEC and IRS requirements from this point forward.**

Inside this issue:

CTEC—New Requirements	2
CTEC New and Revised Policies	3
Provider Summary	4
IRS Standards for CE Providers	5
CRTP Vacancy / New CTEC Directors	6

NEW REQUIREMENT!

CTEC registration must be renewed ONLINE!

Effective August 1, 2012, CTEC Registered Tax Preparers (CRTPs) are now required to renew their registration online at www.ctec.org. Applications will no longer be accepted by mail. CTEC will consider exceptions to this new requirement on a case-by-case basis.

IMPORTANT – California Revenue & Taxation Code Section 19167 states that failure to register as a tax preparer with CTEC (as outlined in California and Business Professions Code Section 22253.2) may result in penalties up to \$5,000.

CRTPs who fail to renew by the October 31, 2012 deadline will be required to pay a **\$55 late fee**.

Starting November 1, 2012, CRTPs who do not renew their registration by January 15, 2013, and each year thereafter, will have to *re-take* the 60-hour qualifying education course, pass a competency exam given by an approved education provider and register as a *new* CRTP. The new policy will shorten the grace period from 12 months to 10 weeks.

California Senate Bill 944 took effect January 1, 2012 to change CTEC continuing education requirements from 12 hours federal, 4 hours state, 2 hours ethics, plus 2 hours federal and/or state to 15 hours federal and 5 hours state.

The new CTEC and IRS federal continuing education hours are:

- 10 hours of federal tax law
- 3 hours of federal tax update
- 2 hours of ethics
- 5 hours of state

To renew online, CRTPs will need:

- To go to CTEC's home page, www.ctec.org and click on Preparer Registration and Personal Account
- To enter the last six (6) digits of their Social Security number and their last name
- 20 hours of completed continuing education that has already been uploaded into the CTEC database
- A valid IRS Preparer Tax Identification Number (PTIN)
- A current \$5,000 surety bond
- A Visa or MasterCard to pay the registration fee

Education providers are responsible for reporting all student hours to CTEC within 45 days from the date the course was completed.

If an individual takes a continuing education course before registering with CTEC, those CE hours **cannot** be used toward the annual CE requirement. CE courses must be taken after an initial CTEC registration. Providers need to be sure that individuals signing up to comply with CTEC's annual CE requirements are currently CTEC registered and have a **valid** CTEC ID number.

Each year CTEC receives thousands of calls from new and renewing CRTPs, and each year the questions remain the same. As we move into the 2012/2013 renewal cycle, here are some tips to pass onto your students:

- Courses are offered year round — many CRTPs think classes don't begin until August.
- Completing continuing education before the October 31st deadline, but not registering until after the deadline, does not exempt a CRTP from paying a late fee. All renewal registrations received after October 31st must pay the late fee.
- When a provider tells students that they will send the student information to CTEC after completion of a course, please make it clear that you are reporting their hours to CTEC so they can complete the online application form themselves, and that you are not registering them.

CTEC New and Revised Policies

With the implementation of the new IRS requirements, CRTPs have to meet both IRS and CTEC education requirements. Therefore, CTEC approved courses must meet the requirements of both the IRS and CTEC. To achieve that requirement, CTEC has substantially reviewed and revised its policies pertaining to Continuing Education.

For providers that offer Continuing Education courses that do not comply with the new requirements, those courses must be revised by **October 31, 2012**.

Also, please make sure you update your courses in the CTEC database to reflect **15 hours federal (10 hours of federal tax law, 3 hours of federal update and 2 hours of ethics) and 5 hours state**. We understand the magnitude of the task since most providers offer so many courses; however, it is essential that courses taken from CTEC approved providers comply with the new standards.

Curriculum providers must be qualified in the subject matter and be knowledgeable in instructional design and delivery. Programs must be developed and taught by individuals or teams having expertise in the subject matter. They must be a CRTP, RTRP, EA, CPA, attorney or an individual with expertise demonstrated through practical experience.

Program developers and/or instructors may obtain a maximum of **4 hours of federal** continuing education credits and **1 hour of California** continuing education credit in the performance of their duties. Reference: CTEC Policy CE07 (Alternative CE Credit).

The instructor is a key ingredient in the learning process in any group course. Therefore, it is important that curriculum providers exercise great care in selecting qualified instructors for each course. Qualified instructors are those who are not only knowledgeable but also capable – through background, training, education, or experience – of communicating effectively and providing an environment conducive to learning. They should be competent teachers, current in the subject matter, skilled in the use of the appropriate instructional methods, and prepared. Curriculum providers should evaluate the instructor's performance as appropriate to determine the instructor's continued suitability to instruct. Use of student course evaluations is recommended for this purpose.

LIMITATIONS ON THE USE OF FEDERAL & STATE PUBLICATIONS

Prior to 2012, CTEC policy permitted the use of IRS and FTB publications in place of a student text for CE courses. The new IRS requirements limit the use of IRS and FTB publications to supplemental reference material only. CTEC has conformed to this new requirement.

CE providers of self-study courses must utilize materials specifically developed for instructional use and employ learning methodologies that clearly define learning objectives, guide participants through the learning process, and provide evidence of a participants satisfactory completion of a course.

Self-study courses requiring only the reading of general professional literature, IRS publications, or reference manuals, even if followed by a test, are not acceptable. However, the use of IRS publications/reference materials as supplemental reference to other instructional materials is allowed.

ALLOCATION OF CE HOURS

A course that qualifies as federal taxation or federal tax updates by the IRS will be considered federal continuing education hours by CTEC.

This policy was specifically established by the CTEC board to prevent providers from providing a different CE allocation for CTEC credit than they do for federal purposes.

Example: A provider offers an 8 hour federally approved CE course which provides 8 hours of federal credit for Registered Tax Return Preparers (RTRPs) and Enrolled Agents (EAs). The provider cannot then award 6 hours of federal credit and 2 hours of California credit for the same course to CTEC Registered Tax Preparers (CRTPs). The CRTPs can only be given the same 8 hours federal credit that was given to RTRPs and EAs.

Additionally, providers shall clearly identify the number of CE hours awarded for successful completion of a course in advertising and on provider course completion certificates, showing allocations among federal update, federal tax subjects, ethics and professional conduct, and California tax law (Reference CE06-01 – Continuing Education Course Disclosures).

ADVERTISING DISCLOSURES – CONTINUING EDUCATION

CRTPs must annually complete “continuing education” offered by approved CTEC Continuing Education Providers. To assist the CRTP in finding and identifying approved courses the following provider CE course advertising disclosures have been developed.

Disclosure Requirements: 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 letter 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.

To meet this requirement:

- Providers shall use pre-approved disclosures, or
- Providers needing alternate language may submit proposals for approval to the Board.

Alternate Wording Approval: Staff will approve all such requests that provide the same information as these pre-approved disclosures, and refer all other requests to the Curriculum Provider Standards Committee for approval.

Violations: Courses that are promoted in a way that makes claims in violation of this standard may be disallowed for any credit.

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

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. (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.

PROVIDER SUMMARY REPORT

Approved Education Provider Status

125—CTEC approved providers

67—Providers offering Qualifying Education courses

58—Providers offering Continuing Education courses

67—Providers offering both Qualifying and Continuing Education courses

Registration update

From August 1, 2011 to April 18, 2012, CTEC has registered the following:

Total Registrations:	41,229
Total Renewals:	34,806
Total New:	6,423

IRS ANNOUNCES STANDARDS FOR CONTINUING EDUCATION PROVIDERS AND ACCREDITING ORGANIZATIONS

Who is Eligible to Become an IRS Provider?

- Category 1: Accredited Educational Institutions
- Category 2: Organizations recognized for Continuing Education purposes by the licensing body of any state.
- Category 3: Organizations approved by a qualifying organization (an IRS Accreditor) NASBA is currently the only approved IRS Accreditor
- Category 4: Any other professional organization, society, or business recognized by the IRS as a provider of continuing education matters designed for registered tax return preparers, enrolled agents, or enrolled retirement plan agents.

CTEC has been identified by the IRS as a state licensing body. A provider approved by CTEC will need to submit an approval letter from CTEC, register as a status (ii) provider, and upload a copy of the CTEC letter with the application.

Applying to Become an IRS Provider

- Online application system
- \$419 fee
- Categories 1-3 have a streamlined process
- Category 4 must provide supplemental materials
- Organizations previously approved by OPR are grandfathered until 6/30/12 for EA and ERPA courses only

IRS Approved Providers

- 300 approved since new system launched in December 2011
- 122 former OPR approved providers
- 178 new approved providers
- 400 former OPR approved providers who have until June 30 to apply
- Public listing on www.IRS.gov/taxpros/ce

Upon IRS Approval

- Providers receive a Provider Number affiliated specifically with their organization
- Providers receive Course Numbers for each of their approved courses
- Providers receive a logo for their use to show preparers they are "IRS Approved"

IRS Approved Provider Requirements

- Provide an evaluation form to all attendees
- Provide completion certificates that include the Course Number to all course attendees
- Maintain records of attendees for 4 years, including PTIN, first and last name, and hours completed
- Report attendance data to the IRS (beginning approximately July 2012)
- Renew provider status each year
- Obtain new course numbers each year and as needed throughout the year as new courses are developed – July will be available to upload education.

The Internal Revenue Service has announced the standards to become an IRS-approved Continuing Education (CE) Provider and the requirements to become an IRS CE Accrediting organization.

To apply for a provider number and course number (s), organizations should visit: www.irs.gov/taxpros/ce and click on the "Apply to become an IRS Approved CE Provider" link. Assistance for CE Provider questions is available Monday–Friday 8:00am–8:00pm EST by calling 855-296-3150 (toll-free) or 202-499-5606.

Additional information, including Frequently Asked Questions, is available at www.IRS.gov/ptin and www.IRS.gov/taxpros/ce

C R T P V A C A N C Y

CTEC is looking for a qualified 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 home page. CRTPs can fax the application to (877) 851-CTEC (2832) or e-mail to info@ctec.org. The application deadline is August 31, 2012.



Use the QR code to get CTEC blogs on your smart phone.

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"

CONTACT INFORMATION

P.O. Box 2890
Sacramento, CA 95812-2890
Phone: (916) 492-0457
Toll Free Phone: 877-850-CTEC (2832)
Fax: (916) 447-3447
Toll Free Fax: 877-851-CTEC (2832)
E-mail: info@ctec.org
Website: www.ctec.org

C T E C P R O D U C T S

- ◆ Logo Slicks
- ◆ CRTP mailing list
- ◆ 20" x 26" color CTEC poster
- ◆ CTEC Brochures—Is Your Tax Preparer Legal? (English and Spanish)
- ◆ CTEC Brochure—How do I Become a CRTP? (English)
- ◆ CTEC 2010–2011 Annual reports are available now either online or by mail.
Call CTEC toll free 1-877-850-CTEC (8232) to request a free copy.

Mark Your Calendar!

The next CTEC board and committee meetings are scheduled for November 15-16, 2012 in Los Angeles , CA

The next Curriculum Provider Task Force meeting is scheduled for May 8, 2013 in Sacramento, CA

Details on meeting locations will be posted on our website as information becomes available.

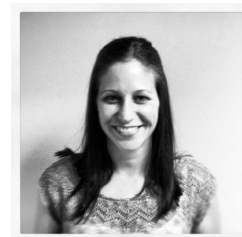
Agendas are posted on the website one week prior to the board meeting.

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



Welcome Our New CTEC Directors

Jill Senso was appointed by the National Association of Tax Professionals (NATP). She is the coordinator for NATP. Jill focuses on NATPs educational programs and oversees the development of curriculums, as well as ensures its quality. Before joining NATP in 2002, Jill worked as a Tax Associate with Arthur Andersen in Milwaukee, Wisconsin. Jill graduated from St. Norbert College with a Bachelor of Business Administration degree. She is an Enrolled Agent (EA) and IRS Registered Tax Return Preparer (RTRP). Jill will serve on CTEC's Bylaws, Public Awareness and Governmental Relations Committees.



Heather Smith was appointed by Liberty Tax Service. She started her career with Liberty Tax Service as a franchise owner and became a pioneer in taking tax schools to an online environment. In 2008, Heather took on a permanent corporate role as a Director within the Operations Department of Liberty Tax Service. In her spare time, Heather enjoys activities with her daughter. She is also a volunteer for the Girl Scouts of America. Heather will serve on CTEC's Budget and Finance, Curriculum Provider Standards and Public Awareness Committees.