

**Curriculum Provider Standards Committee**

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**Volume 18, Issue 2**

**Recap of the November 2016 Annual Board Meeting**

The Curriculum Provider Standards Committee of the California Tax Education Council has responsibility for several of CTEC's statutory duties including: setting standards and procedures for curriculum and providers, reviewing courses to ensure that their content reflects those standards, denying providers who are not in compliance with the standards and approving providers whose courses are in compliance, approving or denying schools as curriculum providers, enforcing compliance on the part of curriculum providers, and providing CTEC Registered Tax Preparers and the public with a list of approved curriculum providers.

CTEC itself does not provide education but relies on professional societies, the FTB, the IRS and various other approved curriculum providers to supply the required qualifying and continuing education (CA B & P Code Section 22251(c)). CTEC has, pursuant to this mandate, established standards, policies, and procedures that are designed to promote high-quality qualifying and continuing education.

These standards and policies are evaluated on a regular basis with the goal of improving the quality of education and, as a result, promoting quality tax return preparation. **All providers are required to familiarize themselves with CTEC's current policies.** All CTEC policies can be found on the CTEC website at <http://www.ctec.org/Provider/ProviderPolicies/>.

**Some important reminders for your students:**

- ◆ They must have a social security number to register with CTEC.
- ◆ They must have a valid PTIN from the IRS to register with CTEC.
- ◆ Personal information changes must be submitted in writing to CTEC or edited by them through their online account.
- ◆ CRTPs are **registered**. CRTPs are **not** licensed, certified, enrolled or public.
- ◆ 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 \$55 late fee.
- ◆ Unless specified, education providers do not register students with CTEC.

*If you have a topic you would like covered in an upcoming issue,  
please submit it via email to [tboldish@ctec.org](mailto:tboldish@ctec.org)*



## IRS CE Provider System

The IRS transitioned to a new on-line CE Provider System. The new CE system's website address is [ceprovider.us](http://ceprovider.us).

### Annual Filing Season Program (AFSP)

CRTPs who plan to participate in the IRS voluntary Annual Filing Season Program (AFSP) must have their CTEC renewal registration completed no later than December 31, 2016, which is the IRS deadline for AFSP. CRTPs who plan to represent their clients during IRS examinations must participate in the program to receive limited representation rights. Limited representation rights allow tax preparers to represent clients whose tax returns they prepared and signed, but only before revenue agents, customer service representatives and similar IRS employees, including the Taxpayer Advocate Service.

To have limited practice rights, CRTPs must be an AFSP participant in both the year the tax return was prepared and the year of representation. To obtain an AFSP record of completion, most CRTPs need 15 hours of continuing education (CE) from IRS-approved CE providers. To participate for 2017, the tax preparer needs to complete the CE by December 31, 2016, including ten hours of federal tax law, three hours of federal tax law updates, and two hours of ethics.

### Circular 230 Consent Statement

This is a new IRS requirement that took effect January 1, 2016 for tax preparers who are not an attorney, certified public accountant or enrolled agent. If the tax preparer obtains the required CE, the tax preparer must still sign a Circular 230 consent statement to officially participate in AFSP. The IRS has created a [tutorial video](#) to assist participants in signing the consent and printing the Record of Completion.

This step ***must be completed*** in order for the non-credentialed preparer to show on the Public Directory of Federal Tax Return Preparers with Credentials and Select Qualifications.

***To learn more, visit [irs.gov/tax-professionals/annual-filing-season-program](http://irs.gov/tax-professionals/annual-filing-season-program).***

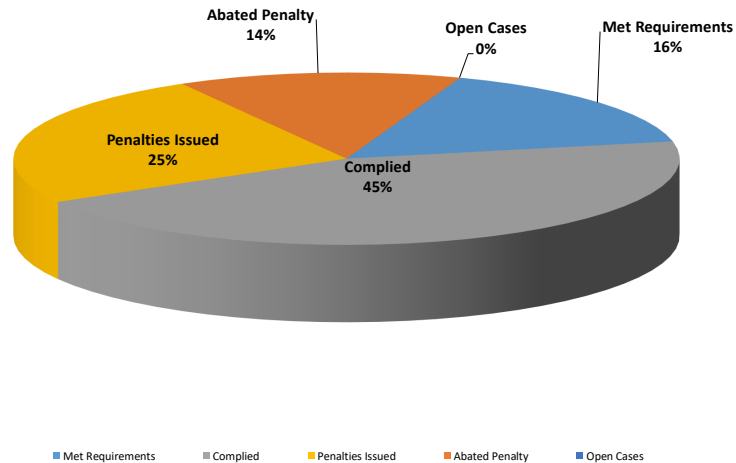
### Identity Theft Prevention

Tax professionals are being targeted by identity thieves. No one entity can fight this crime alone. That is why the Security Summit - the unprecedented partnership between the IRS, state tax agencies, and the private-sector tax industry - came together to form a united and coordinated front against this common enemy and are asking tax professionals nationwide to join this effort.

The Security Summit has launched a campaign aimed at increasing awareness among tax professionals: **“Protect Your Clients; Protect Yourself”**. This is a follow-up effort to the 2015 public awareness campaign: **“Taxes. Security. Together.”** The IRS and its Security Summit partners have issued a series of fact sheets and tips on security, scams and identity theft prevention measures aimed at tax professionals and steps they can take to protect client data and their businesses. This information can be found at [https://www.irs.gov/individuals/protect-your-clients-protect-yourself?\\_ga=1.55639787.1753146791.1475685780](https://www.irs.gov/individuals/protect-your-clients-protect-yourself?_ga=1.55639787.1753146791.1475685780)

## Franchise Tax Board Enforcement

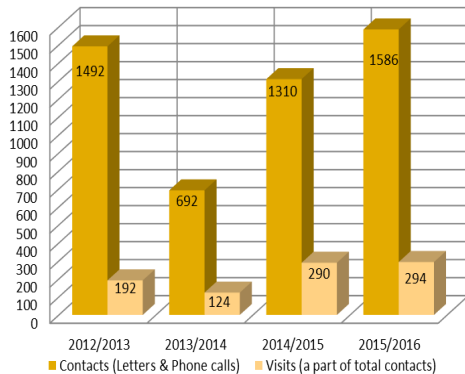
**Chart #6 2015/2016 Contact Results**



### Current Breakdown:

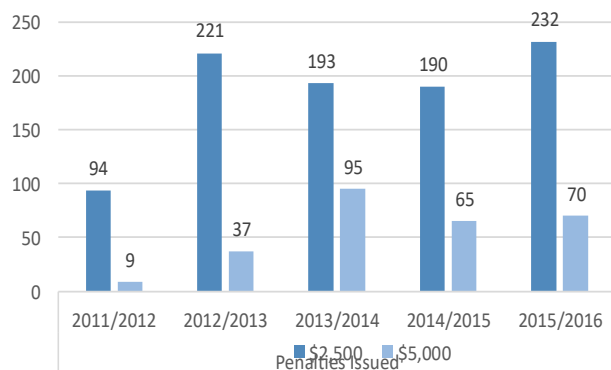
45% - 348 **Complied**  
 25% - 195 **Penalties Final**  
 12% - 107 **Abated Penalties**  
 16% - 126 **Met Requirements** (Exempt or CTEC registered preparers)  
 0% - 0 **Open Cases**

**Chart #1 Type of Contact**



This chart reflects the number of contacts based on Letters, Phone calls & visits:  
 776 of these preparers received contact letters.  
 294 also received visits.  
 Additional efforts were made to contact TP's with expired PTIN's.

**Chart #3 Penalties Issued**



This chart reflects the number of penalties issued:  
 \$2,500 – 232 issued  
 \$5,000 – 70 issued

All penalties collected by FTB are deposited into the state's general fund. CTEC and FTB continue to partner together to protect California taxpayers by enforcing tax preparer compliance. CTEC pays for the entire enforcement program.

## Status Report for CTEC Approved Education Providers



### Currently CTEC has 102 Approved Providers

- ⇒ 51 providers offering Qualifying education courses
- ⇒ 78 providers offering Continuing education courses
- ⇒ 4 providers offering CA Qualifying education courses

## 2017 Periodic Review for Curriculum Providers

Once every 3 years a CTEC approved curriculum provider is required to submit CE and QE courses for periodic review. **Providers offering both CE and QE education must submit courses for each level (QE and CE).** The provisions of this policy, CP14, shall be applied separately to the QE and CE courses of providers offering both.

Curriculum providers subject to periodic review are notified no later than February 1st of the review year.

Notification to curriculum providers subject to periodic review will be made by e-mail and in writing to the curriculum provider's last known address. Curriculum providers must submit the course materials and completed checklists no later than June 30th of the year of notification. Provider must submit all materials **electronically**, as detailed in CP02, and the materials must be received by CTEC by the required due date.

**Please remember that CTEC approved courses must remain in compliance at all times, not just during the periodic review.**

### IMPORTANT REMINDERS!

- \* CTEC does not provide assistance in developing a provider's course materials.
- \* CTEC funds cannot be used to assist in developing a provider's course.
- \* It is a conflict of interest for a reviewer to give assistance in developing a course and then be expected to perform a comprehensive review of that course.



**Method and Deadline for Reporting:** All CTEC approved providers are required to submit completed student education courses electronically to CTEC within 30 calendar days of completion between January 16th and June 30th, and within 10 business days for any other period within the calendar year in which the student completes the course.

**Certificate of Completion:** To verify whether a student has completed his/her CTEC educational requirements (whether renewing or new), all CTEC approved providers are required to provide students with a course completion certificate.

**Update Guidelines:** Tax law is constantly changing and any significant omission, related to the currency of the subject matter of the course, will cause a course to be disqualified. Therefore, all CTEC courses are required to be current according to policy CP32.

*If a CRTP completed continuing education courses prior to 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.*

### **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—Choosing Your Professional Tax Preparer (English & Spanish)
- CTEC 2015-2016 Annual reports (available now either online or by mail)

Call CTEC toll free 1-877-850-CTEC (2832) to request a free copy.

#### **CONTACT INFORMATION**

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Website: [www.ctec.org](http://www.ctec.org)

### **MARK YOUR CALENDAR**

**CTEC Board and Committee meetings are open to the public.**

**May 17 – 19, 2017 meetings will be held in Sacramento, CA**

May 17, 2017 – Curriculum Provider Task Force meeting beginning at 1:00 p.m.

May 18 - 19, 2017 – CTEC Committee and Board meetings.

**November 16 - 17, 2017 meetings will be held in Oakland, CA**

November 16 – 17, 2017 – Annual Board and Committee meetings and Strategic Planning.

**Please call the CTEC office at 877-850-2832 or  
e-mail Tabitha Bolkish at [tbolkish@ctec.org](mailto:tbolkish@ctec.org) if you would like to attend.**

*CTEC Board minutes are now available online by going to [www.ctec.org](http://www.ctec.org) under  
Tax Professionals — CTEC Board Information — Board Minutes.*

#### **Welcome CTEC’s new Board Director**

Tracy Allford was appointed by Liberty Tax Service. She has served as the Director of Training for Liberty Tax Service since December 2015.

Previously, Ms. Allford taught business courses at a Virginia college and was an insurance agent serving the local Hampton Roads community.

Ms. Allford holds an M.B.A in Finance and a Bachelor’s Degree with a dual major in Management and Marketing.

