



THE PROVIDER

JULY 2015

Curriculum Provider Standards Committee

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The Curriculum Provider Standards Committee of the California Tax Education Council (CTEC) has responsibility to oversee CTEC's statutory duties related to: setting standards and procedures for curriculum providers, approving or denying schools as curriculum providers, enforcing compliance of curriculum providers, and providing CTEC Registered Tax Preparers (CRTPs) and the public with a list of CTEC approved curriculum providers.

The following CTEC policies were revised and approved by the CTEC board at the May 2015 Board meeting. All CTEC policies can be found on the CTEC website at www.ctec.org/Provider/ProviderPolicies

FORM DEVELOPMENT:

Check-the-Box Review Form – A form has been developed that guides the reviewer through the review process, allowing the reviewer to check the appropriate box where noncompliance issues are identified. The text from the Check-the-Box Form is then used in the approval or denial letter issued to the applicant at the conclusion of the review. The purpose of the form is to make the review process more efficient.

Provider Complaint Form – A Provider Complaint Form has been developed to collect information needed by CTEC administrative staff to determine if a complaint against a provider is valid and can then be referred to the Curriculum Provider Standards Committee chair, as well as provide the chair with sufficient information to determine if an audit of a course is necessary. The Provider Complaint Form is available on the CTEC website.

Required Materials Checklists – To assist applicants in submitting completed application packets for review, a QE Checklist and a CE Checklist have been developed. These are lists of materials required to be submitted to CTEC for the review process. Applications may be returned if the items on the checklists are not completed, or where required, enclosed with the packet. An incomplete application creates delays and adds costs for providers and additional work for staff.

PROVIDER POLICY MODIFICATIONS:

CE01 – Continuing Education Topics – POLICY DELETED – CE topics are adequately defined in other policies (CP02(a)(2)) and include federal tax issues, federal updates (CP32), California tax issues, and ethics (CP22).

CE02 – Previously Approved CE Topics – POLICY DELETED – This policy listed approved CE topics. However, CE topics are virtually endless and are adequately defined as federal tax issues, federal updates, California tax issues, and ethics.

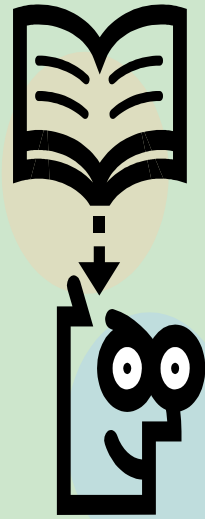
CE03 – Schools Approved for Continuing Education – POLICY DELETED – The list of approved CE providers and QE providers is now included on the CTEC website and the policy is no longer required.

CP02 – Provider Application

- ◆ CP02(c)(6) – Policy was revised requiring all materials to be submitted electronically.
- ◆ CP02(c)(7) – Duplicate language removed and the details of the review process referred to CP14.
- ◆ CP02(d) – Reference to CP14(c)(7)(B)(iv) added.
- ◆ CP02(f) – In an effort to minimize incomplete applications, instructions were enhanced.

CP03 – Denied Curriculum Provider Appeal Procedure – Some minor syntax changes and policy references added.

CP06 – Provider Reporting—CP06(d) – Penalty clarification added. Each fine will be doubled every 10 days until provider is in compliance, not to exceed \$500. CTEC staff will determine reasonable cause for delayed reporting and waiving of penalties.



REMINDER

Provider reporting requirements

All CTEC approved providers are required to **submit student education electronically to CTEC within 30 calendar 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.

It is your individual responsibility as providers to review new policies and abide by them once they are posted.

PROVIDER POLICY MODIFICATIONS CONTINUED:

CP07 – CE Credit – Program Developers and Instructors – Formally CE07 – Modified to add CP(c)(5) not allowing CE credit for duplicate presentations of the same course (conformity with Circular 230).

CP14 – Course Review Policy – This policy was previously titled Periodic Course Review Policy and includes substantial changes.

- ◆ CP14(a) – In order to establish uniform review procedures, this policy has been modified to apply to new provider applications, periodic reviews and audits.
- ◆ CP14(b)(5) – The policy is modified to give a provider up to 10 additional days to correct an incomplete submission should the June 30th submission deadline be imminent.
- ◆ CP14(b)(6) – Curriculum providers are notified by February 1st if they are subject to periodic review. The periodic review submission is due by June 30th. This gives the provider five full months to submit their periodic review packet. The policy is modified so that the provisions of CP14(c)(6)(B)(iv), Provider Status Terminated, apply if the review packet is not submitted timely. As a result the provider would have to reapply as a new provider.
- ◆ CP14(c)(3) – Since providers are required to have an e-mail address, there is no longer a need to use certified mail for notifications and other correspondence. The certified mail requirement has been removed from the policy.
- ◆ CP14(c)(4) – This paragraph has been modified to apply to new applications only and gives the applicant 30 days to correct an incomplete submission. Failure to do so will require the applicant to start the application process over.
- ◆ CP14(c)(5) – This paragraph has been modified giving CTEC administrative staff the authority to assign reviewers. Where possible, the assigned reviewer shall be different from a reviewer who had previously reviewed this provider's materials.
- ◆ CP14(c)(6) – This paragraph has been modified requiring the reviewer to complete the review process within 60 days for periodic reviews (120 days for a review of a new application remains in place).
- ◆ CP14(c)(6)(A & B) – These two paragraphs have been modified providing the reviewer with three options:
 - ⇒ Approved – applicant complies with CTEC standards.
 - ⇒ Conditional Approval - noncompliance issues are identified by reviewer; provider revises noncompliance issues and resubmits those revisions for verification by a reviewer; a \$250 resubmit review fee is required.
 - ⇒ Approval Denied – approved provider status terminated.
- ◆ CP14(c)(6)(B)(iii) – Includes the steps to be taken by a provider and the CTEC administrative staff when approval is denied.

CP17 – Allocation of CE Hours – This was previously CE08. Modified to remove references to RTRPs.

CP18 – Curriculum Provider Noncompliance – The audits performed last year revealed some serious disregard for CTEC policies, such as issuing credits without a student having taken their course, or providing students with answers to exam questions and/or assisting students in passing the course exam. CTEC may deny or revoke a curriculum provider's approved status for a period of up to two years where it is determined there was flagrant noncompliance by a provider.

PROVIDER POLICY MODIFICATIONS CONTINUED

CP21 – Continuing Education Course Disclosures – This was previously CE06 – Modified to make the learning level descriptions consistent with CP23(j)(2).

CP23 – Education Standards

- ◆ CP23(j)(2) – Update course tax year content. Gives reviewers the discretion to disqualify courses offered after October 31 that are not updated for subsequent year.
- ◆ CP23(j)(5)(D) – Definition of “current” defined as materials updated per the provisions of CP32.

CP25 – Provider Task Force Meeting

- ◆ CP25(c) – Added “and CP14(c)(6)(B)(iv) will apply”. That provision of CP14 defines the steps taken when a provider’s status is terminated.

CP28 – Audit Policy – Removed references to self-study so that this policy applies to all courses including self-study and face-to-face.

- ◆ CP28(b) – Modified to clarify that a course audit does not replace the periodic review requirement.
- ◆ CP28(c) – Added face-to-face course compliance audits.
- ◆ CP28(e) – Audit as the Result of a Complaint – Added (1) and (2) that defines how complaints are submitted and who makes the decision related to auditing as a result of a complaint. Ties into the Provider Complaint Form discussed earlier.
- ◆ CP28(g)(1) – Adds the provision that if the IRS disqualifies a CE provider, CTEC will automatically disqualify the provider as well; and, if the provider also offers a QE course, that QE course will automatically be audited.
- ◆ CP28(g)(2) – Adds the provision that if a provider fails either a CE or QE periodic review, the other type of course being offered by the provider will automatically be audited.
- ◆ CP28(g)(3) – Adds the provision that if a provider fails either an audit or periodic review, consideration should be given to auditing other courses offered by the provider.
- ◆ CP28(k) – The provisions of this paragraph were made discretionary.

CP34 – Advertising Disclosures – This previously was policy CE05, which was deleted. This policy added a prohibited wording clause (34)(d), which prohibits providers from using terms such as “quick and easy” in advertising disclosures.

CP35 – Provider Conduct – This is a **new policy** which conveys to providers that CTEC expects providers to work within the spirit of CTEC standards by providing meaningful and quality education to CRTPs. It also points out a number of noncompliant practices that CTEC is working to eliminate.

TP03 – Continuing Education Credit Hours – POLICY DELETED - This policy was a duplicate of information found in other CP policies.

IMPORTANT ISSUE

- * CTEC does not provide assistance in developing a provider’s course materials.
- * CTEC cannot use its funds 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.

PARTICIPATING IN THE NEW IRS VOLUNTARY TAX PREPARER PROGRAM? WHAT YOUR STUDENTS SHOULD KNOW!



UPDATE

CTEC Registered Tax Preparers (CRTPs) who wish to participate in the voluntary IRS Annual Filing Season Program (AFSP) for 2016 must complete the requirements by **December 31, 2015**.

The AFSP Record of Completion is for one tax year. Participants must meet the requirements annually in order to receive a Record of Completion and be included in the IRS public database of tax professionals.

Participants are required to obtain a valid IRS Preparer Tax Identification Number (PTIN), pass the Annual Federal Tax Refresher (AFTR) course and test, plus meet federal continuing education (CE) requirements.

CRTPs and certain other tax preparers, are exempt from the AFTR course and test. CTEC's annual federal CE requirement can be used to fulfill the IRS educational requirement for the program.

The "Directory of Federal Tax Return Preparers with Credentials and Select Qualifications" is the IRS public database and only includes attorneys, certified public accountants (CPAs), enrolled agents (EAs), enrolled retirement plan agents (ERPAs), enrolled actuaries and CRTPs who have received an AFSP Record of Completion and signed the Circular 230 consent form.

Below are the most commonly asked questions from CRTPs regarding the voluntary AFSP program.

How do I register with the IRS to receive the AFSP Record of Completion?

Once you have fulfilled your annual CTEC CE requirement and renewed your PTIN, you must:

- ◆ Visit www.irs.gov/ptin and log into your PTIN account.
- ◆ On the Main Menu, select "AFSP Record of Completion – Circular 230 Consent".
- ◆ Follow the screen prompts to elect to participate.
- ◆ In 24 hours, log in again to www.irs.gov/ptin to find your printable Record of Completion in your "View My Messages" mailbox.

CRTPs must sign the Circular 230 consent form, which will be available when they log in, to participate in the program. CRTPs who fail to sign the form will not receive the Record of Completion or be included in the IRS public database.

Will the IRS public database show my CTEC ID and designation?

No, the database will not include state designations for tax preparers. The database will only show your name, city, state, zip code, and that you received the AFSP Record of Completion from the IRS.

Am I required to participate in the program?

No, it is voluntary.

For more information about the program, visit www.irs.gov/Tax-Professionals/Annual-Filing-Season-Program

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To subscribe to FTB's monthly newsletter "Tax News", visit ftb.ca.gov and enter the keywords "Tax News."

CONTACT INFORMATION

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CTEC PRODUCTS

- Logo Slicks
- CRTP mailing list
- 20" x 26" color CTEC poster
- CTEC Brochures—Choosing Your Professional Tax Preparer (English & Spanish)
- CTEC Annual Reports (available either online or by mail)

CTEC MISSION STATEMENT

“In order to provide for the public benefit, 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.”

Mark your calendar!

CTEC Board and Committee meetings are open to the public.

NOVEMBER 19-20, 2015 — Napa Valley, CA

November 19-20, 2015 - Annual Board & Committee meetings

MAY 18-20, 2016 — Sacramento, CA

May 18, 2016 – Curriculum Provider Task Force meeting beginning at 1:00p.m.
May 19-20, 2016 – CTEC Board and Committee meetings

November 17-18, 2016 - Santa Barbara, CA

November 17-18, 2016 – Annual Board & Committee meetings

Please call the CTEC office at 877-850-2832 or e-mail Tabitha Bolkish at tbolkish@ctec.org if you would like to attend.

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

Want to be a CTEC Director?

CTEC is accepting applications from CTEC Registered Tax Preparers (CRTPs) who are interested in serving on the CTEC board. Interested applicants are required to be registered with CTEC for a minimum of two years and cannot hold another tax preparer designation (i.e. attorney, certified public accountant or enrolled agent).

All CTEC Directors are required to serve at least 130 volunteer hours each year, attend two board meetings each year, plus be available for conference calls from time to time. CRTPs who are interested in applying for the position can call 877-850-2832 or email CTEC staff at info@ctec.org.

Please note: Applications will be kept on file and reviewed when openings occur.

Welcome CTEC's New Board Director

Ann Springborn was appointed by the National Association of Tax Professionals (NATP) to the CTEC board. She has been with NATP for almost three years as the CPE Compliance and LMS Coordinator. Her focus is on continuing education standards and requirements imposed by various credentialing organizations, as well as educating the tax preparer community concerning the importance of continuing education.

Before joining NATP, Ann worked for several years as a staff accountant in private industry and almost ten years in a support role at a top ten certified public accounting firm.

Ann has a BBA in Accounting from the University of Wisconsin – Whitewater. She currently lives in Neenah, Wisconsin with her husband and son.

