



**Approved Minutes
Board of Directors
Hotel Healdsburg
25 Matheson St
Healdsburg CA 95448**

Date: November 15 - 16, 2023

Time: 8:00 AM Pacific Time

Board Members Present

C. Lester Crawford, Chair
Fernando E. Angell III, Treasurer
Ray Davis, Secretary
Michael Carr
Aaron Chambers
Karen De Vaney
Susie DiMaggio
Ruth Godfrey
Tom O'Saben
Robert Ovalle
Lee Reams., Sr.
Jodi Runyan-Schechter
Yvette Rupp

Administrative Staff Present

Tabitha Bolkish
Celeste Heritage

Public Present

Will Ackerman, Golden State Tax Training Institute, Inc
Mark Griffith, Griffith Solutions
Mary Beth LaMunyon-Jones, CTEC Hearing Officers
Kaya Klotzek, understudy appointed by NSA
David Hill, CTEC Background Reviewer
Gigi Jones, G.g. Jones Public Relations
Katie Zollo, CRTP Director applicant
Raquel Hopkins, Franchise Tax Board
Rebecca Landeros, Franchise Tax Board
Diane Ferrari, Franchise Tax Board

1. Call to Order

The meeting was called to order later than published, beginning at 8:11 a.m. on Wednesday, November 15, 2023. Lester Crawford welcomed, staff and the public and gave an overview of conducting the meeting.

2. Call of the Roll

All board members were present except Ray Davis and Susie DiMaggio, who had excused absences.

3. Approval of the Draft Minutes from May 17-18, 2023 – C. Lester Crawford

The minutes were approved as presented.

4. Strategic Planning – C. Lester Crawford

Lester Crawford reminded board members, per policy, the Board of Directors is required to review CTEC's strategic plan annually. The following changes were made to the BD11 - Strategic Plan policy:

STRATEGIC GOALS

In developing this strategic plan both internal and external factors were considered. To advance the planning process, Council members participate in working sessions that address four areas: CTEC's effectiveness, CTEC's strengths, CTEC's weaknesses, and CTEC's critical success factors.

All goals **equally** support the mission and vision of CTEC.



Goal I: Register all non-exempt tax preparers.

Goal II: Educate the public about CTEC and CTEC Registered Tax Preparers (CRTPs). Provide transparency and accountability to the public of CTEC's oversight of paid tax preparers.

Goal III: Require all education providers approved or seeking to be approved to adhere to the educational standards and requirements set by CTEC.

Goal IV: Develop and enhance relationships with tax related Government entities.

Goal V: Comply with the California Business and Professions Code Section 22250-22259.

Goal VI: Monitor all and communicate relevant proposed national legislative actions and regulations regarding the registration of tax preparers.

Goal VII: Be an effective, efficient and productive organization.

Goal I: Register all non-exempt tax preparers.

Objectives: Work diligently and consistently to ensure compliance with tax preparer registration requirements.

Strategies:

- I. Continually educate the tax preparation community as to the requirements for anyone who prepares a tax return for a fee in California.
- II. Utilize and collaborate with the Franchise Tax Board (FTB) for enforcement.
- III. Utilize and collaborate with the IRS.
- IV. Seek out and coordinate efforts with other tax-oriented entities for dissemination of registration requirements and enforcement.
- V. Track the number of CRTPs in compliance with the law and publicize that fact.

Responsible: Budget & Finance Committee, Tax Preparer Committee, Public Awareness Committee

In Collaboration with FTB representative and IRS representative, CTEC Legal Counsel, Paralegal, Background Reviewers and Hearing Officers.

Goal II: Educate the public about CTEC and CTEC Registered Tax Preparers (CRTPs). Provide transparency and accountability to the public of CTEC's oversight of paid tax preparers.

Objective: Expand the public's knowledge of CRTPs and communicate the benefits of engaging their services.

Strategies:

- I. Develop a concise and clear message with the help of a public relations firm and/or professional.
- II. Hold media interviews specifically to educate the public on the hazards of not working with a California approved legal tax professional.
- III. Develop, fund and implement a public relations campaign for the education of consumers.
- IV. Inform California and Federal legislators regarding registration and/or licensing of tax preparers.

Responsible: Public Awareness Committee, Budget & Finance Committee

In Collaboration with Public relations firm/professional.

Goal III: **Require all education providers approved or seeking to be approved to adhere to the educational standards and requirements set by CTEC.**

Objective: Inform all education providers of CTEC's policies and guidelines pertaining to course materials and their obligations to their students.

Strategies:

- I. Review and approve all materials submitted by those seeking status as a CTEC approved provider.
- II. Conduct periodic reviews and/or audits of each approved provider in order to validate compliance of course materials with the CTEC curriculum standards.

Responsible: Curriculum Provider Standards Committee and Budget & Finance Committee

In Collaboration with Curriculum Reviewers

Goal IV: **Develop and enhance relationships with tax related Government entities**

Objective: Keep the California Legislature, FTB, IRS and other governmental agencies informed on a regular basis of CTEC's current activities, future plans and its successes.

Strategies:

- I. Maintain presence at FTB, BOE, CDTFA, OTA and IRS meetings.
- II. Continue to involve FTB and IRS presence at CTEC meetings.
- III. Provide annual reports to legislative authority and make them available to tax-oriented organizations and other interested parties.

Responsible: Governmental Relations Committee, Budget & Finance Committee, Tax Preparer Committee, Public Awareness Committee

Goal V: **Comply with the California Business and Professions Code Section 22250-22259**

Objective: Pass the California Legislature's Sunset Review Program

Strategies:

- I. Annually review CTEC procedures, policies, and activities.
- II. ~~Respond~~ **Adhere** to the legislature's requests.

Responsible: CTEC Board

In Collaboration with CTEC Administrator

Goal VI: **Monitor ~~all~~ and ~~advise on~~ ~~communicate~~ relevant proposed ~~national~~ legislative actions and regulations regarding the registration of tax preparers.**

Objectives: Be an informed participant regarding relevant law changes regarding tax preparer registration.

Strategies:

- I. Continue ongoing communication with the IRS.
- II. Communicate with ~~the state~~ **California and Federal** Legislatures regarding the effect **California** and Federal law changes may have on CRTPs.



III. Communicate with CRTPs on the effect **California and** Federal legislation requiring registration will have on their status in California.

~~IV. Communicate CTEC's knowledge impressions and overview of Federal legislation regarding registration and/or licensing of tax preparers with California's U.S. Senators and U.S. Representatives.~~

Responsible: CTEC Board

In Collaboration with CTEC Administrator

Goal VII: Be an effective, efficient and productive organization.

Objective: Maximize strengths and effectiveness of CTEC.

Strategies:

- I. Maintain open communication and working relationships with staff.
- II. Implement a board leadership development program.
- III. Review and evaluation of all processes to be completed for possible vote at the November Board meeting.
- IV. Committees present a proposed budget request to the Budget and Finance Chair no later than two weeks prior to the May meeting.

Responsible: CTEC Board

In Collaboration with CTEC Administrator

The council adopted the following:

Resolution: Accept the above BD11-Strategic Plan policy as presented.

5. Chair's report – C. Lester Crawford

No report.

6. Review of Board Policies - if applicable – C. Lester Crawford

a. [AD03-CTEC Email and Mailing List](#)

Lester reminded the board that each committee was tasked with reviewing their respective policies. The board reviewed the draft AD03-CTEC Email and Mailing List policy and recommended the council adopt the changes as stated below.

CTEC Mailing Lists

Background: CTEC sets tax education standards for CTEC education providers. The law requires non-exempt tax preparers to meet certain educational requirements in order to legally practice tax preparation for a fee within California. To facilitate the dissemination of educational opportunities available to preparers, CTEC will make its registered preparer list available for commercial use.

CTEC offers two types of mailing lists:

- The first list contains the current names and mailing addresses of CTEC Registered Tax Preparers and is updated on a daily basis. Registered tax preparers can, upon registration, elect to have their names excluded from this mailing list.



- The second list contains the current names and e-mail addresses of CTEC Registered Tax Preparers and is updated on a daily basis. Registered tax preparers can, upon registration, elect to have their names excluded from this mailing list.

Each list is \$250 plus tax. To purchase both lists, the cost would be \$500 plus tax. (Reference: CTEC Policy BF04 – Fees). Payment can be made by credit card, cashier's check or money order. Orders must be prepaid.

Conditions of Sale:

1. CTEC reserves the right to refuse to sell the list for uses that CTEC considers unsuitable.
2. The list may be used as many times as the purchaser sees fit.
3. The list will be sent via e-mail to purchaser.
4. Names will be provided in CTEC registration number order and can be sorted by any field.
5. There are no refunds once the list has been e-mailed.

Collection of information as allowed by law:

CTEC only collects Personal Identifiable Information (PII) data that is necessary for business purposes and with the consent of the individual.

CTEC limits the collection of information to what is relevant and necessary to accomplish the lawful purpose of CTEC. For example, identification of individuals is made through the collection of personal information such as mailing addresses, telephone numbers, or birth dates.

In addition, ~~the social security numbers are collected from preparers, both new and renewed, for purposes of identification for online registration.~~ At the request of the California Franchise Tax Board, CTEC requires social security numbers from all CTEC Registered Tax Preparers and applicants for purposes of identification for online registration. This information is encrypted in the CTEC database and can only be accessed by the CTEC Administrator and staff, IT Administrators, Background Reviewers, and the California Franchise Tax Board.

The council adopted the following:

Resolution: Accept the above policy as presented.

7. Secretary's report – C. Lester Crawford

No Report.

8. Treasurer's report – Fernando E. Angell III

Fernando conducted a thorough examination of the Profit & Loss Budget vs. Actual handout and emphasized to the board that these reports offer an overview of CTEC's financial well-being. He reiterated that the handout report covers the period from July 1, 2023, through October 31, 2023.

Further, Fernando reminded the board that during the May 2023 meeting, they had approved the 2023/2024 budget with a three-month reserve, reflecting in the Wells Fargo High Yield Savings account. He informed the board that, in response to their suggestion at the last meeting, CTEC staff had instructed Raymond James to prioritize Tier 1 banks when investing in CDs, even if it meant slightly lower interest, to ensure CTEC's security. Celeste confirmed that all CDs purchased are with FDIC-insured banks, as verified with Raymond James.

Additionally, Fernando highlighted that two three-month CDs are set to mature on 12/08/2023, recommending the continued purchase of these CDs. Celeste shared that over the last three months, CDs acquired through Raymond James yielded an impressive 5.4% interest rate.

The council adopted the following:

Resolution: Approve staff to purchase two CD's that will mature on 12/08/2023 for a term of three-months.

9. Audit Oversight Committee Report – Ruth Godfrey

a. Review of Audit and Oversight Committee policies

The committee reviewed the Audit and Oversight Committee policies and recommended no changes to their policies.

b. Audit Report

Ruth introduced Jack Moore and Jacob Hyer, Moore Messina Webb, LLP, CTEC's Auditors and Tax Preparers for the CTEC Tax Return to review the draft audit report handout. Ruth shared with the board that the auditor was very thorough with the report. Ruth thanked the Audit and Oversight committee members for a job well done.

Jack Moore gave an overview of their Moore Messina Webb, LLP firm and reminded the board that they have been conducting the CTEC audit for the last three years and enjoyed working with staff and the organization and hoped to continue doing so.

Jack reminded the board that in preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CTEC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Jack shared with the board that they conducted their audit in accordance with auditing standards generally accepted in the United States of America and their responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section on their report.

In their opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CTEC as of June 30, 2023, and the changes in its net assets, its cash flows and its functional expenses, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

10. Budget and Finance Report – Michael Carr

a. Review of Budget and Finance Committee policies

i. [BF06-Accounting Policies](#)

The board reviewed the draft BF06-Accounting policy and recommended the council adopt the changes as stated below.

Chart of Accounts: A chart of accounts shall be maintained and coordinated between the CTEC Administrator's accounting system, the Board's budgets and the CPA firm preparing the financial reports and tax returns. The current chart of accounts:

Income:

4000 Registration Income

- 4001 New Registration
- 4002 Renewal Registration
- 4003 CC-New Registration
- 4004 CC-Renewal Registration

4005 Late Registration Income

- 4006 Registration
- 4007 CC-Registration

4010 Mailing List-Income

4020 Interest-Income

- ~~4020 Interest Income—Other~~
- 4021 Interest-Dividends
- 4022 Interest

4030 Returned Check Charge

4040 Provider Fees

- 4041 Qualifying Education
- 4042 Continuing Education
- 4044 Periodic Review Fee

Expenses:

Board Activities

- 5001 Airfare
- 5002 Cab/Shuttle
- 5003 Hotel
- 5004 Mileage
- 5005 Parking
- 5006 Per Diem
- 5007 Telephone/Fax
- 5009 Postage
- 5010 Board Mtg. Room Exp

General & Administrative

- 5103 Bank Fees/Rtrn Chk Fees
- 5105 Fees & Licenses
- 5106 Insurance
- 5107 Legal Fees
- 5109 Management Contract
- 5110 Printing / [Annual Report](#)
- 5113 Postal Permits
- 5116 Miscellaneous Expense



4045 Provider Late Fees

4050 Duplicate Certificate

4060 Brochure Income

4070 Miscellaneous Income

5300 Comm. & Tech Committee

5306 Software Development

5307 Software Update

5308 Hardware

5309 System Maintenance/Hosting

~~5310 Computer Hosting~~

5311 Cyber Insurance

5312 Microsoft Cloud

~~5313 Database Cleanup~~ 5314 IT Risk Assessment Review

5400 Curriculum Provider Committee

5406 Curriculum Review

5411 Provider Task Force Meeting

5413 Policy Reviewer

5414 Audit Review

5415 Appeal Process

5417 CP23 Update

5418 Provider Website Review

Executive Committee

5501 ~~Conference Calls~~ Miscellaneous

Governance Committee

5608 Orientation/Recognition

5610 ~~Policy Developer~~ Travel for CRTP Directors App

Governmental Relations Committee

5702 Printing Sunset Review Documents

5703 Polling Expense

5704 Sunset Review

5705 Travel

5706 Enforcement

5707 Legislative Issues

5118 Returned Items

5119 Education & Training

5120 Capitol Reserve

5130 Taxes (Sales Tax)

Budget & Finance Committee

5151 ~~Conference Calls~~ Miscellaneous

Audit Oversight Committee

5101 Accounting/Filing

5102 ~~Conference Calls~~ Miscellaneous

5169 Travel Expenses

5503 Annual Report

Bylaws Committee

5201 ~~Conference Calls~~ Miscellaneous

5800 Public Awareness Committee

5802 Compliance Brochure "How to"

5804 Advertising

5805 Public Relations

5806 Speakers Bureau Travel

5807 Toll Free Lines

5808 Public Brochure "Choosing"

~~5810 Promotional Items~~

5812 Public Relations Expenses

5813 Advertising Survey

5814 Advertising Commission

5815 Media Clipping Service

5816 Preparer Newsletter – Email

5900 Tax Preparer Committee

5902 Renewal Postcards/Certificates

5906 Window Stickers

5908 Postage

5912 Credit Card Fees

5913 Background Reviewers

5914 Paralegals

5915 Hearing Officers

5916 Federal Search Services

5918 Email Renewal Reminder

6000 Sales Tax Expense

6999 Uncategorized Expenses

The council adopted the following:

Resolution: Accept the above BF06-Accounting policy as presented.

11. Bylaws Committee Report – Jodi Runyan-Schechter

a. Review of Bylaws Committee policies – if applicable

Jodi shared with the board that the committee reviewed the Bylaws Committee policies and recommended no changes to their policies.

12. Governmental Relations Report – Fernando E. Angell III

a. Review of Governmental Relations Committee policies

i. GR02-Recommendations in Legislative Changes

A copy of the GR02-Recommendations in Legislative Changes policy was distributed to all board members.

Recommendations in Legislative Changes

Background: CTEC experiences ~~situations~~ instances where legislation does not give clear direction. In an effort to provide directions to CTEC constituents, the following policy has been adopted.

Process: When potential changes to legislation are identified and approved by the Board, the proposed language will be provided to the Governmental Relations Committee for review and discussion.

Prior to the Committee meeting, CTEC staff should discuss the potential effects of the changes with the appropriate legislative staff person and, where appropriate, with CTEC legal counsel.

The council adopted the following:

Resolution: Accept GR02-Recommendations in Legislative Changes policy as presented.

b. **FTB MOU – Fernando E. Angell III**

Fernando reminded the Board the FTB MOU is set to expire June 30, 2024. Fernando shared with the board that in the previous discussion at the committee and board meetings the subject was brought to FTB's attention if there are any other things that this enforcement program can bring to CTEC and if FTB is able to handle additional tasks that may be added to the contract.

Rebecca Landeros, FTB Representative, informed the board that there are no new provisions added to the 2024/2026 FTB MOU contract, but while reviewing their contract additional funds might be needed down the road. A draft of the contract will be submitted to CTEC at the beginning of 2024.

The topic of FTB not using all the MOU allocated funds was discussed by the board. Rebeca Landeros, FTB Representative stated since FTB and Public Awareness are working hand in hand, she suggested CTEC reduce the current FTB contract by \$50,000 and use those funds towards the Public Awareness campaign. The current 2022/2024 MOU, which is set to expire on June 30, 2024, will be amended to reflect the reduction of \$50,000.

The council adopted the following:

Resolution: Accept the reduction of FTB's current 2022/2024 MOU by \$50,000.

The topic of the 2024/2026 FTB MOU was tabled at the next May 2024 board meeting.

c. **H.R. 4184: Taxpayer Protection and Preparer Proficiency Act of 2021 – Celeste Heritage**

Celeste shared with the board that there is no longer bill H.R. 4184. Celeste shared with the board that she has been in contact with Mark Dennin, Legislative Director for Congressman Jimmy Panetta, who indicated that H.R. 4184 died in the last session of Congress. Mr. Dennin informed Celeste that they are working on reintroducing the bill and will include exemption language when they do.

d. **Sunset Review / SB812 – Celeste Heritage**

Celeste shared with the board that SB812 bill was signed by the Governor on September 8, 2023, which extended the CTEC program for another 4 years. A copy of the bill was distributed to all board members. Fernando thanked Staff and CTEC counsel for all their hard work in putting together the necessary documents for the Sunset Review committee. Fernando also shared with the committee that Lester did a stellar job representing CTEC at the hearing.

e. Legislative Issue Regarding Federal Background Checks – Celeste Heritage

Celeste shared with the board that at the Sunset Review hearing in March Senator Roth brought up the issue of CTEC not receiving federal background information and stated that his office will assist CTEC in receiving the specific language needed and he will personally look into this issue.

Celeste shared with the board that Dana Shaker, Consultant, Senate Committee on Business, Professions, and Economic Development in Senator Roth's office stated that CTEC is not the only group that is not getting federal background information. Dana informed CTEC that there is nothing CTEC can do about it and that the legislature, and the DOJ must have a conversation with the FBI regarding language in the bill.

f. 2023 Franchise Tax Board Advisory Board Meeting – Karen De Vaney

Karen De Vaney shared with the board that she has attended the Franchise Tax Board Executive Officer's Advisory board meeting on August 24, 2023. Karen reported that it was a good meeting. A copy of the minutes was distributed to the board.

13. Curriculum Provider Standards Committee Report – Lee Reams

a. Review of Curriculum Provider Standards Committee policies – if applicable

Lee shared with the board that the committee reviewed the Curriculum Provider Standards Committee policies and recommended no changes to their policies.

Lee shared with the board that he has met with the CTEC Reviewers, who reviewed and revised CP23A-Exhibit Qualifying Education Guidelines. Lee reminded the board that this Exhibit does not require board approval. A copy of the revised CP23A-Exhibit Qualifying Education Guidelines was distributed to all CTEC approved providers.

Will Ackerman, Golden State Tax Training Institute, Inc., a CTEC Approved provider, who attended the board meeting shared with the board that when this Exhibit is sent out to the providers, they are required to be current according to the schedule outlined in CP32-Course Update Guidelines policy. Mr. Ackerman reminded the board that to update their 20 hour of continuing education course, providers can add an addendum with the updates but to change or update a 60-hour qualifying education course providers are required to change the course along with their exam questions which can take up to six months to revise or update. He suggested CTEC send out the updated CP23A-Exhibit Qualifying Education Guidelines once a year.

The topic of implementing an annual provider fee was discussed which was tabled at the next committee meeting.

The board recommended sending the updated CP23A-Exhibit Qualifying Education Guidelines out to all providers on January 1st of each year.

b. 2023 Audit - per CP28-Audit policy – Lee Reams

Lee reminded the board that the CP28-Audit policy mandates that CTEC will annually audit the five most widely used self-study CE and QE courses based on the prior year's CTEC reporting records. A report was conducted, and 5 providers were selected using the criteria specified in CP28.

Lee shared with the board that CTEC received a complaint from a provider regarding a qualifying education course that they had purchased from another CTEC Approved provider. The committee reviewed the complaint and based on the complaint the committee recommended auditing the provider for their QE course.

c. Approved Education Provider Report – Tabitha Bolkish

Tabitha Bolkish went over the CTEC Approved Education Provider Report. A copy of the report was distributed to all board members along with a 5-year historical review.



CTEC APPROVED PROVIDERS OCTOBER 2023

Currently, there are 87 CTEC Approved Providers. Out of the 87 CTEC Approved Providers -

- 48 Providers Offering Qualifying Education Courses
- 63 Providers Offering Continuing Education Courses
- 8 Providers Offering CA Qualifying Education Courses

PERIODIC REVIEW 2023

36 periodic reviews were sent for 2023. Out of the 36 Providers -

- 7 Providers Offer Both CE And QE
- 21 Providers Offer CE
- 21 Providers Offer QE
- 9 Providers Withdrew
- 1 Provider Denied

5-YEAR HISTORICAL – CTEC APPROVED PROVIDERS

MAY 2023:

96 CTEC Approved Providers. Out of the 96 CTEC Approved Providers -

- 48 Providers Offering Qualifying Education Courses
- 63 Providers Offering Continuing Education Courses
- 8 Providers Offering CA Qualifying Education Courses

NOVEMBER 2022:

103 CTEC Approved Providers. Out of 103 CTEC Approved Providers -

- 52 Providers Offering Qualifying Education Courses
- 71 Providers Offering Continuing Education Courses
- 7 Providers Offering CA Qualifying Education Courses

MAY 2022:

105 CTEC Approved Providers. Out of 105 CTEC Approved Providers -

- 53 Providers Offering Qualifying Education Courses
- 73 Providers Offering Continuing Education Courses
- 8 Providers Offering CA Qualifying Education Courses

November 2021:

102 CTEC APPROVED PROVIDERS.

- 50 Providers Offering Qualifying Education Courses
- 73 Providers Offering Continuing Education Courses
- 7 Providers Offering CA Qualifying Education Courses

The board discussed courses offered by CTEC approved provider that are offered in Spanish and other languages that are presented to tax professionals and felt that these courses during the translation might not meet the CTEC education standards.

Tom O’Saben suggested that AI might provide a means of translating the Spanish course into English.

This topic was tabled for a later committee meeting.

14. Executive Committee Report – C. Lester Crawford

a. Review of Executive Committee policies – if applicable

Lester shared with the board that the committee reviewed the Executive Committee policies and recommended no changes to their policies.

b. CTEC Legal Counsel – C. Lester Crawford / Celeste Heritage

Lester informed the board the committee discussed the length of time the denial letters are being sent out by Alison Siegel and felt that the time it takes Alison to draft letters is unacceptable. In the committees' view, the applicants should be notified within days of the decision.

Lester shared with the board that Alison is attending the hearing phone conferences and appeals and is writing just the denial letters that were denied by the Hearing Officers and the turnaround time are quicker with a few delays but in general they are being sent out quicker than usual.

Lester informed the board that the concerns with Alison are being addressed. Lester reminded the board that Alison is extremely familiar with CTEC and Sunset Review process and the committee suggested keeping Alison for another year.

The council adopted the following:

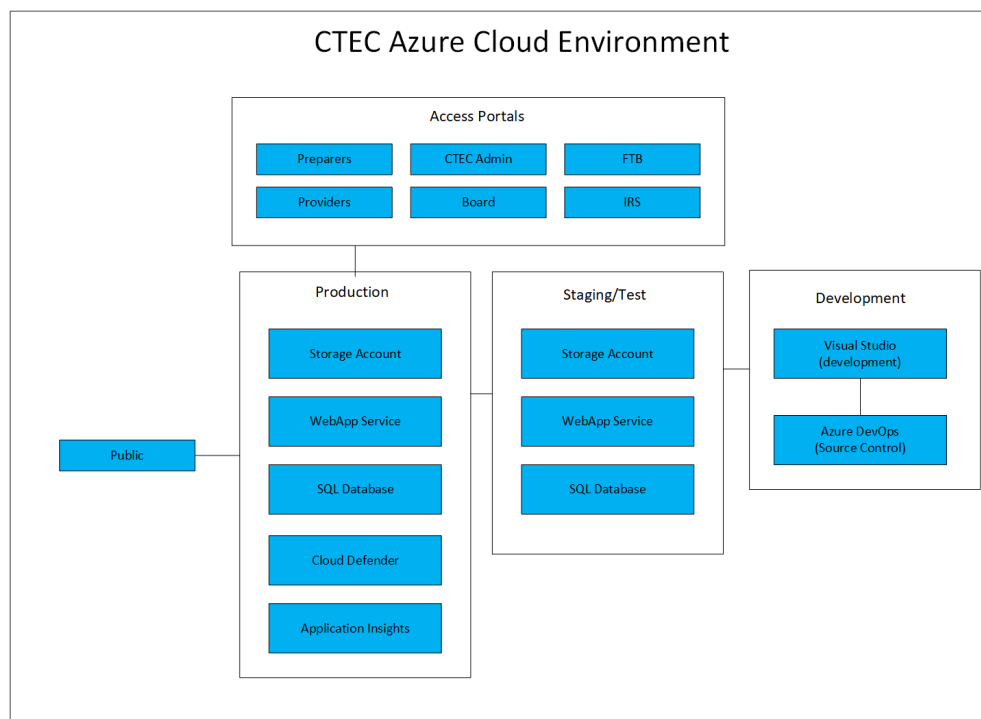
Resolution: Accept to retain Alison Siegel for another year representing CTEC.

c. CTEC Emergency Action Plan (EAP) – C. Lester Crawford

Lester reminded the board that at the last board meeting the board approved the CTEC Emergency Action Plan (EAP) document with recommendations to add "Technology" and "Data Mapping" to the document.

Mark created a diagram of CTEC Azure Cloud Environment map which listed development, testing, production and portals and what services CTEC is using in Microsoft Azure. Mark outlined a definition for each box. Mark reminded the board that everything is database driven on the CTEC website and that this is not a functional diagram of access is an environment overview.

The CTEC Azure Cloud Environment document was distributed to the board for review.





Website Portals and Public Access:

Public:

The CTEC public website contains all public content for ctec.org. The public website also contains database integration for Find/Verify a Preparer, Approved Providers Listing, Disciplinary Actions, Bond Claims, Preparer Complaints, Provider Complaints and the CTEC Online Store. The public website also includes the New Preparer Application Process.

Preparers:

The Preparer Portal is the private login area for preparers which includes the ability to update information and bond, view historical registration information, view education submitted by providers and the preparer renewal process.

Providers:

The Provider Portal is the private login area for providers which includes the ability to update information, add/update course information, add/remove student rosters, manage provider login accounts, upload student rosters and Web API information.

CTEC Admin:

The CTEC Admin portal is the private login area for CTEC staff which includes complete database management and reporting. The CTEC Admin portal also includes the private login area for the Background Review staff.

FTB:

The FTB portal is the private login area for FTB staff which includes the ability to manage Preparer Complaints and export of current and expired preparer registration information.

IRS:

The IRS portal is the private login area for IRS staff which includes the ability to export preparer registration information for use with the AFTR program.

Board:

The Board portal is the private login area for CTEC Board members which includes the ability to view and download CTEC policies and other documents. The CTEC Board portal also includes the viewing and downloading of CTEC Board and Committee Meeting Minutes and Documentation.

Development Environment:

Visual Studio:

Visual Studio is the development environment used by CTEC developers.

Azure DevOps:

Azure DevOps is the source control environment used by CTEC developers.

Staging/Test Environment:

Storage Account:

The Azure Test Storage account service is used for secure storage of documents for the CTEC Test System.

Web Application:

The Azure Test Web Application account service is used for delivering web pages for the CTEC Test System.

SQL Database:

The Azure Test SQL Database account service is the database system for the CTEC Test System.

Production Environment:

Storage Account:

The Azure Storage account service is used for secure storage of documents for the CTEC System.

Web Application:

The Azure Web Application account service is used for delivering web pages for the CTEC System.

SQL Database:

The Azure SQL Database account service is the database system for the CTEC System.

**Cloud Defender:**

The Azure Cloud Defender service monitors the CTEC environment for security issues.

Application Insights:

The Azure Application Insights service monitors the CTEC environment for application errors.

Other/Misc. Environments:**Email:**

Ctec.org email is handled by Google Apps for Business under the Advocation Strategies, Inc. account.

Domains:

The ctec.org domain is registered and managed through GoDaddy.

2 Factor Auth:

2 Factor Auth SMS and Email functionality is handled through Twilio Auth.

System Generated Emails:

System Generated Emails are processed using SendGrid.

PCI Scanning/Compliance:

PCI Scanning and Compliance is handled by Security Metrics and provided by Wells Fargo.

Payment Processing:

Payment Processing is handled by PayPal Pay flow Pro Services.

Website Stats/Analytics:

Website Stats/Analytics are handled using Google Analytics.

Secure SSL Certificates:

SSL Certificates are provided by Microsoft Azure.

The council adopted the following:

Resolution: Accept the above CTEC Azure Cloud Environment document as presented. This document will be added to the Emergency Action Plan (EAP) document.

15. Governance Committee Report – Susie DiMaggio/Yvette Rupp**a. Review of Governance Committee policies****i. GV03-Officers**

A copy of the GV03-Officers policy was distributed to all board members for review. The following changes were made to the GV03-Officers policy:

Terms of office begin on January 1st and end on December 31st.

Duties: The officers shall perform those duties that are usual to their positions and that are assigned to them by the Board, including those duties that are set forth in the position description for each officer adopted by the Board from time to time. The ~~Treasurer~~ Secretary shall act in place of the Board Chair when the Board Chair is not available.

The board discussed reviewing the Bylaws to make sure it outlines who shall act in place if the Secretary and Treasurer are not able to perform their duties that are usual to their positions and that are assigned to them by the Board. This topic was tabled at the next Bylaws and Governance committee meeting.

The council adopted the following:

Resolution: Accept the above GV03-Officers policy as presented.

ii. GV07-Privacy Policy

A copy of the GV07-Privacy Policy was distributed to all board members for review. The following changes were made to the GV07-Privacy Policy:



Collection of information as allowed by law:

CTEC only collects Personal Identifiable Information (PII) data that is necessary for business purposes and with the consent of the individual.

CTEC limits the collection of information to what is relevant and necessary to accomplish the lawful purpose of CTEC. For example, identification of individuals is made through the collection of personal information such as mailing addresses, telephone numbers, or birth dates. In addition, at the request of the California Franchise Tax Board, CTEC requires social security numbers from all CTEC Registered Tax Preparers and applicants. This information is encrypted in the CTEC database and can only be accessed by the CTEC Administrator and staff, IT Administrators, Background Reviewers, and the California Franchise Tax Board.

The council adopted the following:

Resolution: Accept the above GV07-Privacy Policy as presented.

iii. GV11-Selection of CRTP Directors

The board reviewed policy GV11-Selection of CRTP Directors policy which indicated that under “Process for Election: Any CRTP who resided in California and wishes to volunteer his or her time and serve on the CTEC Board...”. Celeste Heritage informed the board that the language in this policy is limited to just CRTPs and not to the other board members, who are appointed by their organization to serve on the CTEC Board.

Celeste reminded the board that the subject of CTEC Board members who do not reside in the state of California came up at the last Sunset Review Hearing. One of the committee members questioned why there are CTEC Board members who do not reside in the state of California. Celeste shared with the board that at the Sunset Review Hearing CTEC indicated that these board members are assigned by their associations.

The board recommended tabling this topic to the next Governance Committee meeting.

b. CRTP Director Candidates

Elections for CRTP Director vacancies were posted on the CTEC website and in the newsletter. Yvette Rupp informed the board that two new applications were received for the CRTP position, and those applicants were invited to the board meeting. The current CRTP Directors were contacted by CTEC staff to determine their intention to serve another 2-year term.

16. Communication and Technology Report – C. Lester Crawford

a. Review of Communication and Technology policies

i. CT04 – CTEC Personally Identifiable Information (PII)

A copy of the CT04-CTEC Personally Identifiable Information (PII) policy was distributed to all board members for review. The following changes were made to the CT04-CTEC Personally Identifiable Information (PII) policy:

CTEC PERSONALLY IDENTIFIABLE INFORMATION (PII) POLICY

This policy outlines how CTEC handles Personally Identifiable Information (PII) of individuals, including preparers, providers, employees, and other stakeholders, and applies to all employees, contractors, and third-party vendors who have access to PII data in the course of their work.



Personally Identifiable Information (PII) refers to any information that can be used to identify an individual, including but not limited to name, address, phone number, email address, social security number, date of birth, and financial information.

Data Collection:

CTEC only collects PII data that is necessary for the business purpose and with the consent of the individual. We will inform the individual of the purpose of the data collection and obtain their consent before collecting their data. ([Reference policies: TP02, TP07, TP12, TP13 and GV07](#))

Data Use:

CTEC will use PII data only for the purpose it was collected unless otherwise authorized by the individual. We will not use PII data for any unlawful purpose or disclose it to any unauthorized person. ([Reference policies: AD03 and GV07](#))

Data Storage:

CTEC will store PII data securely and protect it against unauthorized access, use, or disclosure. CTEC will use appropriate technical and organizational measures to safeguard PII data against loss, theft, and damage. ([Reference policy: GV07](#))

Data Retention:

CTEC will retain PII data only for as long as necessary to fulfill the purpose for which it was collected or as required by law. When the data is no longer needed, we will securely dispose of it. CTEC's current data retention period is 7 years. ([Reference policy: GV08](#))

Data Access:

Access to PII data is restricted to authorized personnel only. CTEC will maintain a record of all persons who have access to PII data and the purpose of their access. ([Reference policy: GV07](#))

Data Breach:

In the event of a PII data breach, CTEC will promptly notify affected individuals and take appropriate remedial actions to mitigate the impact of the breach. ([Reference policy: CT03](#))

Compliance:

CTEC will comply with all applicable laws and regulations regarding the collection, use, and protection of PII data. ([Reference policy: GV07](#))

Policy Review:

This policy will be reviewed and updated as necessary to ensure its continued effectiveness and compliance with relevant laws and regulations.

The council adopted the following:

Resolution: Accept the above CT04-CTEC Personally Identifiable Information (PII) policy as presented.

b. Website Technology Report – Mark Griffith

Mark shared with the board that there have been several updates to the renewal registration cycle 2023/2024 which started on August 1st and CRTPs have been renewing and registration with no issues.

Mark shared with the board that there have been several update changes to the website including the 3-year cooling year period for application also existing changes to the background reviewer, back office, and board sections. Mark is still working on revamping the board section to add committee documents and reports.

i. [CTEC database monthly scan report – Mark Griffith](#)

Mark gave a report on the CTEC database systems scanned. Mark reminded the board that CTEC system is scanned monthly by an outside security provider (Security Metrics) for vulnerabilities and compliance with PCI standards, which is required to process online payments.

Over the last year, these standards have changed significantly due to the increasing cyber threats and problems that many companies have been experiencing. Mark informed the board that the cost associated with these monthly scans was set up and paid by Wells Fargo because of the high volume of credit card processing.

A copy of the monthly ASV Scan Report Executive Summary report was distributed to all board members. Mark informed the board that there have been PCI updates that have required him to work through some issues that have come up and will be addressing found issues on an ongoing basis.

Mark reminded the board that there are ongoing system security updates based on OWASP Zap Scan recommendations. OWASP Zap is the industry standard penetration testing tool for finding vulnerabilities in web applications and is a more advanced deep scanning system than PCI scans.

c. IT Audit Proposals – C. Lester Crawford

i. Shield IT Networks

The board recommended delaying this audit to a later time and having staff contact Shield IT Networks to inform them of the board's decision.

d. CTEC Website – Gigi Jones

i. 500 Designs – Web Design Proposal

The board recommended tabling this topic to a later board meeting.

ii. CTEC Website Cost Analysis

The board recommended tabling this topic to a later board meeting.

iii. CTEC.ORG proposal – Mark Griffith

Mark gave a summary of upgrades needed for CTEC.ORG re-design. A copy of the upgrade proposal outlined below was distributed to all board members.

Summary of Upgrades needed for CTEC.ORG re-design:

This upgrade proposal is what is needed in order for CTEC to implement a re-design of the public website using WordPress for the public website. The current CTEC website is a .NET MVC application which is dependent on the ctec.org root domain. In order to re-design and implement a separate public website, the current system will need to be re-written to allow for database management for preparers, providers, staff, background reviewers, FTB and IRS portals to function independently from the ctec.org root domain. This will be accomplished by creating 3 new .NET applications which will function using sub domains for preparers (preparer.ctec.org), providers (provider.ctec.org) and administration (admin.ctec.org). The administration application will provide functionality for staff, background reviewers, FTB and IRS. Since all code will need to be extracted from the current environment and re-written to function independently, we will be upgrading our framework at the same time from .NET MVC to .NET Core, which is the latest .NET framework available for our Microsoft environment. Without this upgrade it will not be possible to move the public website (ctec.org root domain) to the WordPress environment. The estimated time to complete the backend update is 6 months which will allow the new design to go live before the May meetings and a couple months before the start of the next renewal cycle.

Items needed to complete this update:

- Setup new WordPress environment within our Azure cloud infrastructure.
- Technical support for new design company.
- Rewrite our .NET database management system to work independently from the ctec.org domain by portals. (preparer.ctec.org, provider.ctec.org and admin.ctec.org)

- Upgrade our .NET infrastructure to the new version available (.NET Core).
- Create new API/webservices for data access in the WordPress environment.
- Populate ctec.org content in the WordPress environment.
- Create new custom database content pages in the WordPress environment.

Timeline for these updates:

- Start immediately after board meeting approval.
- Dedicated minimum development time of 50 hours per week for 6 months. (25 hours per week by Mark Griffith and 25 hours per week by Sajjad Choudhry)
- Target completion by May board meeting.

Scope of Work and Estimated Hours for these updates:

- Hours each month will be billed as completed. Estimated hours breakdown for this update is:
 - November (100 hours - \$6,700)
 - Setup WordPress environment and give access to design company.
 - Configure new .NET environments and install necessary resources and libraries.
 - Configure new sub-domains for new environments.
 - Install new Secure Certificates using wildcard configurations for sub-domains.
 - Technical support for design company as needed.
 - December/January (300 hours - \$20,100)
 - Develop new Preparer Admin
 - Develop new Preparer New Application Process
 - Develop new Preparer Renewal Process
 - Develop new Preparer Complaint Process
 - Develop new Preparer API's to be used by public website
 - Technical support for design company as needed.
 - January/February (300 hours - \$20,100)
 - Develop new Provider Admin
 - Develop new Provider Upload API's
 - Develop new Provider Complaint Process
 - Develop new Provider API's to be used by public website
 - Technical support for design company as needed.
 - March/April (400 hours - \$26,800)
 - Develop new Staff Admin Portal
 - Develop new Background Review Portal
 - Develop new FTB Portal
 - Develop new IRS Portal
 - Develop new Board Access Portal
 - Technical support for design company as needed.
 - May (100 hours - \$6,300)
 - Public website database integration development
 - Public website remaining content population.
 - Security scans of new system and issues resolution
 - Complete testing of all new development
 - Launching of new systems
- **Total Cost (flat fee/ 20% discount from normal hourly rate): \$80,000**

Mark reminded the board that at the last board meeting the board allocated \$25,000 for IT Risk Assessment Review to have a third-party firm audit the CTEC data for vulnerabilities and compliance with PCI standards.

Mark suggested CTEC implement the upgrade needed first then have an audit completed and suggested using the \$25,000 already in Communication and Technology budget towards the upgrade then at the May 2024 board meeting he will present a proposal for the remaining work.

Mark reminded the board that CTEC system is scanned monthly by an outside third-party security provider (Security Metrics) for vulnerabilities and compliance with PCI standards, which is required to process online payments.

The board recommended the following:

Motion: The decision to fully fund the above upgrade proposal was tabled later in this board meeting.

This motion was withdrawn later in the meeting and the topic of fully fund the CTEC.ORG proposal was tabled to the next committee meeting.

The council adopted the following:

Resolution: To change line item 5314 - IT Risk Assessment Review to \$0 and move the \$25,000 from that line budget to budget line item 5307 Software Update totaling it to \$45,000.

17. Public Awareness Report – C. Lester Crawford

a. Review of Public Awareness Committee policies – if applicable

Lester shared with the board that the committee reviewed the Public Awareness Committee policies and recommended no changes to their policies.

The Public Awareness Committee budget was reviewed and discussed by the board and recommended reducing the 5804 Advertising line-item budget from \$391,000 to \$283,000.

Rebeca Landeros, FTB Representative stated since FTB and Public Awareness are working hand in hand, she suggested CTEC take \$50,000 from the FTBs budget and use those funds towards the Public Awareness campaign.

Gigi Jones informed the board that more than half of the Public Awareness Advertising budget had been spent or it had been committed and she would have to renegotiate the contracts.

The council adopted the following:

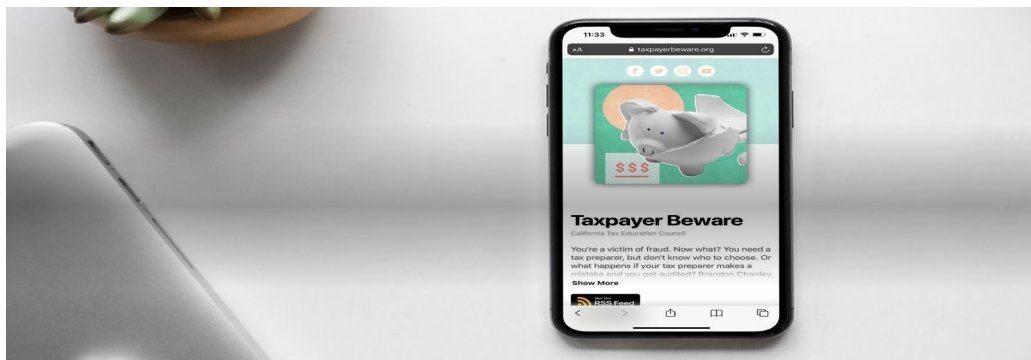
Resolution: Decrease the budget line-item 5804 Advertising from \$391,000 to \$283,000.

b. Public Awareness agreement (R.G. Jones, dba G. g. Jones Public Relations, LLC) – C. Lester Crawford

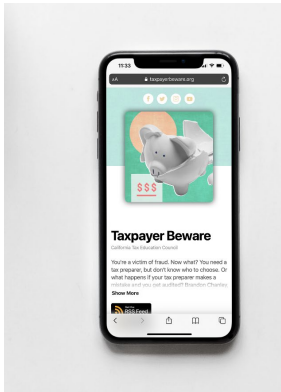
This topic was tabled at the May 2024 board meeting.

c. Report on Public Awareness Campaign – Gigi Jones

Gigi gave a PowerPoint presentation and shared with the board the 2023/2024 Campaign Strategy outlined below:



Podcast Update



*CTEC has received a total of **76,754+ downloads** since inception, including current and past episodes...

English Version | 40,200+ Downloads

*Total since January 2023

Tax Preparers' Legal Responsibilities – Includes Video

21K

+ 20.2k (May)

You're Facing a Tax Issue

531

+ 481 (May)

Scary Truth About Ghosts – Includes Video

18.5K

+ 12.5k (May)

Spanish Version | 16,700+ Downloads

*Total since January 2023

Avoid Tax Scams and Fraud (IRS)

5.4 K

+ 4.9k (May)

Scary Truth About Ghost (Victim) - Includes Video

5.6 K

+ 3k (May)

Scary Truth About Ghost (IRS/FTB)

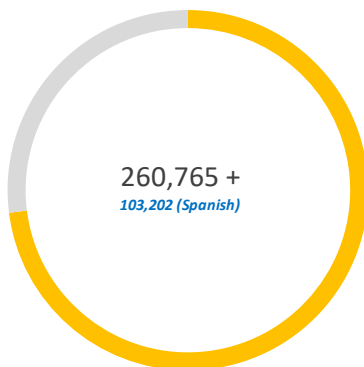
5.5 K

+ 2k (May)

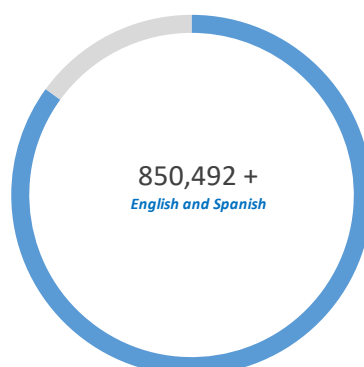


Google Ads Update

Ghost Tax Preparers Ads
May meeting through October 16th extended deadline



Total Clicks Since Launching ALL ADS in August 2022
Ghost and choosing a tax preparer ads

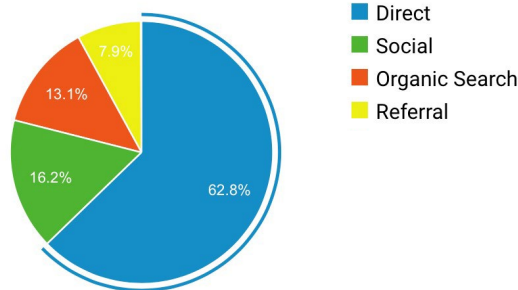


Website Analytics

Social media continues to show a significant increase, specifically with YouTube driving more than 82,000 taxpayers to the CTEC website with a total of 956,057 views during 2023 with AI generated videos.

Gen Z also showing more interest with an increase of 2% more visiting the website since the May meeting.

Top Channels



OVER 3.5 MILLION TOOK ACTION ON THE CAMPAIGN



2024 Campaign Overview



Getting taxpayers engaged with podcasts through testimonies and storytelling continued to be the focus of the 2024...

Podcast Promotions

Continue the podcast campaign with new guests (CALCPA, BOE) and advertising strategy, includes expanding video podcast targeting.

Updated Videos

New AI generated videos will be promoted in English and Spanish. CTEC will have access to its measurement platform to monitor how the visuals impact engagement results.

Campaign Promotions

Continue with mobile ad campaign, OTT and CTV targeting, Google ads, social media and other past strategies, which includes Spotify, plus Pandora and iHeart Media via Audio.

Three press releases will also be sent directly to media outlets.



Amaze Podcast Advertising



- 01** A total of six episodes will be produced in audio and video (3 in English and 3 in Spanish) with Ray as new host and Fernando doing Spanish. Topics include difference between tax preparers (CALCPA guest), scams and bundled services/assist with issue (FTB). BOE will talk about choosing a tax pro and ghosts. IRS pending for final Spanish.
- 02** We are guaranteed a set number of views and audio results. Those numbers are still pending – roughly 61,000 total at this point.

Additional Ad Recommendations



General + Podcast
(English /Spanish)

Spotify

Pandora + iHeart
(English /Spanish)

AudioGo

Mobile + CTV/OTT
(English Only)

GroundTruth

\$6,000 held back from
2023 will be rolled over to
2024 campaign

Include YouTube
(English /Spanish)

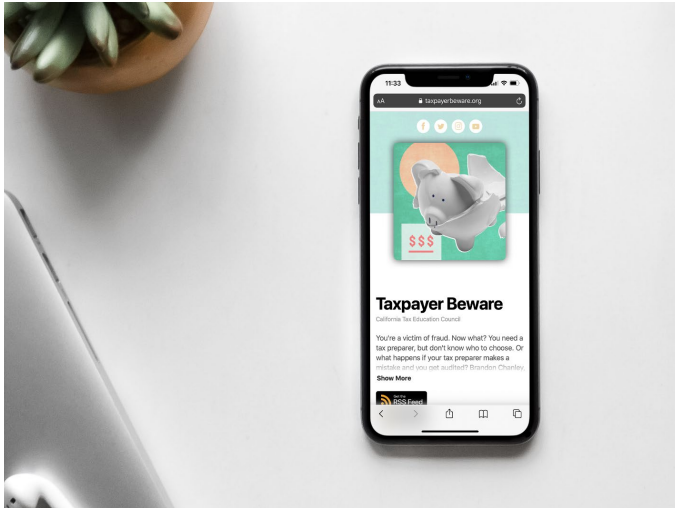
Google Ads

Meta, Twitter, TikTok
(English / Spanish)

Social Media

*Total 2023/2024 Ad Budget Spend w/Podcasts: **\$336,500**

Moving Forward



01 Press releases, ads and videos included for review in committee packet.

02 Podcast episodes still in production, but a link will be provided once completed.

18. Tax Preparer Committee Report – Karen De Vaney

a. Review of Tax Preparer Committee policies

i. [TP02 – Tax Preparer Registration Requirements](#)

A copy of the TP02-Tax Preparer Registration Requirements policy was distributed to all board members for review.

The committee recommended adding “Collection of information as allowed by law” to TP02-Tax Preparer Registration Requirements policy:

Collection of information as allowed by law:

CTEC only collects Personal Identifiable Information (PII) data that is necessary for business purposes and with the consent of the individual.

CTEC limits the collection of information to what is relevant and necessary to accomplish the lawful purpose of CTEC. For example, identification of individuals is made through the collection of personal information such as mailing addresses, telephone numbers, or birth dates. In addition, at the request of the California Franchise Tax Board, CTEC requires social security numbers from all CTEC Registered Tax Preparers and applicants. This information is encrypted in the CTEC database and can only be accessed by the CTEC Administrator and staff, IT Administrators, Background Reviewers, and the California Franchise Tax Board.

The council adopted the following:

Resolution: Accept TP02-Tax Preparer Registration Requirements policy as presented above.

ii. **TP07 – Tax Preparer Address**

A copy of the TP07-Tax Preparer address policy was distributed to all board members for review. The committee recommended the following:

TAX PREPARER ADDRESS

Policy: In order to register with CTEC, an individual, on their application, must provide not only a mailing address but a physical address, if different than the mailing address. Reference Forms: CTEC-004 - Application for Renewal Registration; CTEC-003 - New Preparer Application; and CTEC-005 - Experience in Lieu of Education Application.

Collection of Information as allowed by law – Reference TP02

The council adopted the following:

Resolution: Accept TP07-Tax Preparer address policy as presented above.

iii. **TP12 – New Preparer Application Process**

A copy of the TP12-New Preparer Application Process policy was distributed to all board members for review. The committee recommended adding the following reference to the policy:

Collection of Information as allowed by law – Reference TP02

The council adopted the following:

Resolution: Accept TP12-New Preparer Application Process policy as presented above.

iv. **TP13 – Successful Completion of CTEC Registration**

A copy of the TP13-Successful Completion of CTEC Registration policy was distributed to all board members for review. The committee recommended adding the following reference to the policy:

Collection of Information as allowed by law – Reference TP02

The council adopted the following:

Resolution: Accept TP13-Successful Completion of CTEC Registration policy as presented above.

The board discussed the new preparer application fee. Lester reminded the board that based on 5,000 new registrants from last year's registration cycle, expenses for Background Reviewers, Hearing Officers, Legal and additional expenses for Advocacy Strategies to assist with the processing of the new applicants, the board recommended adding \$100 nonrefundable fee for the new application starting January 1, 2024, to cover the additional CTEC costs.

Mark reminded the board that he will also need to modify the application process to include the new application fee along with language that will need to be updated throughout the website informing applicants of the new fee.

The council adopted the following:

Resolution: Approve \$100 nonrefundable fee for new preparer application, starting January 1, 2024.

The board discussed the credit card processing fees. Lester reminded the board that currently CTEC has been paying for the credit card processing fees and there is no fee to the card holder. The board recommended adding a \$2 processing fee, starting January 16, 2024.

The council adopted the following:

Resolution: Approve a \$2 processing fee, starting January 16, 2024.



b. **C RTP Report – Celeste Heritage**

Celeste Heritage gave a registration update for both current and previous cycle year registrations. Celeste informed the board that as of November 8, 2023, for 2023/2024 cycle year registration, CTEC registered 27,349. A copy of the CRT P report was distributed to all board members. The report also included 5-year historical CTEC registration outlined below:

C RTP REPORT
AS OF November 8, 2023
CURRENT REGISTRATION:

NOVEMBER 2023

2023/2024 Registrations

RENEWALS: 26,942

NEW APPS: 407

TOTAL REGISTRATION = 27,349

2022/2023 REGISTRATION

RENEWALS: 33,645

NEW APPS: 5,222

TOTAL REGISTRATION = 38,867

OCTOBER 2023

2023/2024 REGISTRATION

RENEWALS: 16,202

NEW APPS: 211

TOTAL REGISTRATION = 16,413

5-YEAR HISTORICAL CTEC REGISTRATION

MAY 2023

2022/2023 REGISTRATION

RENEWALS: 33,671

NEW APPS: 4,441

TOTAL REGISTRATION = 38,112

2021/2022 REGISTRATION

RENEWALS: 33,613

NEW APPS: 4,595

TOTAL REGISTRATION = 38,208

NOVEMBER 2022

2022/2023 REGISTRATION

RENEWALS: 26,451

NEW APPS: 414

TOTAL REGISTRATION = 26,865

2021/2022 REGISTRATION

RENEWALS: 26,515

NEW APPS: 338

TOTAL REGISTRATION = 26,853



APRIL 2022

2021/2022 REGISTRATION

RENEWALS: 33,678

NEW APPS: 3,871

TOTAL REGISTRATION = 37,549

2020/2021 REGISTRATION

RENEWALS: 33,904

NEW APPS: 4,721

TOTAL REGISTRATION = 38,625

APRIL 2021

2021/2022 REGISTRATION

RENEWALS: 33,678

NEW APPS: 3,863

TOTAL REGISTRATION = 37,541

2020/2021 REGISTRATION

RENEWALS: 33,904

NEW APPS: 4,721

TOTAL REGISTRATION = 38,625

NOVEMBER 2021

2021/2022 REGISTRATION

RENEWALS: 26,959

NEW APPS: 422

TOTAL REGISTRATION = 27,381

2020/2021 REGISTRATION

RENEWALS: 33,930

NEW APPS: 4,714

CA NEW APPS: 10

TOTAL REGISTRATION = 38,654

c. Application Reminder Notice / Receipt – Karen De Vaney

Karen De Vaney informed the board that the committee suggested an automated email notification be sent to all new applicants confirming receipt of their application and including steps to be completed before registering with CTEC. The following draft language was distributed to all board members for review:

Dear Applicant:

- This email confirms receipt of your application for registration with the California Tax Education Council (CTEC).
- **COMPLETION OF THIS APPLICATION DOES NOT MEAN YOU ARE REGISTERED WITH CTEC.**
- **Next Steps:** ~~You must complete all other requirements in order to be registered with CTEC, including:~~
 - Successfully completing on of a 60-hour qualifying education course from a CTEC-approved provider;
 - Complete and print a Live Scan form;



- ~~Visiting Complete a Live Scan facility for~~ fingerprinting ~~and background check~~ at an approved Live Scan location (Include link to Live Scan locations) (Processing time may take up to 2 months);
 - ~~Purchasing~~ a \$5,000 Tax Preparer Bond;
 - Obtaining a ~~Personal~~repayer Tax Identification Number (PTIN) from the IRS (www.irs.gov/ptin). ~~;~~ ~~and~~;
 - (Include link to CTEC to complete registration) Pay ~~your \$33 CTEC registration fee~~.
- You may be contacted by CTEC (via email) if additional information is needed regarding your background check. **If additional information is requested and no response is received, you may receive a proposed denial letter via mail and email.**
 - **DO NOT TAKE YOUR ANNUAL 20-HOURS CONTINUING EDUCATION COURSES BEFORE COMPLETING YOUR REGISTERINGRATION AS A NEW PREPARER.**

The council adopted the following:

Resolution: Accept the above language to the automatic email notification to all new applicants with changes as presented above.

- d. **Amend Business & Professions Code Sections 22250-22259 to require unpaid volunteer preparers to go through a background check procedure and register with CTEC.**

Karen De Vaney informed the board that the Tax Preparer Committee has met and voted to remove this topic item from the board agenda.

- e. **New Application Background Check Report – Supriya Panda**

Mary Beth LaMunyon-Jones, CTEC Hearing Officer gave a breakdown presentation of the new application and registration as of November 7, 2023, outlined below. A copy of the report was distributed to all board members.

**Breakdown of New Applications and Registrations
of 2023/2024 Cycle Year as of November 7, 2023**

Pending: 665 – Applicants in this category have started the application process but have not submitted the application.

Submitted: 9581

Applicants in this category have completed the application for registration. Upon receipt of a background record by the California Department of Justice, the application is moved to one of the following categories: Approved, Initial Review or Background Review.

Approved: 5542

Applicants in this category have completed the background review process. Applicants who are approved by CTEC's Hearing Officers after hearing review are also in this category. Applicants in this category have not yet completed the registration process.

Initial review: 21

Applicants who meet the criteria for background review are placed in this category after they have been sent an initial request for information, of if, after being reviewed by Background Reviewers, they are sent a second request for additional information.

Background review: 5

Applicants under background review either will be reviewed by the Background Reviewers, or the Background Reviewers have issued a proposed decision to deny the application for registration. An applicant that has been proposed to be denied remains in this category until a letter of proposed denial and all relevant evidence has been mailed to the applicant.

**Proposed Denials: 0**

Applicants in this category have been issued a proposed denial of application for registration, and a proposed denial letter with relevant evidence has been mailed to their mailing address and an electronic copy is emailed to the email address on file.

Applicants remain in this category for 40 days if they fail to request an oral hearing or consideration of a written statement, at which the proposed decision becomes final and effective. Applicants are given 30 days from the date the proposed denial letter is issued to request an oral hearing or consideration of a written statement.

Applicants who fail to request a hearing within the time frame are barred from applying to be a CRTP for a period of three years from the date of the final denial.

Hearing Review: 6

Applicants have requested an oral telephonic hearing or a consideration of a written statement to oppose the Background Reviewers' proposed decision to deny the application for registration.

Applicants in this category have either already been heard and await a final decision letter from legal counsel, or they are waiting to be heard. The next hearing is scheduled for November 30, 2023.

Closed-Denial: 0

Hearing Officers have decided to uphold the BR's proposed decision to deny the application for registration, or the applicant has failed to request a hearing within the given time frame and the proposed decision of the Background Reviewers to deny the application for registration has become final and effective.

Hearings Held: 0**Pending Hearings: 2****Closed-Registered: 363**

Applicants have completed the registration process.

Closed-Expired: 0 This status is for applications that have not been completed within 18 months of the date submitted.

Close-Cancelled: 0 – This status is for applications that have been canceled by staff at the applicant's request or because a previously denied applicant has submitted a new application for registration.

Total Applications: 16,188

2022/2023 Registrations

Renewals: 33,645

New Applications: 5,215

Total Registrations: 38,867

2021/2022 Registrations

Renewals: 33,644

New Applications: 4,601

Total Registrations: 38,252

f. Paralegal/Background Reviewers/Hearing Officers Report – Supriya Panda

No report.

g. Possible Legislature changes to Enforcement Fines – Karen De Vaney / Celeste Heritage

Celeste reminded the board that this topic was brought up at the Tax Preparer committee meeting that CTEC would like a portion of the fines that FTB collects for failure to register with CTEC, to go to FTB to be used for the Ghost Preparer Program.



Celeste informed the board that according to the B&P Consultant, there is nothing CTEC can do on this issue because CTEC is not a state agency, therefore CTEC cannot take money out of the CA general funds. This will need legislative change to the Revenue and Taxation code.

h. Meeting attendance (Background Reviewers and Hearing Officers) – Karen De Vaney

Karen De Vaney shared with the board that the Tax Preparer committee discussed that perhaps it would be valuable to have one Background Reviewer and one Hearing Officer attend the CTEC Board meetings in May and November and have CTEC reimburse them for their hotel and travel. Currently, CTEC does not reimburse for hotel and travel for the Background Reviewers and Hearing Officer to attend these meetings. Since the Board meetings are not virtual, they have no way of knowing what decisions have been made by the board. The committee approved the option and suggested attendance should be one individual from each group on a rotating basis.

i. Notifications to applicants for hearing review – Karen De Vaney

Karen De Vaney shared with the board that this topic of notifications to applicants for the hearing review was discussed at the last Tax Preparer committee meeting. Currently, Supriya sends out one notification to applicants with their hearing date and information.

The Hearing Officers felt that a courtesy email reminder should be sent out prior to the hearing date. The committee reviewed the policies related to the appeal process and suggested Supriya send a courtesy email reminder to applicants of their hearing date scheduled.

The committee tasked Supriya to send a courtesy email reminder one week prior to the hearing date letting the applicant know of their hearing coming up.

i. FTB meeting attendance at IRS Forums and other conferences – Karen De Vaney

Karen informed the board that FTB has requested that CTEC reimburse FTB for their attendance at IRS Forums and other conferences. The committee discussed the request and felt that CTEC's budgeted funds should be used for enforcement purposes only.

Karen shared with the board that most of those individuals that attend these forums are there to meet their annual education requirements and are already registered with CTEC. Karen stated that this would be a waste of budgeted funds that could be used for additional site visits.

The committee recommended not approving any CTEC funding to be used for FTB to attend the IRS Forums and any other conferences.

j. Additional Person for FTB – Celeste Heritage / Karen De Vaney

Celeste shared with the committee that FTB sends out Failure to Register Notices to individuals who they find preparing and are not registered with CTEC. In the letter there is an FTB phone number to call for further information on the correspondence they received. When FTB personnel are out in the field making site visits, there is no one in the office to answer phone calls.

Celeste shared with the board that FTB reached out to CTEC requesting help to hire an additional person. Celeste was informed by Rebecca that in order to bring on an additional person legislative approval is needed. Celeste informed Rebecca that CTEC's enforcement budget would allow FTB to hire another individual to man the office when the others are out in the field.

Celeste informed the board that according to the FTB they have additional personnel answering the phone and returning messages.

This topic was tabled at a later committee meeting.

k. Timothy James Martin vs. CTEC – Celeste Heritage

Celeste Heritage gave an update on Timothy James Martin vs. CTEC. Celeste reminded the board that Mr. Martin sued CTEC in Small Claims Court and in Superior Court because Mr. Martin wanted an exemption as a trustee to register with CTEC. Mr. Martin worked for H & R Block and wanted the exemption to obtain CTEC registration. CTEC has forwarded this request to FTB who sent a memo back to CTEC stating that the trusteeship that he had does not qualify under the CTEC registration exemption.

Celeste shared with the board that CTEC attended the Small Claims Court scheduled for September 27, 2023, virtually. The judge dismissed the action but without prejudice, which means that he can file again. Celeste informed the board that within an hour after the hearing, Mr. Martin sent her an email that he would be refiling.

Celeste also shared with the board that in September Dave Daniel, CTEC's NIAC attorney sent a letter to the Superior Court requesting the court to dismiss this claim as improper and for a lack of jurisdiction. There was a court scheduled on October 30, 2023.

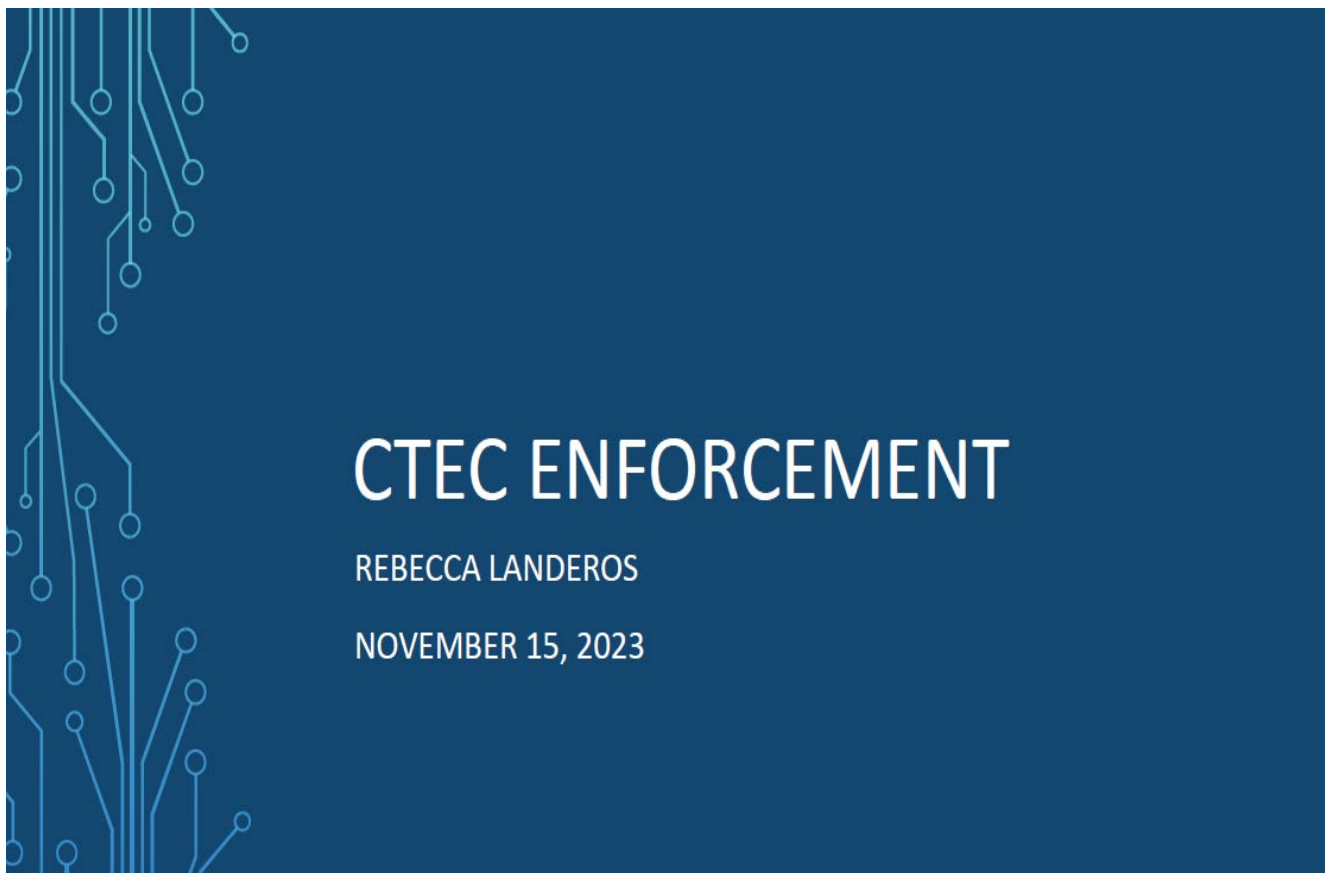
Celeste shared with the board that the court granted demurrers to CTEC and everyone that is on the list, which means the case has been dismissed.

The board meeting adjourned at 5:10 p.m. on Wednesday, November 15, 2023.

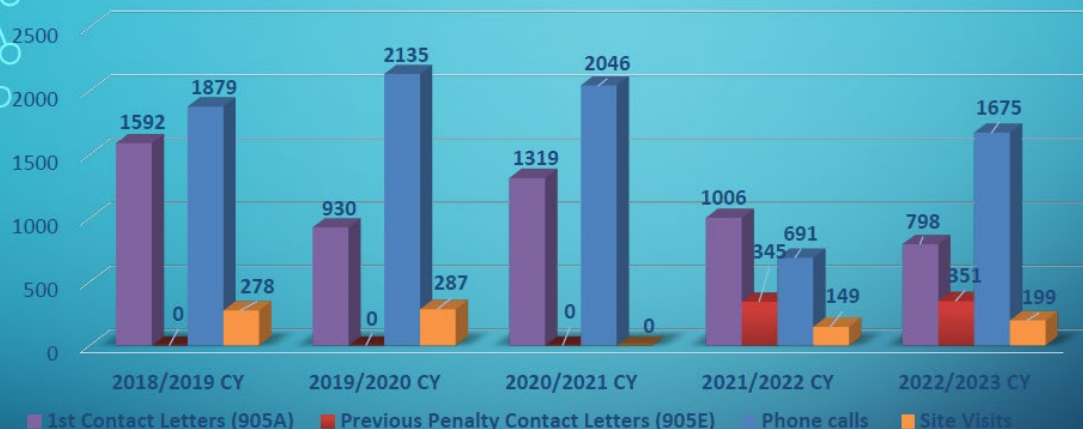
The board meeting reconvened at 8:00 am on Thursday, November 16, 2023.

l. FTB Report – Rebecca Landeros

Rebecca Landeros reviewed the enforcement statistics for 2023/2024. A copy of the report was distributed to all board members.



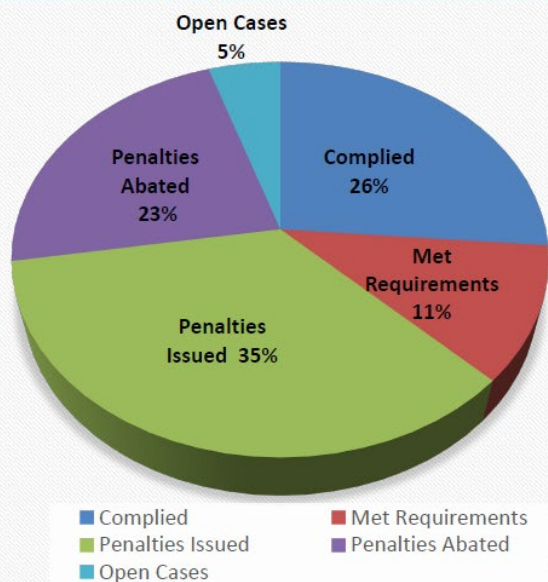
CONTACTS



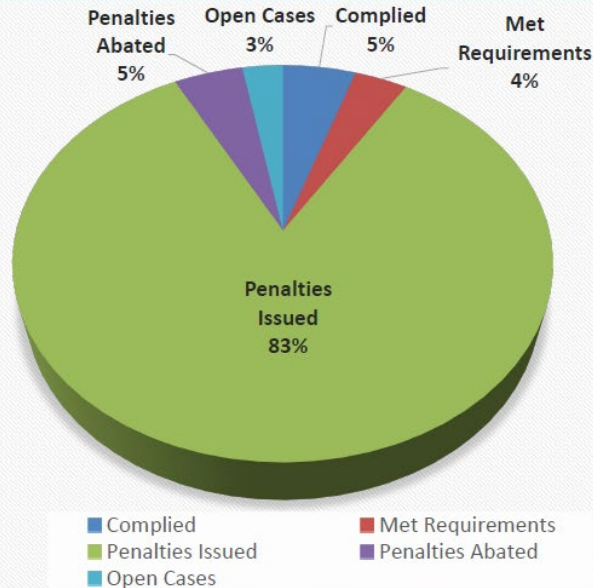
- This chart reflects the number of contacts based on Letters, Phone Calls & Visits.
 - CY 2022/2023 – Season:
 - 798 – Tax preparers received first contact letters
 - 351 – Tax preparers received previous penalty letters
 - 1675 – Phone calls made to tax preparers
 - 199 – Tax preparers visits

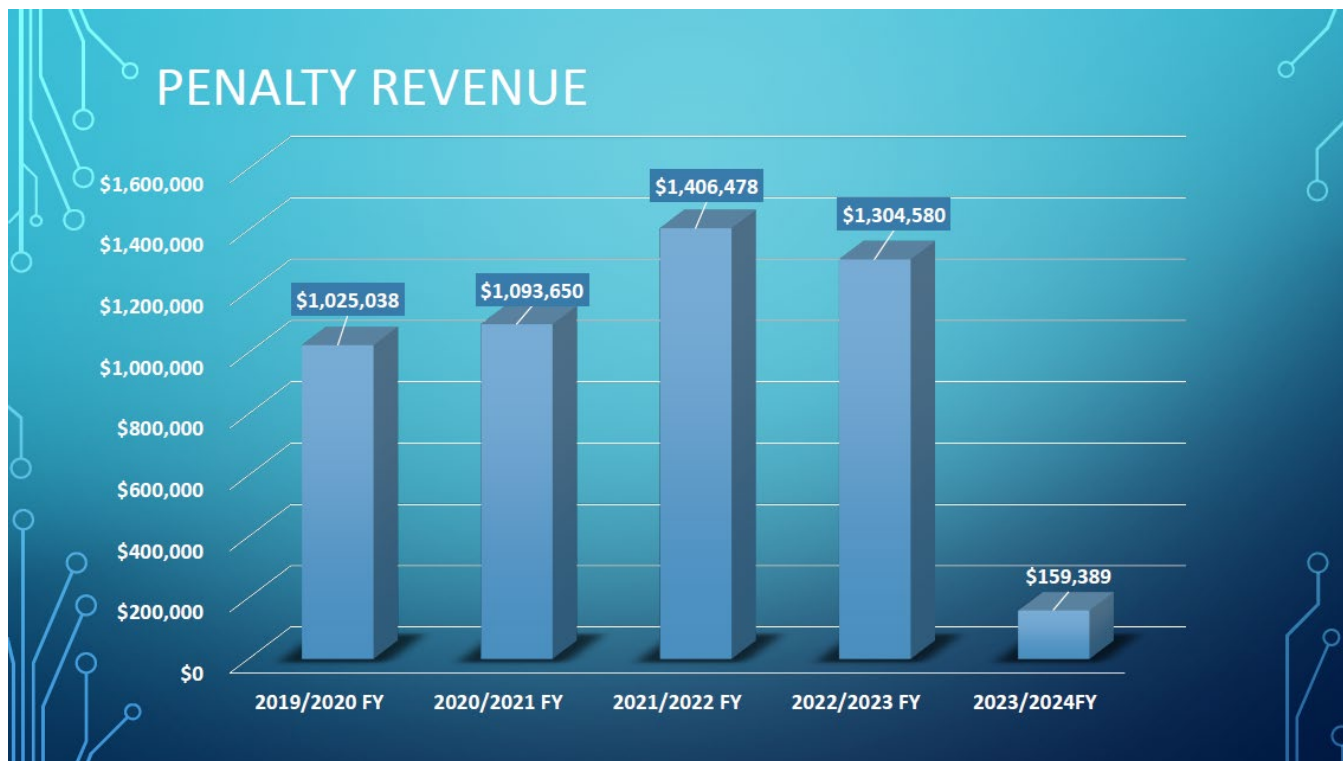
LETTERS

FIRST CONTACT LETTERS – 2023 CY



PREVIOUS PENALTY LETTERS – 2023 CY





<i>Recidivism Rate</i>	<i>Penalties</i>
CTEC Penalty Volume 2023	
Penalties per Preparers	770 Issued
One penalty issued	460
Two penalties issued	119
Three penalties issued	48
Four penalties issued	34
Five penalties issued	34
Six penalties issued	24
Seven penalties issued	20
Eight penalties issued	12
Nine penalties issued	13
Ten penalties issued	5
Eleven penalties issued	1

QUESTIONS



Rebecca shared with the board the type of “Failure to Register Notice” letters that FTB sends out outline below:

The first contact letter asking them to provide FTB with a credential or be subject to a penalty. (30 days to respond or be subject to a penalty).

The second letter alerted them that a \$2500 penalty has been issued because the 30 days have expired since we mailed them the first letter and they still don’t have a valid credential. The 90-day grace period begins from the date of the second letter.



The third letter alerted them that they received a penalty or penalties in previous seasons and FTB still can't locate a credential so they will now be receiving a \$5,000 penalty if they don't provide an active credential. (30 days to respond or be subject to a penalty).

The board suggested Rebecca include in her report a map of all the places FTB Enforcement visited.

Rebecca reminded the board if CTEC has an area where FTB can visit that would benefit from the information shared from FTB to contact her.

19. Election of CRTP Directors

1. C. Lester Crawford
2. Fernando E. Angell III
3. Zachary Ian Belloni
4. Jodi Runyan-Schechter
5. Katie Zollo

Fernando Angell III, C. Lester Crawford and Jodi Runyan-Schechter outlined their experience and why they would like to re-apply to be on the Board.

Zachary Ian Belloni and Katie Zollo outline their experience and why they would like to apply to be on the Board.

The council adopted the following:

Resolution: The board reelected by written ballot Fernando Angell III, C. Lester Crawford and Jodi Runyan-Schechter as a CRTP Director for a 2-year term, beginning January 1, 2024.

20. Election of CTEC Chair

C. Lester Crawford will complete his first term as Council Chair on 12/31/2023. He is eligible for another term.

C. Lester Crawford was nominated and elected by voice vote as CTEC Chair beginning January 1, 2024.

21. Election of Treasurer

Fernando E. Angell III will complete his first term as Treasurer on 12/31/2023. He is eligible for another term.

Fernando E. Angell III was nominated and elected by voice vote to serve as Treasurer beginning January 1, 2024.

22. Election of Secretary

Ray Davis will complete his first term as Secretary on 12/31/2023. He is eligible for another term.

Ray Davis was nominated and elected by voice vote to serve as Secretary beginning January 1, 2024.

23. Election on the Executive Committee

Susie DiMaggio has completed her term on the Executive Committee. She is not eligible to run again for this position. Brandon Chanley has resigned from the board.

Lee Reams was nominated and elected by voice vote to serve Brandon Chanley's remaining term on the Executive Committee ending December 31, 2023.

Aaron Chambers was nominated and elected by voice vote to serve on the Executive Committee beginning January 1, 2024.

Lee Reams was nominated and elected by voice vote to serve on the Executive Committee beginning January 1, 2024.



24. Determine dates and locations for 2025 Board meetings

May 20 - 22, 2025, meeting will be held in Sacramento, CA

May 20, 2025 - Curriculum Provider Task Force meeting beginning at 2:00 p.m.

November 18 - 19, 2025, will be held in San Jose CA

May 21-23, 2024, meeting will be held in Sacramento, CA

May 21, 2024 -Curriculum Provider Task Force meeting beginning at 2:00 p.m.

November 13 – 14, 2024, meeting will be held in Riverside, CA

25. Public comments regarding issues, not on this agenda – C. Lester Crawford

C. Lester Crawford reported there were no public comments or suggested agenda items for future meetings.

C. Lester Crawford informed the board that the National Society of Accountants (NSA) appointed Kaya Klotzek replacing Ruth Godfrey as a new board member to the CTEC board starting January 1, 2024. Lester informed the board that this was Ruth's last board meeting and presented her with a CTEC plaque recognizing her for her service and thanked Ruth for all her professionalism and knowledge steering the council over the years contributing to the CTEC program.

C. Lester Crawford informed the board that Celeste Heritage, CTEC Administrator, will be retiring effective March 1, 2024, and sold her practice of business, Advocation Strategies, Inc. to Tabitha Bolkish, who has been with Advocation Strategies for over 16 years working with CTEC.

Lester reminded the board that CTEC's contract with Advocation Strategies is still in place and there is no change in terms and condition to the contract, except language to include the change of ownership from Celeste Heritage to Tabitha Bolkish.

Lester informed the board that this was also Celeste's last board meeting. Lester thanked Celeste for her professionalism and service dedicated to CTEC since the inception of the program. Job well done!

26. Items/suggestions from Board Members for future meeting agendas – C. Lester Crawford

C. Lester Crawford reported there were no topics at this time.

C. Lester Crawford thanked all board members and Advocation Staff for all their hard work during the last year as Council Chair.

27. Adjourn

The meeting was adjourned at 10:00 a.m.