

Curriculum Provider Standards Committee

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New 2020 Requirements Alert

Background Checks and Fingerprint Images Begins July 1, 2020

Important information to share with your students

California Business & Professions Code Section 22251.3 was amended to **require NEW applicants** interested in becoming CTEC Registered Tax Preparers (CRTPs) to pass a criminal background check and submit fingerprint images to CTEC to determine an individual's eligibility to register as a CRTP.

Also beginning July 1, 2020, **if a CRTP allows their CTEC registration to expire** and they would like to reregister with CTEC, they not only will be required to retake the 60-hour qualifying education (QE) course, but they will also be required to go through another background check and resubmit fingerprint images to CTEC.

New applicants interested in registering with CTEC will:

1. Complete an online application process at www.ctec.org which includes:

- ⇒ Personal Information (SSN, address, phone number, PTIN, etc.)
- ⇒ Create Logon Account (User ID and password)
- ⇒ Background Information (Criminal Conviction / Discipline Disclosure Form)
- ⇒ Complete Live Scan Fingerprinting Process
- ⇒ Complete 60-hours of Qualifying Education

2. CTEC Approved education providers report completed education to CTEC using existing process (Last Name and Last 6 of SSN).

- ⇒ Last Name and Last 6 of SSN must match an existing record in the CTEC system in order for education to be reported. Provider will receive an error message if no matching CTEC record is found.

3. CTEC completes the background investigation.

- ⇒ CTEC notifies applicant of Approval or Denial

4. Applicant completes Registration

- ⇒ Tax preparer Surety Bond required
- ⇒ Credit card/Debit card required

5. CTEC ID is issued

Additional information regarding these new legislative requirements will be outlined in the January 2020 News & Views.

CALIFORNIA TAX EDUCATION COUNCIL THE PROVIDER NEWSLETTER DECEMBER 2019

Remind your students...

Prior to rendering any tax preparation services:

CRTPs shall provide their customer, in writing, with the following:

- (a) The tax preparer's name, address, and telephone number;
- (b) Evidence of compliance with the bonding requirement, including the name of your bond company, the bond number, the bond effective date and expiration date; and,
- (c) The address of the CTEC website, www.ctec.org (New Requirement)

CTEC registration now requires an individual to **upload a copy of a valid tax preparer bond** when registering or renewing.

The bond policy must include the following:

- ⇒ Tax preparer's name
- ⇒ The name of the surety bond company
- ⇒ Bond policy number
- ⇒ Bond effective date
- ⇒ Bond expiration date

CTEC will post on www.ctec.org:

- ⇒ All disciplinary actions taken against registrants by the Council, including, but not limited to, misconduct that results in a suspension or revocation of a CRTP registration.
- ⇒ A list of registrants on probation, including the misconduct that resulted in the probation and any terms of probation.
- ⇒ A notice of the paid surety bond claims.

For years there has been a misconception regarding tax preparers who are licensed, certified and registered. Simply put, CRTPs are **registered**. CRTPs are **not** licensed, certified, enrolled or considered public accountants. Having a CTEC registration basically means the tax preparer has met the state's minimum requirements to prepare tax returns for a fee in California. **CTEC is not a membership organization; therefore, CRTPs are not members.**

Renewal registration - 20-hours of continuing education is required (10-hours of federal tax law, 3-hours of federal tax law updates, 2-hours of ethics and 5-hours of state). **Renewal registration opens August 1st and ends October 31st.**

CRTPs who fail to renew by the October 31st deadline will be required to pay a \$55 late fee plus the \$33 registration fee. The late fee period is from November 1st through January 15th of the following year.

If a CRTP does not renew his/her registration by January 15th, he/she will have to retake the 60-hour qualifying education course and register as a new CRTP.

New preparer registration - 60-hours of qualifying education - **New preparer registration takes place throughout the year.** Individuals who register as new preparers are issued a CTEC Certificate of Completion valid from the day they register through October 31st. CTEC's cycle year runs from November 1st through October 31st of the following year.

All current CTEC certificates must be made visible to clients at the preparer's primary place of business.

Tax preparers cannot prepare tax returns for a fee until their registration is current with CTEC.

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Attention Providers

Make it clear to your students that you do not Register them with CTEC. You, as a Provider, are submitting the education to CTEC, but your student/client has to take the final step to complete and pay for the CTEC registration.

Providers, please verify the correct last name and last six digits of your student's social security number before uploading the 60-hour qualifying education course to CTEC. The name must match exactly on the Certificate of Completion you provide to your student.

Method and deadline for reporting: All CTEC approved providers are required to submit student completion education hours **electronically to CTEC within 30 business days between January 16 and June 30, and within 10 business days of completion** for any other period within the registration/renewal cycle year in which the student completes the course.

Timely Reporting: Failure to report in a timely fashion subjects the provider to delinquency fines according to the following schedule: 1st offense \$100; 2nd offense \$200; 3rd offense \$300; 4th offense \$400; and, 5th offense \$500. 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.

The following provider policies were revised at the November 2019 Annual Board Meeting:

[CP13-Self-Study Courses](#)

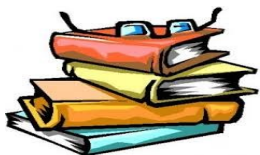
[CP13A-Qualifying Education Courses](#)

[CP18-Curriculum Provider Non-Compliance](#)

[CP19-Provider Reporting Requirements](#)

[CP26-Instructor Led-Face-To-Face Courses](#)

CP23A-Qualifying Education Guidelines and Supplement Tax Cut & Jobs Act Topics will be reviewed and updated at the May 2020 Curriculum Provider Standards Committee meeting.



Periodic Review of Curriculum Providers

Once every three (3) years a CTEC approved curriculum provider is required to submit Continuing Education (CE) and Qualifying Education (QE) courses for periodic review. Providers offering both CE and QE education must submit both types of courses for review.

The provisions of CP14 shall be applied to both QE and CE courses. 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. **Make sure your provider account includes the most current contact information.**

Curriculum providers must submit the course materials and completed checklists no later than June 30th of the year of notification. Providers 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.

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PROVIDER TASK FORCE MEETING ATTENDANCE

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

New providers are required to attend a provider orientation session within the first year of their approval. This orientation session will occur the day before CTEC's May Board meeting.

All currently approved providers are required to attend a Provider Task Force meeting once every three years. Travel expenses to these meetings will be paid by the provider.

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



CTEC Board and Committee meetings dates:

Provider Task Force Meeting
Tuesday, May 19, 2020

Committees and Board Meeting
Tuesday, May 19, 2020 - Thursday, May 21, 2020

Welcome our new CTEC Directors



Fernando Angell is a CTEC Registered Tax Preparer (CRTP) and has been preparing tax returns for over 15 years. He works for a small family business that provides bookkeeping and tax services. He is a proud veteran having served in the United States Marine Corp. He earned his Bachelor's degree in Business Administration from the University of Redlands. He is an active member in his community and volunteers for various nonprofit organizations.



Jett Asinas Mercado is a proud owner of Jettaxes. He is diligent in his tax practice and committed to the profession. He started his own tax firm in 2008 after being the Chief Executive Officer of Companionship Health Provider, Inc. for 2 years. In addition, he is a Business Consultant and a Licensed Real Estate Agent and a volunteer Board of Director for a non-profit organization. He mentors and educates teenagers as a volunteer life coach. Jett has a Master's Degree in Public and Business Administration, currently pursuing a career in the nursing profession.

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CTEC MISSION STATEMENT

The California Tax Education Council (CTEC) will continue to protect the public by establishing professional tax education standards, approve tax education providers who comply with these standards, and facilitate tax preparer compliance.

CTEC PRODUCTS

- Logo Slicks
- CRTP email and mailing list
- 20" x 26" color CTEC poster
- CTEC Brochures—Know Your Tax Preparer (English & Spanish)
- CTEC 2018-2019 Annual Reports (available now either online or by mail)

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

CONTACT INFORMATION

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E-mail: info@ctec.org

Website: www.ctec.org



CTEC Board and Committee meetings are open to the public

May 19 – 21, 2020 - Board and Committee meetings - Sacramento, CA

November 18 - 20, 2020 - Annual Board and Committee meetings - Dana Point, CA

All interested parties are invited to attend the meetings. Time will be allocated for members of the public to make comments on each agenda item (up to 5 minutes). The public may attend all meetings of CTEC except during closed sessions. To make a request for more information or to submit comments to the Board, please contact Tabitha Bolkish at (877) 850-2832 or via email at tbolkish@ctec.org.

CTEC Board minutes are available online by going to www.ctec.org - select Tax Professionals - CTEC Board Meetings