

Curriculum Provider Standards Committee

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New Requirements For New CTEC Applicants

Background Checks and Fingerprint Images Began 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 determine an individual's eligibility to register as a CRTP.

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 a background check and resubmit fingerprint images.

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, 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).**
- 3. CTEC completes the background investigation.**
 - ⇒ CTEC notifies applicant of Approval or Denial
- 4. Applicant completes Registration**
 - ⇒ \$5,000 tax preparer surety bond required
 - ⇒ Payment of registration fee of \$33 with a Visa, Master Card or Debit card required
- 5. CTEC ID is issued**
 - ⇒ CTEC will mail a certificate of completion within 4-6 weeks.

Additional information regarding these new legislative requirements can be found on our website www.ctec.org.

CALIFORNIA TAX EDUCATION COUNCIL THE PROVIDER NEWSLETTER JULY 2020

Attention Providers

All Qualifying Education (QE) CTEC approved providers are required to provide students with a copy of [CP36 – Provider Notification to New Preparers](#), outlined below, upon completion of their 60-hour qualifying education course:

PROVIDER NOTIFICATION TO NEW PREPARERS

Background: All QE CTEC approved providers are required to provide students with a copy of CP36 – Provider Notification to New Preparers, upon completion of their 60-hour qualifying education course.

IMPORTANT: Just because you successfully completed the 60-Hour qualifying education course does not permit you to prepare tax returns in the state of California. You must also complete the registration process with the California Tax Education Council (CTEC). Carefully read the instructions below to complete that process.

Now that you have successfully completed the 60-hour qualification education course, you have 18 months from the completion date listed on your completion certificate provided by your education provider to register with CTEC. If you do not register with CTEC within the 18 months, you will be required to complete another 60-hour qualifying education course before being able to register.

CTEC registrations MUST be completed online at <https://www.ctec.org/>. You will need the following to complete your registration: An [online application for new preparers; a background check and fingerprinting procedure \(Live Scan\)](#); a \$5,000 tax preparer bond; a valid IRS PTIN; and, payment of registration fee of \$33 with a Visa, Master Card or Debit card.

CAUTION - YOU HAVE TWO REGISTRATION OPTIONS

If you register as a new preparer before November 1 – you are registering for the cycle year ending on October 31 of that year. **Example:** If you register as a new preparer on October 15, 2019, that registration is only valid thru October 31, 2019. You would be required to take 20 hours of continuing education sometime between October 15, 2019 and October 31, 2019 to renew your registration for the next registration cycle.

If you register as a new preparer after October 31 – you are registering for the next cycle year beginning November 1 of the current year and ending on October 31 of next year. **Example:** If you register as a new preparer on November 2, 2019, your registration is valid thru October 31, 2020. From November 2, 2019 thru October 31, 2020, you will be required to take 20 hours of continuing education from a CTEC approved provider in order to meet the renewal requirements for the next registration cycle, which will begin on November 1, 2020.

Here are some important registration reminders:

- ◆ CTEC's registration year runs from November 1st to October 31st of the following year.
- ◆ After your initial registration, you must complete 20 hours of continuing education annually from a CTEC approved provider and renew your registration with CTEC by October 31st each year.
- ◆ There is a late renewal period that runs from November 1st through January 15th of the following year. If you renew during that time period, a late registration fee will apply. **Remember, you are not permitted to prepare taxes during this late renewal registration period.**
- ◆ If you fail to renew by January 15th of any given year, you will be required to retake the 60-hour qualifying education course from a CTEC approved provider; [complete an online application for new preparers; complete a background check and fingerprinting procedure \(Live Scan\)](#); have a \$5,000 tax preparer bond; have a valid IRS PTIN; and, register as a new preparer.

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The following policies were also revised at the last Board meeting:

Recent legislative & regulatory events underscore to bring the importance of CTEC Policy 32(b) which requires all courses, both QE & CE, to be updated.

CP32(b) CTEC Update Advisory for All CTEC Courses was emailed to all CTEC Approved providers in June 2020. You can also find a copy here ➡ [CP32\(b\) CTEC Update Advisory for All CTEC Courses](#)

CP01 –Curriculum Provider Standards Committee Mission Statement:

(b) CTEC's Mission: ~~The legislative history of The Tax Preparers Act describes CTEC's mission as "to promote competent tax preparation within the State of California"~~ **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.**

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

- (a) - **Background:** ~~The legislative history of the Tax Preparers Act (California Business & Professions Code Sections 22250-22259) states that the mandate of the California Tax Education Council (CTEC) is "to promote competent tax preparation within the State of California"~~ **"protection of the public shall be the highest priority for the council in exercising its registration and disciplinary authority, and any other functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount"** To promote competent tax preparation, CTEC administers an education program designed to ensure that California tax preparers' skills are enhanced through Qualifying (QE) and Continuing (CE) education. To that end, CTEC monitors and enforces educational standards designed to ensure that mandate is carried out.
- (b) - **Provider Non-compliance:** Whenever CTEC determines that a curriculum provider or applicant is not adhering to the established CTEC standards, the provisions of CP14(c)(6)(B)(iii) will apply, subject to appeal rights outlined in CP03. CTEC **may** take any of the following actions:
- (1) Reduction or Elimination of Credit – Reduce or eliminate credits awarded (the provisions of CP14(b)(7) will apply) and the amount of credit allowed will be based upon the provisions of CP13, **CP13A**, and CP23.

[CP31 – Purchased Course Policy:](#)

(b) Policy: CTEC approved curriculum providers are permitted to purchase course material from other approved CTEC curriculum providers and offer them under their provider status. An approved curriculum provider is not permitted to assign or otherwise transfer any part of their approved status to another. Each curriculum provider must submit its own application for approval.

The purchasing curriculum provider takes full responsibility for the purchased course material in meeting and maintaining the purchased course to ensure compliance with CTEC education standards and policies.

In the event a purchased course fails to pass **any** curriculum provider's periodic review or audit, **the** approved status of that provider will be terminated. Such termination will **not, however,** apply to **other approved providers** ~~all approved curriculum providers~~ offering that course or using the course **material. CTEC will notify such purchasing providers of the CTEC educational failures instructing them to discontinue the sale of the course. The provider who developed the course (DP) will be notified as to the CTEC educational standard failures and will be instructed not to sell this course until the failures have been appropriately addressed. The developing provider will submit the revised course addressing the CTEC educational failures to CTEC for review.** All affected curriculum providers will be notified **that if they fail to comply with these instructions they will have their approved status** ~~of the terminated under~~ **ion of their approved curriculum provider status under** the procedures outlined in CTEC Policy CP14(c)(6)(B)(iii).

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Revised policies approved continued ...

CP35 – Provider Conduct

(a) Background: CTEC is charged with the responsibility to implement and administer the provisions of the Tax Preparers Act (July 1, 1997) (see CP01(a) and (b)) so as “to promote competent tax preparation within the State of California” **California Business and Professions Code sections 22250.1 through 22259.**

CTEC does not provide education but relies, in large part, on approved, privately owned curriculum providers to supply qualifying and continuing education (California Business & Professions Code Section 22251(c) (see also CP01(c)). CTEC has, pursuant to this mandate, established education standards, policies, and procedures that are designed to promote quality qualifying and continuing education. These standards and policies are evaluated on a regular basis with the goal of improving the quality of education and, as a result, quality tax return preparation in the State of California.

CTEC Board of Directors realizes that the business of providing qualifying and/or continuing education is a competitive business. It is, therefore, incumbent that CTEC educational standards be rigorously enforced on a fair and impartial basis. It is the role of CTEC to recognize qualified courses and, on that basis, to approve providers.

Commentary:** CTEC also recognizes that price and quality are essential components of a provider’s business model. CTEC does not and must not attempt to regulate price. Quality, however, is evaluated by CTEC reviewers, and courses that are referred to as “quick” and/or “easy” often fail to meet CTEC educational standards, particularly those outlined in CP23(j)(5). **The use of this “quick” and “easy” terminology is not allowed.

(b) Provider Non-Compliance: CTEC has encountered the following forms of non-compliance, and when encountered, imposes appropriate sanctions:

1. Issuing credits without proper completion of the course;
2. Issuing inflated education credits not justified by the effort required;
3. Failing to properly update their courses as required by CP32(b) & CP23(j)(5)(D);

CP13A – Qualifying Education Courses

Final Examination Requirement: A final examination is required for all QE courses and shall include a minimum of five multiple-choice questions per credit hour. Each question must have a minimum of 4 possible answer responses. The questions must be relevant to the material and to meeting the learning objectives in the course. **A minimum of 300 questions are required for a final examination. Two One** questions must be devoted to “required” subjects and one question to “awareness” subjects listed in the Qualifying Education Guidelines (see CP23A-Attachment). **The balance of the 300 question minimum requirement are to be chosen by the provider from the “required” topics.** Successful completion of a QE course shall be demonstrated by answering 70% or more of the examination questions correctly. **Final examination may be one examination or may be divided into no more than three separate exams administered during the course. Student must achieve a 70% passing grade on each exam. Examination(s) may be take home exams.**

CP23A – Qualifying Education Guidelines

The Curriculum Provider Standards Committee has formed a task force to review and update CP23(A) - Qualifying Education Guidelines policy to include newly updated tax law. Changes to this policy will be postponed until the November 2020 Curriculum Provider Standards committee meeting.

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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 Report (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

CALIFORNIA TAX EDUCATION COUNCIL (CTEC)

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E-mail: info@ctec.org

Website: www.ctec.org



CTEC Board and Committee meetings are open to the public

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

2021

May 19 – 21, 2021 Committee and Board meetings - Sacramento, CA

November 16 - 18, 2021 Annual Board and Committee meetings - Monterey, 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