



# CTEC

California<sup>®</sup>  
Tax Education  
Council

## CURRICULUM PROVIDER COMMITTEE POLICIES EXECUTIVE SUMMARY MAY 2026

CP Policies with updates approved at May 2026 CTEC Board Meeting: CP14, CP19, CP23, CP34

The following is a summary of Curriculum Provider Committee policies. Please note although this document briefly summarizes the policies, the actual policies must be consulted for the full details. Providers must rely upon the complete policies when developing their educational programs.

### CP01 – MISSION STATEMENT

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

### CP02 - CTEC CURRICULUM PROVIDER APPLICATION

- (a)(2) A "Tax Preparer" must successfully complete "not less than 60 hours of instruction in basic personal income tax law, theory, and practice" (qualifying education).
- 43 hours must be in federal tax,
  - 2 hours in ethics and
  - 15 hours in California tax.

Must also complete 20 hours of "CE annually:

- 10 hours federal taxation,
- 3 hours of federal tax update
- 2 hours of Ethics, and
- 5 hours in California tax.

(b) **Provider Annual Renewal Registration** - Each year during the months of October through December, to retain their approved provider status for the subsequent year, each QE and CE (separate registration required for each) education provider must renew their registration for the subsequent year by submitting the following:

- (1) Submit a completed provider application. (Separate application is required for each type of education)
- (2) A copy of their successful RPO renewal (not required for QE providers) for the subsequent year evidenced by the IRS RPO Letter 4866-R.
- (3) Submit a CTEC Continuing Education Provider Renewal Application Fee of \$200. The fee will be applicable beginning with the renewal for 2025 (due in December of 2024).
- (4) Late Registration – CTEC will assess a late fee if not renewed by Midnight (local time) December 31. The late fees will be assessed according to the schedule below, in addition to the current renewal fee:
  - (A) January 1 through Midnight January 31 - \$50
  - (B) February 1 through Midnight February 28 (February 29 Leap Years) - \$200
- (5) In addition,
  - (A) Have and maintain an established physical place of business. The curriculum provider must notify CTEC within 10 business days of any change in the physical place of business.
  - (B) Maintain a business telephone line number available to students:
    - (i) During regular business hours, attended by the curriculum provider or the provider's staff; or
    - (ii) Attended by an answering service during regular business hours; or
    - (iii) Equipped with message taking capabilities that are active during regular business hours.
- (6) Have not had a finding, confirmed by CTEC, that the curriculum provider engaged in fraudulent practices.

(c) **New Curriculum Provider Application Requirements:** An approved CTEC curriculum provider or applicant must:

- (1) Be an approved IRS provider and provide the IRS approval letter as verification. An applicant may apply for CTEC provider approval before obtaining IRS approval. In such cases the applicant's CTEC approval status is suspended until the applicant obtains IRS approval. Where a provider limits its course offerings to California tax studies (no federal), only CTEC approval is required.
- (2) Have a physical place of business. Notify CTEC within 10 business days of any change in the physical place of business.

(3) Submit with the application for approval the items described below:

(A) A business telephone number available to students:

- (i) During regular business hours, attended by the curriculum provider or the curriculum provider's staff; or
- (ii) Attended by an answering service during regular business hours; or
- (iii) Equipped with message taking capabilities that are active during regular business hours.

(B) An e-mail address that is available to students.

Commentary - Responses to messages requesting or necessitating student contact will be made within 2 business days.

(4) Have not had a finding, confirmed by CTEC, that the curriculum provider engaged in fraudulent practices.

**(d) - Application Process:**

**4) Incomplete Application:** \$250 administrative fee which must be included with each corrective submission. CTEC staff has the prerogative to waive the fee when the omission is minor.

**(5) Failure to Respond Within 30-days** - Failure to respond within 30 calendar days is a withdrawal of the application and any subsequent submission will be considered a new application subject to new provider fees.

**(6) Digital Copy Required:** All course materials must be submitted electronically. Where the word count formula was used to determine course credits, the course material must also be submitted in Microsoft Word digital format so the word count can be more readily verified.

**(f) - Application Submission Contents:** See full policy CP02(f)

**CP03 - DENIED CURRICULUM PROVIDER APPEAL PROCEDURE**

(b) - **IRS Approval Denied:** CTEC CE approval is automatically revoked and there is no appeal available. Does not apply to providers that are approved for QE courses and/or California CE courses only.

**(c) - Written Appeal Process:**

(1) If an applicant or current CTEC approved curriculum provider receives a notice of denial during the initial CTEC application review, or periodic review, or as the result of an audit, the applicant or curriculum provider may submit a written appeal identifying each issue with which they disagree, stating the reasons why they disagree with each issue identified and state the facts upon which they base their disagreement for each issue.

(2) The written appeal must be received by CTEC within 30 days of issuance of the initial denial letter.

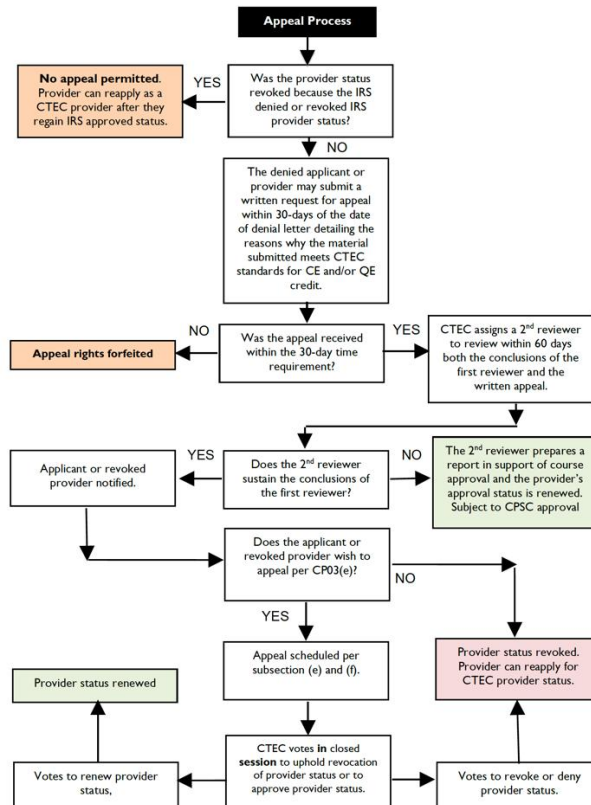
(3) Upon receipt of the written appeal, CTEC will assign a second course reviewer, who, within 60 days after CTEC receives the written appeal, will review both the conclusions of the first reviewer and the written appeal.

(4) If the second reviewer does not sustain the conclusions of the first reviewer, the second reviewer will prepare a report in support of course approval, and applicant approved provider status will be renewed. If the second reviewer sustains the conclusions of the first reviewer, the applicant will be provided a copy of the second reviewer's report and given the opportunity to continue with the live appeal process described in CP03(e) below.

(d) **CAUTION:** An appeal is not a resubmission nor is it an opportunity to correct or modify the course to bring it into compliance with CTEC education standards. It is an appeal of the reviewer's recommendations and must provide rationale to justify why the reviewer's conclusions are incorrect. Therefore, a submission of modifications to the course in an attempt to bring the course into compliance by way of "appeal" will not be accepted.

(e) **Live Appeal Process before the full Board** - Once the Curriculum Provider Standards Committee accepts the denial recommendations of both the first and second reviewers, an applicant or curriculum provider may personally appear before the full CTEC Board of Directors, at the next regularly scheduled Board meeting, to present reasons why the reviewed course material met and continues to meet CTEC standards. The CTEC Board of Directors may request the reviewer's presence at the appeal. The applicant or curriculum provider may also request the reviewer's presence at the appeal.

(f) **Board Meeting Appeal Process** - The appeal process may occur at an earlier date via live video conference with the full Board. The provider will be responsible for the cost of the video conference and will be required to make payment at the time of the appeal. The video conference will be scheduled within 60 days of the provider's request for the appeal. Either at the next regularly scheduled board meeting or via video conference, the appeal will be conducted in the manner described (f)(1) through (f)(9), see full policy.



#### CP04 - PROVIDER COMPLAINT PROCEDURE

- (a) CTEC will respond in a timely fashion to complaints concerning providers.
- (b) Providers are encouraged to receive and resolve questions and complaints without involving CTEC. CTEC's role is to assist those with complaints.
- (d) CTEC's Response to Written Complaints:
  - (1) **Curriculum Complaints**
    - (A) **Unapproved Provider**
      - (i) **Not Claiming To Be an Approved Provider** - If the provider is not an approved curriculum provider, CTEC will inform the complainant that the school does not fall under the jurisdiction of CTEC and no credit will be awarded.
      - (ii) **Claiming To Be an Approved Provider** - CTEC will inform the provider that they are not a CTEC approved provider and that they must cease making any claim of CTEC approval. Subject to CTEC's discretion, no credit will be granted for any "award" offered by an unapproved provider.
    - (B) **Approved Provider** – CTEC will determine if the course should be subject to audit under CP28.
      - (i) If the review determines that an audit of the course is not warranted, CTEC will close the complaint and notify the complainant of CTEC's findings.
      - (ii) If the review determines that an audit of the course is warranted, CTEC will initiate an audit per the provisions of CP28. CTEC will notify the complainant that CTEC has initiated an audit of the curriculum provider.
  - (2) **Non-curriculum Complaints** - CTEC will forward all such complaints to the curriculum provider's designated CTEC Administrator with a request that the provider work with the complainant to resolve the problem and notify CTEC of the resolution within 10 business days.
    - (A) If the complaint regards a matter that is regulated by CTEC standards (e.g. refund policy or course content not as marketed), CTEC will notify the curriculum provider of the complaint and will remind the provider of related CTEC standards. A response to the complaint will be made within 10 business days of the notice, and the provisions of CP14(c)(6)(B)(ii) & (iii) will apply as if the matter arose under CP14(a) or (b).
    - (B) If the complaint is regarding a matter that is not regulated by CTEC standards (e.g. room temperature, food, etc.), CTEC will respond to the complainant that CTEC educational standards do not cover matters in question and CTEC has no authority in this area and the complainant should discuss the issue directly with the curriculum provider.

#### CP05 - PROVIDER ASSISTANCE

- (a) **Assistance:** CTEC will not provide assistance to individual providers in: (1) preparing course material, (2) determining the course subject matter, or (3) giving any particular provider a competitive advantage over other providers.
- (b) **Limited Assistance:** The assistance provided by CTEC and CTEC staff to providers and prospective providers is limited to the list included in CP04.

#### CP06 – COURSE NUMBERING CONVENTION

- (a) **Numbering Convention**
    - (1) **First 4 characters** are the curriculum provider's CTEC assigned 4-digit identification number (automatically generated when reported online);
    - (2) **Digits 5 and 6** are either the letters CE, QE, or CA. CE is assigned to continuing education courses, QE is assigned to qualifying education courses, and CA is assigned to experience in lieu of education courses (automatically generated when reported online); and, Note: CP13 states that the 20-hour requirement includes 3 hours of Federal Update, how do we distinguish the 3-hours?
    - (3) **Final 4 characters** are numeric, automatically assigned by CTEC in sequential order from 0001 to 9999.
- Example:** Assume the curriculum provider's CTEC assigned number is 4278, the course is a CE course with CTEC identification number 0005. The reporting course number must be 4278-CE-0005.

#### CP07 – CE CREDIT – COURSE PREPARATION AND INSTRUCTION BY CRTPs

- (c) **Instructors, Discussion Leaders, and Speakers** - Complies with Cir230 Sec 10.6
  - (1) One hour of federal CE will be awarded for each contact hour completed as an instructor, discussion leader, or speaker of a CTEC approved CE Course.
  - (2) A maximum of two hours of federal CE will be awarded for actual subject preparation time for each contact hour completed as an instructor, discussion leader, or speaker of such course.
  - (3) Maximum annual credit is 4 hours of federal CE.
  - (4) One hour of California continuing education credit will be awarded for a contact hour completed as an instructor, discussion leader, or speaker of an educational course or the preparation of a CTEC approved California self-study course that meets the continuing education requirements. Note: only one-hour of California alternative credit is allowed per reporting period (CTEC Policy CP23).
  - (5) More than one presentation on the same subject matter during a registration cycle will receive continuing education credit for only one such presentation for the registration cycle.

(d) **Verification:** It is the responsibility of the individual claiming such credit to maintain records that verify his or her preparation time and provide that verification when registering for the subsequent year.

#### CP08 – STUDENT COURSE EVALUATIONS

See policy CP08 for details

#### CP09 – APPROVED PROVIDER LIST

Administration duties

#### CP10 – PROVIDER NEWSLETTER

(a) To keep CTEC approved providers better informed of Board decisions and activities, a provider newsletter published twice yearly in July and December following the completion of the May and November CTEC Board meetings.

#### CP11 – PROVIDER COURSE COMPLETION CERTIFICATE

(a) - A course completion certificate that is issued to a CRTP must conform to both IRS and CTEC requirements.

(b) - **Certificate Size:** No specific size requirement for the certificate.

(c) - **Information Requirements:** See full policy.

(d) - **Bundled Courses** – One certificate can be used for bundled courses that include multiple education elements that carry separate IRS and CTEC course numbers, provided all the information for all the courses in the bundle appear on the certificate.

#### CP12 – PROVIDER ADMINISTRATOR/ON-SITE COORDINATOR

(a) – **CTEC Administrator:** Each provider will designate a CTEC Administrator who is the main contact person with CTEC. A provider must notify CTEC, in writing within 10 days of a change in CTEC Administrator.

(b) – **Provider Contact Information:** (See full policy)

(c) - **On-Site Coordinator:** each provider will also designate an On-Site Coordinator who will be in attendance during a contact class (this person may be, but is not limited to, an instructor, school coordinator, owner or manager), or have direct access to all paperwork submitted, to CTEC, for a self-study course.

#### CP13 – SELF-STUDY COURSES

The California Business & Professions Code Section 22255 requires that individuals successfully complete both a 60-hour qualifying education (QE) course to become a CTEC Registered Tax Preparer (CRTP) and 20 hours annually of continuing education (CE) to renew a CRTP registration.

(a) **The 60-hour QE requirement includes:**

- (1) 43 hours of QE in Federal tax subjects.
- (2) 2 hours of QE in ethics
- (3) 15-hours of QE in California tax topics.

(b) **The 20-hour CE requirement includes:**

- (1) 10-hours of CE in Federal tax subjects,
- (2) 3-hours of CE in Federal tax updates, (note excess credits in this category will count towards Federal tax subjects)
- (3) 2-hours of CE in ethics, and
- (4) 5-hours of CE in California tax topics.

(c) Applies to Both QE and CE Courses.

(d) **Self-study course:** Self-study courses (including recorded courses) qualify as continuing education courses only if all the following requirements are met:

- (1) Registration is required of the students by the education provider.
- (2) A final exam is required, described in greater detail below, and a Provider Course Completion Certificate (see CP11) must be issued by the provider to the student.
- (3) A written outline, textbook, or suitable electronic educational materials are required (see CP24 for additional requirements).
- (4) The requirements established for a qualified CE course pursuant to § 10.6(f) are met and the course is offered by a curriculum provider that meets the requirements of § 10.9 of Circular 230 for federal credit.

10.6(f) Be a qualifying continuing education program designed to enhance professional knowledge in Federal taxation or Federal tax related matters (programs comprised of current subject matter in Federal taxation or Federal tax related matters,

including accounting, tax return preparation software, taxation, or ethics); and (B) Be a qualifying continuing education program consistent with the Internal Revenue Code and effective tax administration.

§ 10.9 (Abbreviated) Must be an accredited educational institution; recognized for continuing education purposes by the licensing body of any State, territory, or possession of the United States, including a Commonwealth, or the District of Columbia; or recognized by the Internal Revenue Service.

- (e) **Credit hour measurement for self-study courses:** Credit hour measurement for self-study courses must be based on either of the following methods:
- (1) pilot testing method (rarely used and not covered in this executive summary, or
  - (2) word count formula method.
- (f) **Pilot Testing** – Rarely used see full text CP13(f).
- (g) **Word Count Formula** - The word count formula is based on the number of words contained in the text of the required reading of the self-study course. Words that may not be included in the word count are all material not critical to the achievement of the stated learning objectives of the course. Examples included course introductions, instructions to the learner, author/course developer biographies, table of contents, glossaries, appendices containing supplementary reference materials.
- (2) **Questions** - Review questions, exercises, and final examination questions are accounted for separately.
- (3) **Audio Visual Segments** - If audio and video segments of a self-study course constitute additional learning for the participant (i.e., are not a part of the text), then the actual audio/video duration time may be added to the time calculation as provided in the prescribed word count formula. *If audio and video components of a self-study course offer additional learning opportunities for participants (i.e., they are supplemental to the text), the actual duration of these segments may be included in the course time calculation, according to the established word count formula. This change is effective for all courses developed after June 30, 2025, under the condition that the course exam includes at least one unique question for every 17 minutes of video content, with questions specific to the video material. Note: If the audio/video segment is not being used to satisfy the word count requirement, this rule does not apply.*
- (4) **Word Count Formula Calculation** - The word count for the text of the required reading of the course is divided by 180, which is the average words per minute reading speed of adults. The total number of review questions, exercises, and final examination questions is multiplied by 1.85, which is the estimated average completion time per question. These two numbers plus actual audio/video duration time, if any, are then added together, and the result is divided by 50 to calculate the credit hours for the self-study course. When the total minutes of a self-study course are not equally divisible by 50, the credits granted must be rounded down to the nearest whole credit.
- $[(\# \text{ of words contained in the text}/180) + \text{actual audio/video duration time} + (\# \text{ of questions} * 1.85)]/50 = \text{credit}$**
- (5) **Purchased Courses** - CTEC providers may purchase courses from other vendors or course developers. CTEC course sponsors must review the results of the course developer's word count formula calculation to ensure that results are appropriate or perform their own word count.

**Interactive Requirement:** Review questions must be placed at the end of each learning activity throughout the course, at appropriate intervals. At least three multiple-choice review questions per credit hour are required. Each question must have a minimum of 4 possible answer responses. There is no minimum passing rate required for review questions.

**Example Review Question:**

*With respect to the Sec 121 home sale exclusion, the excludable gain does not apply to so much of the gain from the sale or exchange of home as is allocated to "periods of nonqualified use." Which of the following is considered as a period of non-qualified use?*

- A. A period before January 1, 2009.
- B. A period during which the property was used as a vacation residence.
- C. A period not to exceed an aggregate of two years during which the taxpayer is temporarily absent by reason of a change in place of employment.
- D. A period not to exceed an aggregate of two years during which the taxpayer is temporarily absent by reason of health.

**Example of Feedback:**

**Answer A** - is an incorrect answer because per IRC 121 (b)(C)(ii)(III), periods of nonqualified use **do not include** any period: before January 1, 2009.

**Answer B** – is a correct answer because periods of non-qualified use include using the home as a vacation residence, renting it out, allowing a relative to live in it, or simply leaving it vacant.

**Answer C** – is incorrect because the period of absence did not exceed two years and the law defines a non-qualified use for reasons of change of employment as exceeding two years.

**Answer D** – is incorrect because the period of absence did not exceed two years and the law defines a non-qualified use for reasons of change of health as exceeding two years.

**Final Examination Requirement:** Final examinations shall include:

- o A minimum of five multiple-choice questions per credit hour.
- o Each question must have a minimum of 4 possible answers.
- o The questions must be relevant to the course material.
- o Successful completion requires completing 70% or more of the questions correctly.
- o The answers cannot be such that a student can determine it is a wrong answer.

**Example:** A bank product whereby a third-party bank takes receipt of a taxpayer's refund and then pays the tax preparation fee to the tax preparer, if not done properly, can violate IRS rules against:

1. Treason
2. Negotiating a taxpayer's check
3. Nuclear proliferation
4. Overcharging a tax client

(h) **Bundled CE Courses** – Where a curriculum provider sells a bundled course

- (1) The measure of credit hours will be applied to each part of the bundled package as if it were a separate course.
- (2) The number of interactive review questions required for each category will be determined separately for each part of the bundled course
- (3) A separate final exam shall be administered separately for each for each part of the bundled course.
- (4) Where a curriculum provider has obtained a single CTEC number for the bundled course, the student is required to pass each part of the bundled course. Separate examinations for each part must be passed with a score of 70% or better.

*"Bundled" means more than one course offered under one CTEC course number. **If any one of the parts of the bundle fails to meet CTEC educational standards then the entire bundled course package is disqualified.***

(i) **QE Courses** – QE courses include three elements of study: Federal Taxation, California Taxation and ethics. For purposes of successfully completing a self-study QE course, the student must be tested for comprehension as if those elements were separate courses.

(1) The measure of credit hours, will be applied separately to the Federal, California and ethic elements as if each were a separate course.

(2) The number of interactive review questions required for the Federal, California and ethic elements will be determined separately.

(3) A separate final exam, shall be administered separately for each Federal, California and ethic element of the course.

(4) Even though a curriculum provider has obtained a single CTEC number for the QE course, the student is required to pass a **separate** final examination for each of the Federal, California and ethic elements to successfully complete the course.

(j) **Special QE Examination Requirements:** For the final examination, each QE hour must have five questions of which two must be devoted to "required" subjects and one to "awareness" subjects listed in the Qualifying Education Guidelines (see CP23A-Attachment). (See CP13A(c))

(k) **Providing Student with Answers to Exam Questions:** Curriculum providers are never permitted to provide students with answers to exam questions prior to the student successfully passing the examination. To students who successfully passed the examination, providers may only provide answers to specific missed exam questions. However, a complete answer key containing all of the exam questions for the course shall never be provided to a student.

(o) **Initial Provider Approval:** Providers that offer both face-to-face and self-study courses must submit a self-study course for approval.

(p) **Curriculum Provider Responsibility:** It is CTEC's mandate to ensure that all non-exempt tax preparers in California satisfy certain education requirements. CTEC reserves the right to reduce credits (see CP18)(b)(1) & (2)), or deny course approval to courses that the CTEC review staff determines are so simplistic that the student does not need to read the course material in order to pass the final exam. CTEC requires approved providers to exercise due diligence and ethical behavior in determining self-study credits.

(q) **English Requirement** - Courses submitted for review to CTEC must be in English.

## CP14 – COURSE REVIEW POLICY

**(b) New Provider Application Review Process:**

- (1) **Requested Course Materials:** The materials required for any review are the same as required for a curriculum provider approval application. (see CP02)
- (2) Initial administrative review will be performed to ensure that the review application is complete.
- (3) If incomplete, the provider will be given a written notice identifying missing information. Such notice will be sent via e-mail to the address of record for the provider. Incomplete review packages are subject to a \$250 administrative fee that must be included with each corrective submission.
- (4) An incomplete submission must be corrected within 30-days or the application will be deemed withdrawn and all application fees will be forfeited.
- (5) Once a complete application has been received, CTEC administration will assign a reviewer to conduct the review.
- (6) The reviewer will, within 120 days complete the review.

**(A) Course Materials Comply** – approved curriculum provider status granted.

**(B) Course Materials Do Not Comply** – notification will give the provider an option to appeal the approved provider denial. The provider must notify CTEC within 10 days of the date of the denial notice that they are exercising appeal rights under CP03. The provider must submit the written appeal within 30 days of the date of the denial notice or their application will be denied.

**(c) Existing Provider Three-Year Curriculum Provider Periodic Review:**

- (1) CE and QE courses from each CTEC approved curriculum provider are reviewed once every three years. Providers offering both CE and QE education must submit both types of courses for review every three years, and the provisions of this policy shall be applied separately to the QE and CE courses.

*Example, assume the provider obtained QE provider status in year 1 and CE provider status in year 2. The provider would be up for both QE and CE review in the 3<sup>rd</sup> year after obtaining QE status, which is only the 2<sup>nd</sup> year after obtaining CE status.*

- (2) Curriculum providers subject to periodic review are notified no later than February 1 of the year of review. Notification will be made by e-mail and in writing to the curriculum provider's last known address.
- (3) CTEC will select the provider's most popular course(s) for review. If the selected course is no longer offered, the provider must submit their current most popular course. If the selected course is outdated, an updated or current version must be submitted instead.
- (4) Curriculum providers must submit the requested course materials and completed checklists no later than June 30 of the year of notification. All materials must be submitted electronically by the required due date. Access to the provider's course online must be provided with instructions as to how to retrieve the course material.
- (5) If a curriculum provider fails to submit a periodic review package or correct an incomplete submission by the due date or extended due date, the provisions of CP14(c)(12)(B)(iii) apply.
- (6) When curriculum approved provider status is terminated, a curriculum provider must, within 10 business days, provide CTEC with a list of students currently enrolled in his/her courses whose completion had not, as of the date of termination, been posted to CTEC records. The list must include the student's name, address, CRTP number (for CE courses), and the CTEC course number. The students included on the list will be allowed to complete the courses for credit. Once a student on the list successfully completes a course, the terminated curriculum provider must report the successful completion directly to CTEC. CTEC will post the credits to the student's account.
- (7) Curriculum providers subject to periodic review are subject to provider fees as indicated in CP15.
- (8) Requested Course Materials: The materials required for any review are the same as required for a curriculum provider approval application. (see CP02)
- (9) Upon receipt of course materials an initial **administrative review** will be performed to ensure that the review application is complete.
- (10) If the review package is incomplete, the curriculum provider will be given a written notice identifying missing information. Such notice will be sent via e-mail to the address of record for the provider. **Incomplete review packages are subject to a \$250 administrative fee** that must be included with each corrective submission.
- (11) **Reviewer Assigned.** Where possible, a reviewer will be assigned who had not performed the previous initial application, periodic review, or audit for this provider.
- (12) The assigned CTEC curriculum reviewer will, **within 120 days (60 days for a periodic review)** of receipt of a completed application, prepare a written report indicating course compliance with CTEC educational standards.

**(A) Course Materials Comply** – Approved curriculum provider status will be granted or extended.

**(B) Course Materials Do Not Comply** – The curriculum provider will be notified by e-mail and certified mail. The notification will give the provider the following options:

- (i) Conditional Approval** – The provider notifies CTEC within 10 days of the date of the denial notice that they are selecting this option. The provider is permitted to continue to offer courses for CTEC credit while non-compliance issues are corrected, and the course is resubmitted for review along with a subsequent curriculum review fee of \$600. Only one conditional approval will be permitted effective after December 31, 2024.

Additionally, a new provider can also resubmit courses identified as having non-compliance issues, along with a subsequent curriculum review fee of \$600 for each submission. The corrected courses must be submitted within 30 days of the date of the non-compliance notice. A new provider will only qualify for one conditional approval during the original application process, and one permitted as the result of a review or audit.

To qualify for this option, the provider must acquiesce to the findings of this review and waive appeal rights. If the renewing provider fails the second review, the provider's approved status will terminate and the provisions of CP14(c)(12)(B)(iii) apply.

- (ii) Approval Denied** - The provider notifies CTEC within 10 days of the date of the denial notice that they are selecting this option by exercising appeal rights under CP03. The provider must submit the written appeal within 30 days of the date of the denial notice or the provisions of CP14(c)(6)(B)(iii) apply.

During the appeal period, commencing after the 10-day notification requirement, the approved provider status is terminated, and the renewing provider cannot offer the denied course for CTEC credit. CTEC will block the posting of CE credits for the course under review and it cannot be offered for sale until the conclusion of the review. The renewing provider must, within 10 days of course termination, provide CTEC with a list of students who have purchased and are in the process of taking the course, and advise CTEC by e-mail when each of those students successfully completes the course. CTEC will then post the credits to the student's account.

If the provider's appeal is denied, the provisions of CP14(c)(12)(B)(iii) apply.

- (iii) Approved Provider Status Terminated** - When a curriculum provider's approved status is terminated, CTEC will immediately:
- 1) Remove the curriculum provider from the Approved Provider List;
  - 2) Block the curriculum provider from posting student credit hours;
  - 3) Notify the curriculum provider; by e-mail and in writing, that their provider status has been revoked effective on the date the provider receives notice of such revocation.

- 4) Notify the IRS RPO that the curriculum provider is no longer a CTEC approved curriculum provider.
- 5) Require the curriculum provider, within 10 business days, to provide CTEC with a list of students currently enrolled in his/her courses whose completion had not, as of the date of termination, been posted to CTEC records. The list must include the student's name, address, CRTP number (for CE courses), and the CTEC course number. The students included on the list will be allowed to complete the courses for credit. Once a student on the list successfully completes a course, the terminated curriculum provider must report the successful completion directly to CTEC. CTEC will post the credits to the student's account.

**(d) Withdrawal of Application** – At any point during the review process, subject to the provisions of CP14(e) below, a curriculum provider may withdraw their application for CE and/or QE review approval. Any review fees paid are non-refundable and the curriculum provider will cease to be an approved CTEC curriculum provider for the type of education specified in the withdrawn application(s). The provisions of CP14(c)(12)(B)(iii) will apply.

**(e)** The provider is not permitted to offer any course that has failed a review or audit unless and until that course has been brought into compliance with CTEC educational standards and CTEC has been notified of such a course offering. Providers that fail to comply with this provision will be subject to the provisions of CP18(b) & (c).

**(f)** Nothing in this policy shall prohibit additional reviews required under other CTEC policies.

**(g)** If any date in this policy falls on Saturday, Sunday or a legal holiday, the due date or action date will be the next business day.

**(i) Conditional Approval** – The provider notifies CTEC within 10 days of the date of the denial notice that they are selecting this option. The provider is permitted to continue to offer courses for CTEC credit while non-compliance issues are corrected and the course is resubmitted for review along with a subsequent curriculum review fee of \$600. **After December 31, 2024, providers may not elect Conditional Approval in consecutive review cycles.**

#### CP15 – PROVIDER CURRICULUM REVIEW EXPENSE

**(b) – Committee Review:** The Curriculum Provider Committee shall annually review fees and adjust as appropriate.

##### **(c) - Initial Curriculum Review Costs**

- (1) Qualifying Education Applicants: Starting July 1, 2023,** providers applying to obtain CTEC approval to offer qualifying education must submit \$2,000, and over the subsequent two years an additional \$500 per year for a total of \$3,000 with their initial application packet.
- (2) Continuing Education Applicants: Starting July 1, 2023,** providers applying to obtain CTEC approval to offer continuing education must submit \$625 with their initial application packet.

##### **(d) - Periodic Review Costs**

- (1) Qualifying Education Applicants: Starting July 1, 2023,** providers required to submit a QE course for periodic review to extend their CTEC approval, must submit \$1,500, and over the subsequent two years an additional \$500 per year for a total of \$2,500 with their application packet.
- (2) Continuing Education Applicants: Starting July 1, 2023,** providers required to submit a CE course for periodic review to extend their CTEC approval, must submit \$625 with their application packet.

**(e) – Incomplete Submissions** – Incomplete provider submissions are subject to an administrative fee of \$250, per the provisions of CP02(c)(4) and CP14(c)(3).

**(f) - Subsequent Curriculum Review Costs** – If curriculum approval is not attained during the curriculum review, a \$600 resubmittal fee will be assessed. If a provider resubmits the changes within 30 days and the changes are approved by the reviewer, the course is then approved.

#### CP16 – CURRICULUM REVIEWERS

**(b) – Reviewer Staff:** Comprised of a minimum of 2 and a maximum of 4 additional curriculum reviewers.

##### **(c)(1) – Duties:**

- (B) Complete assignments within the following time constraints:
  - A maximum of 15 hours is allocated to review a qualifying education course; and
  - The maximum hours allocated to review a continuing education course is 40% of the course's designated CE hours, but not less than 2 hours.
- (D) Attend the annual Provider Task Force meeting and subsequent Curriculum Provider Standards (CPS) committee meetings per their contract.
- (E) At the request of the CTEC Board of Directors or the CPS chair, attend meetings and perform duties requested by the Board or the CPS chair, including, but not limited to, testimony during provider appeals.

##### **(d) - Compensation:**

###### **(1) Curriculum Reviewers:**

- (A) Curriculum reviewers will be compensated for their reviews at an hourly rate established by the Board of Directors subject to maximum hours specified in CP16(c)(1)(B) under a one year contract.
- (B) When requested by the Board or CPS chair to attend meetings or provider appeals, reviewers will be paid their regular hourly fee for actual hours in attendance at the meeting.
- (C) Any out-of-pocket expenses incurred by reviewers during their services to CTEC are the responsibility of the reviewers.

**(e) - Qualifications:**

- (1) May not be a current approved provider or employed by or contracted by any such provider.
- (2) May not be related to, employed by, or be a business associate of a member of the CTEC Board of Directors (see GV04 – Self-Dealing Policy).
- (3) May not currently serve on the CTEC Board of Directors and must, always, work within CTEC Policy.
- (4) Reviewers must be a CRTP, EA, CPA or attorney with a minimum of 10 years' experience in tax preparation and be proficient in California taxes.
- (5) Reviewers must have expertise in tax research and provide their own research capabilities.

**(f)(g) - Solicitation of reviewers – see full copy of CP16:**

**CP17 – ALLOCATION OF CE HOURS**

(b) This policy was specifically established by the CTEC board to prevent providers from providing a different CE allocation for CTEC credit than they do for IRS purposes.

**Example:** A provider offers an 8 hour federally approved CE course which provides 8 hours of federal credit for Enrolled Agents (EAs). The provider cannot then award 6 hours of federal credit and 2 hours of California credit for the same course to CTEC Registered Tax Preparers (CRTPs). The CRTPs can only be granted the same 8 hours federal credit that was given to EAs.

**CP18 – CURRICULUM PROVIDER NON-COMPLIANCE**

**(b) - Provider Non-compliance:** Whenever CTEC determines that a curriculum provider is not adhering to the established CTEC standards, the provisions of CP14(c)(12)(B)(iii) will apply, subject to appeal rights outlined in CP03. CTEC may take any of the following actions:

- (1) Reduce or eliminate credits awarded (the provisions of CP13p will apply) and the amount of credit allowed will be based upon the provisions of CP13, CP13A and CP23.
- (2) Retroactively reduce or eliminate credits awarded. The amount of credit allowed based upon the provisions of CP13 and CP23.
- (3) When the education credits are reduced or eliminated, all affected students of the curriculum provider who have been awarded excessive CTEC credit will be notified of the administrative action taken by CTEC. Students adversely affected must take steps to fulfill their CTEC education requirements.
- (4) In the event a reduction or elimination of credits, under CP18(b)(1) or (2) above, occurs after August 1 of a renewal cycle year, the affected students will be granted an extension until the following December 31 to complete their annual registration.
- (5) If an applicant for approved provider status (or their agent or assign) represents that the applicant is approved by CTEC, or represents that their courses are approved by CTEC, when they are not, CTEC may deny their application for approved provider status and the applicant (or their agent or assign) may not re-apply to be an approved provider for a period of two years.

**(c) – Flagrant Non-compliance:** When the non-compliance is found to be flagrant or intentional CTEC has the authority to revoke the approved status of the provider effective 10 days after notice is sent to the provider at the provider's last known address given to CTEC. Under this provision, CTEC may, upon the majority vote of the Board of Directors, revoke that curriculum provider's approved status for a period of up to two years, during which time the provisions of CP14(c)(12)(B)(iii) will apply.

(1) Examples of flagrant non-compliance include:

- (A) Issuing CTEC education credits without appropriate student study.
- (B) Submitting a different course with an application or periodic review than is offered for sale to CRTPs.
- (C) Providing students with answers to exam questions and/or assisting them in passing the course exam.
- (D) Knowingly issuing exaggerated education credits.
- (E) Failing to make required course material changes.
- (F) Knowingly violating CTEC policies.
- (G) Committing and being found guilty of a criminal act involving moral turpitude.
- (H) Any other non-compliance which is found by CTEC to be of such a nature that the educational value of the course is seriously impacted.

**CP19 – PROVIDER REPORTING REQUIREMENTS**

**(b) - Method and deadline for reporting:** All CTEC approved providers are required to submit student completion education hours electronically to CTEC in accordance with the following schedule which conforms with RPOs reporting requirements.

Course Completed	Reporting Due Date
January – March	March 31 <sup>(1)</sup>
April – June	June 30 <sup>(1)</sup>
July- September	September 30 <sup>(1)</sup>
October - December	10 <sup>th</sup> Business Day from the course completion date

(1) If the program completion is within the last ten business of the quarter providers will have ten business days from the completion date to report the CE. In other words, providers will always have at least ten business days from the completing of a course complete the reporting. That 10 days will provide leeway when due date falls on weekends, holidays and at the end of the quarter.

(c) **Timely Reporting:** Failure to report in a timely fashion subjects the provider to delinquency fines according to the following schedule:

- 1<sup>st</sup> offense \$100
- 2<sup>nd</sup> offense \$200
- 3<sup>rd</sup> offense \$300
- 4<sup>th</sup> offense \$400
- 5<sup>th</sup> offense \$500

Each fine will be doubled every 10 days until provider is in compliance—fines not to exceed \$500. CTEC staff will determine if reasonable cause exists for delayed reporting, and if reasonable cause exists, penalties will be waived.

(f) **Information Required When Reporting?** All curriculum providers must report course information on-line.

**(1) Course Information Required To Be Reported:**

- CTEC course number;
- Date the course was completed

**(2) Student Information:**

**(A) Qualifying Education Courses**

- **Before January 1, 2027:**
  - Student's CTEC ID number, and
  - Date the course was completed.
- **After December 31, 2026:**
  - Student's CTEC ID number,
  - Date the course was initiated. The first day the student accessed course or if that date is not available, the date course was ordered,
  - Date the course was completed, and
  - Passing Grade.

(f)(2)(c) **Experience in Lieu of Education Courses** – CTEC allows experience in lieu of education (Policy TP05), individuals from out of state are required to complete 15-hours of California qualifying education.

(h) **Completion Dates:** Course completion dates reported to CTEC must be the same as course dates printed on student education completion certificates.

**CP20 – USE OF TAX RETURNS AS A PART OF TESTING**

Preparing tax returns is not allowed for CE credit except to the extent described below for QE courses.

**(b) - Policy:** The following guidelines must be used to determine QE credit:

- (1) Self-study courses may allow up to a total of 20% of credit (12 hours of QE credit) for preparing Federal and California tax forms and schedules.
- (2) The tax return and associated schedules must be completed in their entirety.
- (3) No part of any form, worksheet, or schedule will be filled out prior to testing.
- (4) No tax return may consist in whole or in part of a 1040, 1040-SR or a 5402EZ.
- (5) Course problems and exercises may not be duplicated in the final examination

**CP21 – COURSE DISCLOSURES**

**(a)** A description of course content in all advertisements for the course, which shall include the following information:

**(1) Learning level** – Examples of descriptions are (see CP23(j)(2)):

**(A) Basic:** Covers fundamental principles and skills and is intended for participants with limited or no prior knowledge of the subject matter. Reminder: Basis/QE-level courses are not considered suitable for CE courses intended for experienced CRTPs.

**(B) Intermediate**

**(C) Advanced**

**(D) Update** - The CTEC education cycle is from November 1 through October 31 of the following year. Update courses offered after October 31 shall contain update material related to the current tax year with the coming filing season in view. CTEC has the discretion to disqualify courses offered after October 31 that have not been updated for the subsequent year.

**(E) Overview** – Broad perspective in a subject area.

**(2) Prerequisites** – (see CP23(j)(3)).

**(3) Number of federal and state hours** – showing allocations among federal update, federal tax, ethics, and California tax law.

**(4) Refund policy** – Providers must clearly state their refund policies (see CP23(l)(3)).

## CP22 – ETHICS & PROFESSIONAL CONDUCT

(b) Ethics or professional conduct education must be related to conduct issues related to tax return preparation that arise from the California Business & Professions Code<sup>(2)</sup>, Internal Revenue Code, and Treasury Department 230. Examples include the due diligence requirements of Sections 10.21, 10.22, & 10.34 of Circular 230, and the registration and practice requirements for CTEC Registered Tax Preparers.

<sup>(2)</sup> Business and Taxation Code sections 22251, 22251.1, 22253, & 22253.1

(c) All QE courses and the annual CE requirement must include 2 hours of ethics.

## CP23 – EDUCATION STANDARDS

### (j) - COURSE DEVELOPMENT

- (1)** Curriculum content for both QE & CE courses is restricted to federal and California taxation. (Business & Professions Code Section 22255(a) & (b)).
- (2)** The curriculum provider must create learning objectives and specify the course level, expected knowledge, and/or skill attainment expected of the student. (See CP21)
- (3)** Curriculum providers must state the education, and/or experience prerequisites required for each course in clear and precise language.
- (4)** Curriculum providers must be qualified in the subject matter and be knowledgeable in instructional design and delivery. They must be a currently registered CRTP, IRS Enrolled Agent, licensed CPA, attorney in good standing and holding an active license or its equivalent or an individual with tax expertise demonstrated through practical experience.
- (5)** Course materials must be clearly written, must avoid misleading or imprecise terminology, must be technically accurate, current, complete, and sufficient to meet the course learning objectives.
  - (A) Clearly Written:** Instructional material, including questions, must be clearly written so as to be understood by the student to whose technical level of knowledge and experience the course is directed. This includes not only technical accuracy, but also grammatical and syntactical correctness. Complex subject matter, even though understood by the author, must be written in a manner that can be understood by the intended audience.
  - (B) Misleading or imprecise language or terminology.** Use of misleading or imprecise terminology causes confusion and is not permitted. For example, mixing technical terms, such as exclusions, deductions and 'credits,' makes material unclear (see commentary below). Misspellings, poor punctuation, clumsy syntax, and/or poor instructional design can contribute to a lack of clarity and are not allowed. Examples included in the full text of CP23.
  - (C) Technically accurate:** "Technically accurate" means the materials must reflect the correct meaning of the tax law, regulations, court rulings, revenue rulings, revenue procedures, and other authoritative promulgations. Gray areas in the law are to be identified and discussed appropriately.
  - (D) Current:** "Current" means course materials must be updated per the provisions of CP32.
  - (E) Complete:** Textual material must be complete as to coverage in two distinct respects:
    - (i) **First**, the breadth of coverage must be complete. Examples included in the full text of CP23.
    - (ii) **Second**, a discussion of any topic must be sufficiently detailed to adequately cover the subject matter. Examples included in the full text of CP23.
  - (F) Sufficient:** Course material must be "sufficient" to meet the course's learning objectives. This means:
    - 1) The course materials shall include everything required to complete the course including references, forms, etc., and
    - 2) The course material, particularly questions, must be of sufficient difficulty to be of educational value. An example of insufficient difficulty is an exam question that can be answered by a simple look up reference to the text or other reference material or questions that can be answered without reading the course material. The acceptable level of difficulty for QE questions will be less than that for CE since the QE courses are entry level and by nature more basic than CE questions. Examples included in the full text of CP23.

**Commentary** In addition, to be "sufficient to meet the course's learning objectives" means that neither the text nor other course material may directly or indirectly lead students to the portion of the material where the answer to a particular question can be found.
- (6) Secondary Review** - It is strongly recommended that curriculum providers have course materials reviewed by qualified persons other than the person(s) who developed them.
- (7) Credit Hours** - Credit hours for a face-to-face course are based on a 50-minute contact hour. Self-study courses must calculate credit hours using the word count or pilot testing method as outlined in CP13(f) and (g).
- (8) Curriculum Provider Approval** - Appropriate curriculum provider approval must be obtained prior to advertising or offering CTEC approved courses.

- (9) Applications** – Applications to become a CTEC approved curriculum provider can be downloaded from CTEC's website ([www.ctec.org](http://www.ctec.org)) or can be e-mailed upon request. Applicants will receive approval or denial within 120 days of CTEC receiving a complete application packet.
- (10) Test Only Courses** - Courses **may not** consist of testing material only. Neither an exam nor a test of any kind, standing alone, will constitute an acceptable course.

**(k) – Promotion of Competent Tax Preparation Standards** – Curriculum providers are charged with the responsibility to design and develop courses that “promote competent tax preparation in California.” Curriculum reviewers are charged with the task of evaluating a course with this standard in mind.

To that end, reviews are to determine if the course:

- (1) Is substantive and probative. In other words, does the course have a firm basis for the claim that it, in reality, helps to promote competent tax preparation and is, therefore, educationally meaningful.
- (2) Has the quality or function of proving or demonstrating that it does, in fact, promote competent tax preparation.
- (3) Includes review and examination questions that are sufficiently challenging to promote competent tax preparation.

**(l) - COURSE PRESENTATION**

- (1) **Advertising Disclosures** - Providers shall inform prospective students that the provider has been approved by CTEC and uses CTEC approved advertising disclosures (see CP34). Courses that are promoted in a way that violates this standard may be disqualified.
- (2) **Learning Objectives** - Providers shall inform students, in advance, of: learning objectives, prerequisites, course content and level, advance preparation, instructional methods, number of federal and state hours awarded for successful completion, grievance policy, refund policy, and relevant administrative procedures and policies.
- (3) **Refund Policy** - Curriculum providers must formulate a refund policy that is clearly communicated to students before they register for the course. Refund policies must comply with California law.
- (4) **Instructors** - Curriculum providers shall ensure instructors are qualified with respect to both course content and instructional methods. Courses must be developed and taught by individuals or teams having expertise in the subject matter. The instructor must be a currently registered CRTP, IRS Enrolled Agent, licensed CPA, attorney in good standing and holding an active license or its equivalent or an individual with tax expertise demonstrated through practical experience.
- (5) **Physical Facilities** - Curriculum providers shall ensure the physical facilities are appropriate for the instructional methods used.
- (6) **Course Evaluation** - Curriculum providers shall employ an effective means of evaluating course quality with respect to content and presentation. Student course evaluations will be administered at the conclusion of the course (CP08).

**(m) - PROVIDER REPORTING**

- (1) **Provider Course Completion Certificate** - Curriculum providers will provide students who successfully complete the course with a provider course completion certificate (CP11).
- (2) **CTEC Reporting** - Curriculum providers will electronically inform CTEC of students who have successfully completed a course in accordance with CP06.
- (3) **Record Keeping** - Curriculum providers must retain the following information for four years:
  - (A) A record of student attendance and credit hours earned; and,
  - (B) Course materials.
  - Effective After December 31, 2026:**
  - (C) Student passing grade,
  - (D) Date student initiated course; and,
  - (E) Date student completed course.
- (4) **Administrator** - Curriculum providers shall maintain a single administrator/responsible party for contacts with CTEC as outlined in CP12.

**CP23A – QUALIFYING EDUCATION GUIDELINES**

CP23A includes a list of required subjects that must be included in a QE course denoted with an “R”. “R” subjects require in-depth studies. It also includes awareness subjects denoted with an “A”. “A” subjects require an overview of the subject so that a student will recognize the issue when encountered and know to seek further guidance in dealing with it.

CP23A is a living document that must be updated as tax laws, regulations etc., change. It is generally reviewed twice a year. Exam questions are first allocated to “required” subject matter and any balance to “awareness” subject matter.

**CP24 – LIMITATIONS ON THE USE OF FEDERAL & STATE PUBLICATIONS, ETC.**

(b) – CE and QE approved curriculum providers of self-study courses must utilize materials **specifically developed by the provider\*** for the course.

\* For QE courses texts published by commercial publishing companies to be used to instruct tax return preparation are permitted.

(c) – **Prohibited Materials:** Self-study courses using reference materials other than as supplemental to materials specifically developed for the course is prohibited. "Reference materials" include IRS/FTB publications, other government publications (including government internet website articles or other material), tax guides, articles, and tax research services. However, as indicated in subsection (a), the use of reference materials as supplemental reference to other instructional materials is allowed. Such references may appear as footnotes or appendices. Such references may also appear as part of a course text **where the author is explaining and/or contrasting the government's position**. Providers are required to disclose such use and failure to disclose will lead to the revocation of provider status. Such disclosures must be clear and distinguishable with the use of highlighting or italicized features. The application must indicate the feature chosen.

(d) - **CE & QE Credit Award Limitations** – If a course includes excerpts taken from "reference materials," the CE or QE credits awarded must be based upon the word count formula (pilot testing cannot be used) and the excerpts taken from the "reference materials" shall not be included in the word count. When documenting the word count formula, the provider must clearly demonstrate that the materials taken from "reference materials" are not included in the calculation. Courses submitted for review, where "reference materials" are discovered and not adequately disclosed, will be rejected. Courses being audited, where "reference materials" are discovered and not adequately disclosed by the curriculum provider, will be subject to the provisions of CP14(c)(12)(B).

#### CP25 – PROVIDER TASK FORCE MEETING

(b) - The purpose of the Curriculum Provider Task Force Meeting is to keep approved curriculum providers informed and educate potential curriculum providers regarding issues impacting CTEC educational requirements, computer technology and updated policies and procedures. The meeting also provides a forum for providers to discuss issues and concerns they may have regarding the program.

(1) Newly approved curriculum providers are required to attend a provider orientation session within the first year of their approval.

(2) **Currently Approved Curriculum Providers** - All currently approved curriculum providers will be required to attend a Curriculum Provider Task Force Meeting once every three years.

(c) - Failure to meet either one of the above requirements will result in the revocation of a provider's approved status and CP14(c)(12)(B)(iii) will apply.

#### CP26 – INSTRUCTOR LED (FACE-TO-FACE) COURSES

(b) - Instructor-led courses, such as live conferences and seminars, qualify for continuing education if the course:

(1) Requires attendance and provides each attendee with a certificate of attendance;

(2) Is conducted by a qualified instructor, discussion leader, or speaker (see subsection (d) below);

(3) Provides or requires a written outline, textbook, or suitable electronic materials; and,

(4) Utilizes a means of monitoring participants' attendance.

(c) - CE credit for a face-to-face course is based upon each student's physical presence during the course's presentation. No testing is required. A contact hour for a face-to-face course is 50 minutes.

(d) – **QE Credit** – QE credit for a face-to-face class requires the successful completion of a final exam. See CP13A for details.

(e) - **Instructors, discussion leaders, and speakers:** Instructors, discussion leaders, and speakers must be qualified with respect to both course content and instructional methods used.

(f) - **Provider Approval** - Providers approved to offer interactive self-study courses automatically receive approval to offer face-to-face courses. However, providers approved to offer face-to-face courses must obtain additional approval to offer interactive self-study courses (CP02).

(g) - Courses submitted for review to CTEC must be in English.

#### CP27 – GROUP INTERNET COURSES

(b) - **Group Internet**—In addition to meeting other CTEC education requirements for QE and CE courses, a group Internet course must also provide the following:

(1) Registration of the students by the approved curriculum provider;

(2) A written outline, textbook, or suitable electronic educational materials; and,

(3) A method of ensuring attendance over the entire course (e.g., by utilizing polling questions throughout the course).

(c) - **Face-to-face**—Courses must have a live instructor while the course is being presented. Students must be able to interact with the instructor while the course is in progress (including the opportunity to ask questions and receive answers during the presentation). Once a group Internet course has been recorded or archived for future presentation, it will continue to be considered a face-to-face (instructor-led) course only in situations in which a live instructor facilitates the recorded presentation (including providing students with the opportunity to ask questions and receive answers during the presentation). CP26(b) contains additional provisions applicable to face-to-face courses.

(d) - **Self-study**—Recorded course presentations that do not include a live instructor available to simultaneously answer questions will be considered a self-study course and must meet all CTEC educational standards applicable to self-study courses including CP13(e) and (i), except for the basis for measuring CE credit. CE credit awarded for an archived recorded course will be equivalent to the CE credit awarded to the original instructor-led presentation.

(e) **Monitoring System** – The provider must employ a monitoring system that presents the provider with evidence of continued student attendance. Monitoring means employing a mechanism that requires students to verify continued participation throughout the course. To

present the provider with evidence of continued student attendance, the monitoring must be frequent and lack predictability. The provider must inform CTEC of the monitoring system used.

**(f) - Polling Questions**—Polling questions may be used as an acceptable monitoring system. If polling questions are used as a monitoring system, at least three questions per credit hour must be asked.

**(g) Failure to Meet Requirements** - Failure of the student to meet the requirements of the monitoring system will result in denial of course credit.

## CP28 – AUDIT POLICY

(b) The audit of a provider's course will not replace the periodic review requirement of CP14.

(c) CTEC has the discretion to audit face-to-face QE and CE courses.

(d) CTEC will annually audit the five most widely used self-study CE courses based on the prior year's CTEC reporting records. CTEC shall also have the discretion to audit one or more of the top QE courses based on the prior year's CTEC reporting records. The following exceptions apply:

**(1)** If a course selected for audit has been audited during either of the two prior annual audit cycles, CTEC has the discretion to exempt that course from audit for the current year's audit cycle.

**(2)** If more than one of the five most widely used courses is from the same provider, CTEC shall only audit one of those courses during the current year's audit cycle. The one selected for audit shall be the most widely used of that curriculum provider's courses.

**(3)** Where CTEC exempts a course from audit for one of the preceding reasons, CTEC shall replace that course for the current audit cycle with the next most widely used course from another provider.

**(4)** If a course selected for audit is no longer currently available to students, it shall be CTEC's option to audit a similar course currently offered or the prior year's course. **Curriculum providers may be asked to provide course evaluations as a part of the audit.** When requested, the curriculum provider will have 10 days to submit course evaluations.

**(5)** The selection of courses for audit shall be made by the Curriculum Provider Standards Committee Chair and confirmed by majority vote of the CPS committee members at a committee meeting held prior to the May Board meeting present. To facilitate the selection process:

(i) CTEC staff shall prepare the following reports and have them available to the CPS Chair at least four weeks prior to the May board meeting:

(A) A list of all current CE providers;

(B) A list of all current QE providers;

(C) A list of providers currently under periodic review;

(D) A list of the 50 top selling CE courses;

(E) A list of the 10 top selling QE courses; and

(F) A list of any complaint, mandatory or targeted audits conducted since the previous year's report

Curriculum Provider Standards Committee Chair shall also include recommendations, if any, for targeted audits conducted pursuant to CP28(f). Consideration will be taken providers subject to periodic review, mandatory audits and the courses selected for the "most used" audits.

**Commentary** - Targeted audits may occur at any time in the year.

**(e) - Audit as the Result of a Complaint:** Written complaints, relating to course material shall be reviewed by the CPS Chair recommends whether an audit is appropriate and the reason for the audit.

**(1) CTEC Provider Complaint Form:** Complaint forms are available on the CTEC.org website. Complaints may be anonymous but must be in writing and should contain the information requested by the CTEC online complaint form.

**(2) Audit Decision:** The CPS committee shall be provided with the Curriculum Provider Standards Committee Chair recommendations and the decision whether to audit a course shall be made by majority vote of the CPS Committee at scheduled committee meeting.

**(f) - Targeted Audits:** CTEC reserves the right to select courses for audit and to audit courses where CTEC suspects a course is not in compliance. Where the Chair of CPS, or CTEC administrative staff has reason to believe a course is being offered which does not meet CTEC educational standards violations, the Chair of CPS shall prepare a recommendation for audit, including the reasoning for presentation to the CPS committee. The CPS committee shall make the final decision whether to target audit a provider.

**(g) - Mandatory Audit:**

(1) If the IRS disqualifies a CE provider, CTEC will also disqualify the CE provider. When that occurs, if that CE provider is also a QE provider, the review staff will audit the provider's QE course.

(2) If a provider fails a CTEC review for either CE or QE, the other type of course they offer will be audited.

(3) In addition, if the provider fails either an audit or periodic review, consideration will be given to audit other courses offered by that provider.

**(h) - Audit Criteria:** Audits will review the course to determine compliance with CTEC educational standards.

**(i) – Curriculum Provider Cooperation:** A curriculum provider whose course is under audit, will, at CTEC's request, complete and return, within 10 business days of the request, a completed Provider Application Checklist for the course under audit. The request shall be made to the curriculum provider's e-mail address of record. Failure to provide the completed checklist within the required time frame will, at the discretion of CTEC, cause the provisions of CP14(c)(12)(B)(iii) to apply.

**(j) - Disqualification:** When the CTEC curriculum review staff, during an audit, determines that the course under audit does not meet CTEC standards and requirements, the provisions of CP14(c)(12)(B)(iii) shall, at the discretion of CTEC, apply. In addition, the provisions of Policy CP18 may apply as CTEC deems appropriate.

**(k) - Repetitive Disqualifications:** If a provider has more than one course disqualified in a CTEC CE reporting year, the provisions of CP18(b) or CP18(c) may apply as CTEC deems appropriate.

### CP29 – IRS CONFORMITY

CTEC may or may not conform to IRS course standards and policies. Consequently, curriculum providers must meet CTEC education standards and be CTEC approved.

### CP30 – WHO IS THE PROVIDER

**(b) - Offering courses developed by others** — CTEC's policies do not include any restriction related to a CTEC approved curriculum provider offering courses developed by others, provided that the courses otherwise comply with policies and meet the education standards and requirements of CTEC (CP31 – Purchased Course Policy).

**(c) - Only one provider** — When a CTEC approved curriculum provider offers a course developed by others, that CTEC approved curriculum provider must meet ALL CTEC educational standards and adhere to all provider responsibilities, functions, and requirements for offering that course. The CTEC approved curriculum provider of the course is determined by who collects the course fees, makes refunds, advertises the course, responds to student's questions, establishes CE and QE credit by pilot testing or word count formula, facilitates enrollment, is subject to CTEC sanctions and penalties, uses their provider number on the course, tracks attendance, grades exams, maintains student lists, collects and maintains student evaluations, provides the provider course completion certificate to the students and reports the CE and QE credits to CTEC.

### CP31 – PURCHASED COURSE POLICY

**(b) Policy:** Approved providers can purchase course material from other approved providers and offer them under their provider status. A provider is not permitted to assign or otherwise transfer any part of their approved status to another.

The purchasing provider takes responsibility for the purchased course meeting CTEC Ed standards.

If 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 apply to other approved providers offering that course or using the course material.

CTEC will notify other purchasing providers of the educational failures instructing them to discontinue the sale of the course.

The provider who developed the course will be notified as to the 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 educational failures for review. All affected providers will be notified that if they fail to comply with these instructions they will have their approved status terminated under the procedures outlined in CTEC Policy CP14(c)(12)(B)(iii).

**(c) Student Support:** A purchasing provider must be able to show expertise in the subject matter of the purchased course and be able to demonstrate how they will be able to support questions and other inquiries submitted by the students—see CP02(b).

**(d) Notification:** If an approved provider offers a course purchased from another provider, CTEC must be notified 10 business days prior to the course being offered by the purchasing curriculum provider. Notification shall include the requirements of this policy.

In the event the purchased course is under audit or review at the time of this notification, CTEC will notify the purchaser of the review or audit.

**(e) Records:** CTEC shall maintain a record of all CTEC approved curriculum providers offering a specific course purchased from another.

### CP32 – COURSE UPDATE GUIDELINES

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

- (1) Live presentations must contain significant changes promulgated more than 30 days prior to the presentation. \*
- (2) Recorded webinars must contain significant changes promulgated more than 45 days prior to the webinar. \*
- (3) Self-study courses must contain significant new/deleted tax law/revisions changes promulgated more than 45 days prior to the sale of the course. \*

*\* This requirement can be satisfied with the use of addendums or supplements added to a course syllabus.*

**(c) - Required Content:** To meet the update requirement, a course must include significant changes, related to the subject matter of the course, affecting current and subsequent filing seasons. Significant changes may be found in:

- (1) Legislative changes found in public laws enacted by Congress
- (2) Treasury Decisions – Proposed, Temporary and/or Final Regulations
- (3) Revenue Rulings
- (4) Revenue Procedures
- (5) Other Administrative Announcements
- (6) Court Rulings

**(d) – Education Cycle:** The CTEC education cycle is November 1 through October 31. Update courses offered after October 31 shall contain update material related to the preparation of tax years for the current year. CTEC has the discretion to disqualify courses offered after October 31 that have not been updated for the filing upcoming filing season.

### CP33 – CE-IRS/FTB/CDTFA/EDD

**(b) Continuing Education Exception:** The IRS, FTB, CDTFA and EDD provide CE courses on a regular basis. These organizations are in fact the entities that develop and establish tax regulations, forms, procedures, etc. based upon tax law. CTEC recognizes that IRS, FTB, CDTFA and EDD represent "substantial tax authority" and as such, CE courses presented by the IRS, FTB, CDTFA and EDD will be exempt from the CTEC provider approval process (see CP02) and are granted automatic CE provider approval.

- (1) **Face-to-face Courses:** CRTPs will be granted credit for face-to-face courses provided the studies are in federal income tax subjects, federal tax update, and CA income tax law. CRTPs must provide verification of the education type and hours. Where the verification does not specify if the studies were in federal update or federal tax studies, the credits will default to federal tax subjects.
- (2) **Self-study:** CRTPs will be granted CE credits for self-study courses only if the course is approved by CTEC and complies with CTEC education standards. To submit a course for review, e-mail the complete course in Microsoft Word format, including course text, interactive review questions, exam questions and answer key to info@ctec.org using your IRS, FTB, CDTFA or EDD e-mail. There is no charge for the review. CRTPs must provide CTEC with verification of the education type and hours. Where the verification does not specify whether federal studies were in federal update or federal tax studies, the credits will default to federal tax subjects.
- (3) The IRS, FTB, CDTFA and EDD are expected to be prudent and not offer CE credits for basic tax education.

### CP34 – ADVERTISING DISCLOSURES

**(b) Disclosure Requirements:** Providers shall inform prospective students that CTEC has approved the provider and/or course. The provider name and number listed in any disclosure must be the same name and number found on the curriculum provider approval received from CTEC. The course name and number listed in any disclosure must be the same name and number found in the CTEC provider database. To meet this requirement:

- Providers must use pre-approved disclosures; or
- Providers needing alternate language may submit disclosure proposals to CTEC for approval.

**(c) Alternate Wording Approval:** CTEC staff will approve all such requests that provide the same information as pre-approved disclosures, and refer all other requests to the Curriculum Provider Standards Committee for approval.

**(d) Prohibited Wording:** The CA Business & Professions Code Sec. 22255(b) specifically requires CRTPs to have 20-hours of continuing education annually. The use of terms such as "quick and easy" implies a student can meet his or her CTEC education requirements without any substantial studies and/or the course has no substance. The use of such terms is specifically prohibited. Where CTEC has reason to believe a course is not meeting the education standards, it may become subject to an audit (see CP28 – Course Auditing Policy)

**(e) Violations:** Courses that are promoted in a way that makes claims in violation of this standard may be disallowed for any credit (see CP18 – Curriculum Provider Non-Compliance).

**(f) Approved Disclosure Types:** The following is a pre-approved disclosure for CTEC approved providers:

**(1) Promotional disclosures** - a short version for limited-space ads; a promotional disclosure need only list the course name, CTEC course number and hours of federal tax law subjects, federal updates, state subjects, and/or ethics.

(Provider Name) has been approved by the California Tax Education Council to offer continuing education courses that count as credit towards the annual "continuing education" requirement imposed by the State of California for CTEC Registered Tax Preparers. A listing of additional requirements to register as a tax preparer may be obtained by contacting CTEC at P.O. Box 2890, Sacramento, CA, 95812-2890, by phone toll-free at (877) 850-2832, or on the Internet at [www.ctec.org](http://www.ctec.org).

### CP35 – PROVIDER CONDUCT

**(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)(C) and CP23(j)(5)(D);
- (4) Offering overly simplistic courses ineligible for credits;
- (5) Submitting, for CTEC approval, a course that meets CTEC educational standards while offering others that do not. CTEC will, under the authority of CP28, audit additional provider courses where this is suspected;
- (6) Any other action or inaction, whether oral or written, that evidences an attempt to gain a competitive advantage at the sacrifice of an appropriate level of quality.
- (7) Copying material from others in violation of CP24(a) and CP24(b).

**(c) Follow CTEC Education Standards** – Providers are expected to develop courses with intentionality to comply, not only with the letter of CTEC educational standards, but also **comply with the spirit of those standards**.

**(d) Self-policing** - Where providers become aware that a self-study course is providing education credits substantially in excess of the actual average time to take the course, they should take steps to reduce the credits or cease selling the course. True even if the course meets the word count formula for determining credit.

**(e) Understanding the Differences between QE and CE Education** – Self-study CE courses should challenge the student and not be so basic as to permit the student to skip the study of course material and go straight to the exam, which allows the student to satisfy their annual CE requirements without gaining knowledge, and satisfying their education requirements with far less time than is required.

**(d) Technical Competence** – CP 23(j)(4) requires providers, and those who develop and teach courses for providers, to be technically competent. In this regard, while CP23(j)(4) requires that they be a CRTP, EA, CPA, or attorney, having one or more of these credentials does not establish, of itself, the requisite competence. The individual must possess an expertise in tax demonstrated through practical experience.

### CP36 – CTEC NEW PREPARER REGISTRATION

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See actual policy, contains a notice that is required to be provided to each student completing a QE course.

### CP37 – ROUNDTABLE CONTINUING EDUCATION

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(a) To be eligible for CTEC approved credit, the following requirements, **which mirror IRS requirements**, must be met.

1. The discussion leader must be qualified and experienced in presenting federal tax law topics. See IRS Q&A #20 and CP26(e)
2. The program description should describe the purpose of the program and what approach will be taken for questions to be asked. See IRS Q&A #20 and #5 below.
3. There must be a set agenda on federal or California tax law topics to be discussed, and the discussion leader should also have planned additional topics in the event that questions are not received from the audience. See IRS Q&A #20).
4. The questions and issues discussed (including any tabled/unanswered/deferred questions) must be retained, either by detailed notes of the training, or a voice recording of the entire training. See (IRS Q&A #20).
5. CTEC awards separate credits for:
  - Federal Tax Subjects,
  - Federal Tax Update, and
  - California Tax Subjects

Where 2 or more types of credit are awarded for a single training, the provider must be able to demonstrate that each type of credit meets the requirements for a full contact hour, a 50- minute minimum, for that type of education. See Cir 230 Sec 10.6(g)(2).

Example: The provider offers a training that is advertised as providing 1 CE credit for Federal Tax Subjects and 1 CE credit for Federal Tax Update. The time spend on each must be 50 minutes in duration in order to provide 1 CE credit for each topic.

6. Where it is determined that the provider inaccurately allocated CE credits, CTEC reserves the right to make CE credit adjustments for the course. CTEC will notify the provider of adjustments made.
7. Programs that are just open-ended Q&A sessions or where there is insufficient documentation for the program will not qualify for CE credit. See IRS Q&A #20.
8. Records and documentation must be retained for 4 years. See IRS Q&A #20.