

# **SECTION I**

**(Please complete and return the enclosed forms.)**

## **Qualifying & Continuing Education Administrative Paperwork**



Dear Applicant:

Thank you for your interest in becoming an approved education provider with the California Tax Education Council (CTEC). The decision to become an approved provider will benefit your institution as your course(s) are offered to the several thousand CTEC registered tax preparers. CTEC registered tax preparers (CRTPs) will also benefit from the increased availability of courses offered to them.

CTEC approves providers upon the evaluation of one course submitted. Once approved, a provider may create and offer additional courses with the understanding that each course must be designed to meet CTEC requirements as the initial course submitted. Failure to do so can result in a loss of approval as a CTEC provider.

When selecting a course to submit for evaluation, please keep the following in mind:

- Providers approved for qualifying education may offer continuing education courses without prior approval.
- Providers approved for continuing education **MAY NOT** offer qualifying education courses without prior approval.

***(If you intend to offer both qualifying and continuing education – please submit a qualifying education course for review)***

- Providers approved for distance-learning (self-study) courses may offer contact (instructor led) courses without prior approval.
- Providers approved for contact (instructor led) courses only **MAY NOT** offer distance-learning (self-study) courses without prior approval.

***(If you intend to offer correspondence and contact courses – please submit a correspondence course for review)***

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**A checklist has been included with the administrative paperwork to aid you in assembling your packet of materials for review. Please follow this checklist, as it will help to expedite your approval status.**

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**FEES:** A \$500 fee is required with the submission of a continuing education course and \$1,000 for the submission of a qualifying education course. Periodic reviews of any type of course is a \$500 fee. If approval is not obtained, one resubmission is allowed, after which, providers are subject to additional fees according to CTEC policy BF04 (Fees). Public schools and Universities are exempt from submission of review fees.

Please assemble and **label all items** according to the enclosed checklist. Return all administrative paperwork, fee, and course materials (including all books and instructors materials). Course materials will not be reviewed until a complete administrative package has been received. You will receive written confirmation upon receipt of a complete packet or instructed to submit missing materials.

Once your course materials have been reviewed, you will receive written notification of the determination (approval or denial) of your course within 120 days as required in Business and Professions Code Section 22254.

We look forward to receiving your application. Please direct any questions you may have to our provider specialist at (877) 850-2832.

Regards,  
CTEC Staff.

# PROVIDER APPLICATION PROCESSING CHECKLIST

Name of Provider \_\_\_\_\_ Provider/Application # \_\_\_\_\_

## 1. Approved Provider Application Form

- Complete and included in packet;
- If previously approved, changes from current approved provider list are circled;
- Physical address is in fact a physical address;
- If corporation, corporate # is provided;
- CTEC Administrator name and phone number are complete (**Reference: Provider Reporting #4**);
- Signature title matches those listed on application under Owners/Officers section.

## 2. Instructor's Materials

- Labeled syllabus with topics and times devoted to each topic are included;
- Times are in 15-30 minute increments depending on the length of the course;
- Instructor's guide or lesson plans are included;
- For Qualifying Education courses, submit an annotated guideline, indicating where each required and awareness topics can be found in course materials.

## 3. Student Materials

- Student text is included;
- Workbook, homework or practice problems are included;
- Quizzes and exams are included (**Reference: Course Development #10**);
- If correspondence, total number of questions for quizzes and exams meet minimum requirement (**Reference: Course Development #7**);
- Answers to quizzes and exams are included;
- Reference materials required for course are included.
- For correspondence courses:
  - QE – Verification of meeting the “Additional Requirement” as outlined in CPI3 (Distance Learning).
  - Verification of meeting the “Design of Examination Questions” as outlined in CPI3 (Distance Learning)

## 4. Student Evaluation

- If administered by form, sample form is included and covers course content topics including: (**Reference: Course Presentation #5**);
  - Stated learning objectives were met;
  - Prerequisites were appropriate;
  - Materials supported the stated learning objectives;
  - Content of materials was timely and relevant;
  - Appropriate time allocations to topics;
  - Form covers classroom instruction for contact courses include: (**Reference: Course Presentation #4 & #5**);
    - Effectiveness of instructor;
    - Suitability of facilities;
    - Handout and preparation was satisfactory;
    - Audiovisual use was appropriate and effective.
- Other method of administering student evaluation is indicated.

## 5. Provider Compliance Form

- Form is signed and attached.

## 6. Course Advertising and Promotion

- A plan for informing students of the following policies is included (**Reference: Course Development #2, #3 & Course Presentation #2**);
  - CTEC approval (**Reference: Course Presentation #1**);
  - Learning objectives;
  - Prerequisites;
  - Course content and level;
  - Any advance preparation necessary;
  - Instructional methods;
  - Federal and California hours;
  - Grievance policy;
  - Refund policy.

## 7. Completion Certificate

- Sample certificate provided to successful graduates is attached (**Reference: Provider Reporting #1**)
- Sample certificate includes all of the following:
  - Student name
  - Course completion date
  - Provider's name
  - Course title
  - CTEC course number
  - Number of federal and California hours earned
  - Signature of the instructor or provider

**Include a check or money order in the amount of \$1,000 for a qualifying education course or \$500 continuing education course. Periodic reviews of any type of course is a \$500 fee. Applications will not be processed without payment.**

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### For Office Use Only

#### Application Review

- Provider application reviewed by: \_\_\_\_\_ on \_\_\_\_\_
- Provider letter drafted by: \_\_\_\_\_ on \_\_\_\_\_
- Provider letter mailed by: \_\_\_\_\_ on \_\_\_\_\_

# Application Form to Become a CTEC-Approved Provider

Schools seeking to be approved by the California Tax Education Council to meet the requirements of the Business and Professions Code §22250-22259 should use this form.

Please print or type all information

Name of Business \_\_\_\_\_

DBA's (if any) \_\_\_\_\_

Physical Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Cell (\_\_\_\_) \_\_\_\_\_  
(Cell phone is for CTEC office use only)

Fax (\_\_\_\_) \_\_\_\_\_ Website \_\_\_\_\_

### Applicant is:

- Individual                       Corporation (Corporation number – if applicable) \_\_\_\_\_  
 Partnership                       University/College/School     Non Profit Org.                       Government Agency  
 Other (describe) \_\_\_\_\_

Designated CTEC Administrator \_\_\_\_\_ Phone # (\_\_\_\_) \_\_\_\_\_

Administrator email \_\_\_\_\_

Approval is requested to offer  Qualifying Education     Continuing Education     Both QE & CE

### Approval is requested to offer (Check all that apply)

- Contact Courses                       Distance Learning Courses                       Interactive Courses

### OWNERS/OFFICERS

Please list those responsible for the management of the applicant. If applicant is an individual, list that individual. Partnerships should list general partners. Corporations and associations should list three officers. Colleges, Universities and agencies should list their top three managers or administrators.

NAME	TITLE	PHONE #
_____	_____	(____) _____
_____	_____	(____) _____
_____	_____	(____) _____

### ATTESTATION

Having been duly authorized by the provider, I hereby attest that:

- 1) The provider has appointed the individual listed as the CTEC administrator to that position.
- 2) The provider will adhere to the standards, guidelines and policies of the California Tax Education Council.
- 3) Should the provider fail to abide by the standards, guidelines and policies of the California Tax Education Council, the provider may be denied or lose their status as an approved provider.

Signature	Name	Title	Date
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### (For Office Use Only)

_____ Date of receipt	_____ Date submitted for review	_____ Date of resubmission
_____ Complete _____ Incomplete	_____ Letter for complete/incomplete	_____ CE/QE/Both
_____ Check # _____ Amount	_____ Date Approved _____ Denied	_____ Contact/Correspondence/Internet
_____ Application Number	_____ Approved provider number	_____ Date for periodic review



## Provider Compliance Form

In an effort to assist individuals in finding and identifying approved courses presented by approved providers, providers must agree to the following standards.

### Provider agrees to the following:

1. We will use only pre-approved CTEC disclosures as directed in policies QE02 (Advertising Disclosures – Qualifying Education), CE05 (Advertising Disclosures – Continuing Education) & CE06 (Continuing Education Course Disclosures).
2. We will meet the Course Presentation standard # 2 by distributing stated information to all students prior to registration.
3. We will complete the Student List Form and Course Report Form for each course electronically or by mail to CTEC within 45 days of the conclusion of each course as outlined in policy CP06 (Provider Reporting Requirement).
4. We will assign course numbers and report them electronically or on the Course Numbering Form as outlined in policy CP07 (Course Numbering Convention).
5. We will evaluate courses as outlined in policy CP08 (Student Course Evaluations) with an evaluation form or some other means, of which will be disclosed to CTEC.
6. We will distribute a certificate of completion to all successful graduates. This certificate will include the required information identified in policy CPI1 (Completion Certificate) and noted in Provider Reporting #1. (Providers should set up an online reporting timetable with students. For example: Students will be reported online within 10 business days.)
7. We will designate a CTEC Administrator who will represent our institution with CTEC and will inform CTEC of any changes as outlined in policy CPI2 (Provider CTEC Administrator/On-Site Coordinator).
8. We will only offer courses for which we are approved. We will obtain necessary approval for any new course offering such as distance learning or interactive.
9. We understand that it is our responsibility to maintain an understanding of all CTEC policies that pertain to providers.

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Signature

Name (Print)

Title

Date

# **SECTION 2**

**(Please read the enclosed to gain an understanding of the requirements to be followed in the design of your course.)**

## **Continuing Education Standards**

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# CALIFORNIA TAX EDUCATION COUNCIL

## EDUCATION STANDARDS

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### QUALIFYING AND CONTINUING EDUCATION STANDARDS (JUNE 2004)

#### INTRODUCTION

The State of California regulates the education and conduct of tax preparers as described in the Business and Professions Code §22250-22259. The California Tax Education Council (CTEC) fulfills its duties as outlined in this same citation. As a part of those duties, the Board of Directors has approved the following standards for providers of “qualifying and continuing education”.

**Qualifying Education:** Successful completion of a 60-hour (45 hours federal + 15 hours California) CTEC-approved qualifying education course meets the state-mandated educational requirement for becoming a tax preparer. While there are additional requirements for prospective tax preparers, this will be the first step that most entrants to the field will take to become registered with CTEC. Tax schools, students and CTEC must each adhere to, and apply these standards, if the public is to be properly served.

**Continuing Education:** After the initial registration, the State of California requires each CTEC Registered Tax Preparer (CRTP) to complete 20 hours of approved continuing education annually (12 hours federal taxation + 4 hours California taxation + 4 hours of either federal or California taxation or alternative courses. Reference: CTEC policy CE07 (Alternative Courses for CE Credit)

**Note:** Program developers and/or instructors may obtain a maximum of 10 hours of continuing education credit in the performance of their duties. Reference: CTEC policy CE-07-01 (Alternative Courses for CE Credit)

Tax schools (providers) interested in obtaining approval to offer a CTEC-approved educational course must utilize these standards in developing, presenting, and reporting their course(s). The standards are divided into four sections:

- Course Development
- Course Presentation
- Curriculum Guidelines
- Provider Reporting

No provider can offer CTEC credit for any course not approved in advance by CTEC. Applications to become a CTEC-approved provider can be downloaded from CTEC’s website ([www.ctec.org](http://www.ctec.org)) or mailed upon request. A provider approved to offer qualifying education is automatically approved to offer continuing education. However, a provider approved to offer continuing education only must obtain additional approval to offer qualifying education. Reference: CTEC policy CPI7 (CE Approval for QE Approved Providers)

In addition, a provider approved to offer distance learning courses is automatically approved to offer contact courses. However, a provider approved to offer contact courses only must obtain separate approval to offer distance learning courses. Reference: CTEC policy CPI3 (Distance Learning)

CTEC publishes a current list of approved providers who have met these standards. The list is available to the public on CTEC’s website, or can be mailed or faxed upon request.

## COURSE DEVELOPMENT

1. Curriculum content is restricted to federal and California taxation. (Business & Professions Code Section 22255(b)).

**Commentary:** CTEC maintains a list of tax topics that are currently approved for continuing education (Reference: CTEC policy CE01 – Continuing Education Topics) and a list of topics that must be covered for qualifying education Reference: CTEC policy CP24 --Qualifying and Continuing Education Standards (Annotated Guidelines). These lists are available upon request.

2. The curriculum provider must create learning objectives and specify the program level, expected knowledge, and/or skill attainment.

**Commentary:** Learning objectives should clearly state what level of knowledge or skill a participant is expected to achieve after completing a particular program. Program level descriptions should be informative to potential participants. Examples of descriptions are:

- **Basic** – Covers fundamental principles and skills. This level is for participants with limited or no exposure to the subjects.
- **Intermediate** – Builds on a basic level program in order to relate fundamental principles or skills to practical situations and extend them to a broader range of applications. This level is for participants with some exposure to the subjects.
- **Advanced** – Focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. This level is for participants with significant exposure to the subjects.
- **Update** – Provides a general review of new developments. This level is for participants with a background in the subjects who wish to be kept current.
- **Overview** – Develop a broad perspective in a subject area.

3. Curriculum providers must state the prerequisites for education, experiences, or both. This information should be prepared for each course.

**Commentary:** All programs should clearly identify prerequisites including advance preparation. Prerequisites should be written in clear and precise language so that potential participants can readily ascertain whether they qualify for the program and whether the specified program level is appropriate for them.

4. Curriculum providers must be qualified in the subject matter and be knowledgeable in instructional design and delivery.

**Commentary:** Qualification in subject matter and knowledge of instructional design may be obtained through appropriate practical experience, education or both. This standard is not intended to require that any one individual program developer be both technically competent and competent in instructional design. Its purpose is to ensure that both types of competency are represented in the completed program. Whether one or more persons are involved in that development is not important.

5. Curriculum providers must ensure that materials are technically accurate, current, complete and sufficient to meet the program's learning objectives. The instructional methods (lecture, video, seminar, etc.) to be used in the delivery of the material should be clearly identified.

**Commentary:** Curriculum providers should review the course materials periodically to ensure they are current, technically accurate and consistent with currently accepted standards relating to the programs' subject matter.

Course material must be sufficient to meet the program's learning objectives. That means the course materials shall include everything required to complete the course including references, forms, etc. or the provider should provide a list of the necessary required materials prior to the purchase of the course. Reference: CTEC policies QE02 and CE05 (Advertising Disclosures QE and CE, respectively)

The instructional presentation method must be conducive to the design of course materials, e.g. more detail is generally needed in correspondence courses where access to the instructor is typically not as readily available.

6. It is recommended that curriculum providers have course materials reviewed by qualified persons other than the person(s) who developed them. This review should occur before the materials are submitted for approval.

**Commentary:** Individuals, other than the course author/developer, should review a program. This reviewer(s) should be qualified in the subject matter and knowledgeable in instructional design. Any one reviewer need not be competent in both areas, but both aspects of a program should be reviewed. However, it may be impractical to review certain programs, such as lectures given only once. In these cases, more reliance must be placed on the recognized competence of the author/instructor.

7. (A) Credit hours for instructor-led and/or interactive instruction will be assigned based on a 50-minute contact hour.

**Commentary:** Providers are encouraged to measure participant progress and validate that educational goals are actually being met. Homework, periodic examinations and/or a comprehensive assessment are recommended for this purpose. Providers of instructor led courses may define successful completion of their CE or QE courses as outlined in CTEC policy CPI9 (Provider Definition of Successful Completion).

- (B) Credit hours for distance learning instruction will be allowed based on a 100-minute hour.

**Commentary:** Distance learning courses must meet specific guidelines as outlined in CTEC policy CPI3 (Distance Learning). Program developers should keep appropriate records of how the average completion time was determined.

8. Course approval must be obtained prior to advertising or offering the course. Applications for approval must contain: an approved provider application, a syllabus describing topics covered with time devoted to each, a copy of the instructor guide, student learning materials, sample completion certificate, provider compliance form, and a student evaluation. In addition, quizzes and examinations must be included, if applicable. Reference: CTEC policy CP02 (Provider Approval Process).

**Commentary:** A curriculum provider may not offer or advertise that a course is a CTEC approved course until approval is obtained. In addition, a curriculum provider may not offer correspondence courses without obtaining prior approval for that method of course instruction. Reference: CTEC policy CPI3 (Distance Learning).

Applications to become a CTEC approved provider can be downloaded from CTECs website ([www.ctec.org](http://www.ctec.org)) or mailed upon request. The application must be complete with all requested materials included. Applicants will receive approval or denial within 120 days of receiving a complete application packet.

Tests and quizzes are not required for instructor led courses; however, they must be submitted if they are used in the course.

9. Courses shall not consist of testing material only.

**Commentary:** An examination or test only is recommended as explained in 7(A) above. However, neither an exam nor a test of any kind standing alone will constitute an acceptable course. A course may utilize a programmed learning approach but it must consist of more than a test or exam.

10. Curriculum providers may appeal, in writing, a denial of approval for any course to the Curriculum Provider Standards Committee as outline in CTEC policy CP03 (Denied Provider Appeal Process).

## COURSE PRESENTATION

1. Providers shall inform prospective students that the provider and/or course has been approved by CTEC. Providers shall obtain the Council's approval for such disclosures in advance of their use. Courses that are promoted in a way that makes claims in violation of this standard may be disallowed for any credit.

**Commentary:** The Council will maintain a listing of approved disclosures. These approved disclosures will be distributed upon request, and included with Curriculum Provider applications and standards. Providers needing alternate language may request them from the Council.

2. Providers shall inform participants, 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.

**Commentary:** In order for potential participants to effectively select their "qualifying or continuing education" the significant features of the program should be disclosed in advance in brochure advertisements and/or other information announcements. The program sponsor's registration policies and procedures must be formalized, published, and made available to participants.

Curriculum providers must formulate a refund policy that is clearly communicated to participants before they register for the course. The full range of refund policy provisions allowed under California law is permissible as long as they are communicated to participants.

3. Providers shall ensure instructors are qualified with respect to both program content and instructional methods used.

**Commentary:** The instructor is a key ingredient in the learning process in any group program. Therefore, it is important that curriculum providers exercise great care in selecting qualified instructors for each program. Qualified instructors are those who are not only knowledgeable but also capable through background, training, education, or experience, of communicating effectively and providing an environment conducive to learning. They should be competent teachers, current in the subject matter, skilled in the use of the appropriate instructional methods, and prepared.

Curriculum providers should evaluate the instructor's performance as appropriate to determine the instructor's continued suitability to instruct. Use of student course evaluations is recommended for this purpose.

4. Providers shall ensure that the number of participants and physical facilities are appropriate for the instructional methods used.

**Commentary:** The number of participants, suitability of facilities, and seating arrangements are integral to the accomplishment of the educational goals and should be planned and appropriately coordinated.

5. Providers shall employ an effective means of evaluating program quality with respect to content and presentation. Student course evaluations will be administered at least once at the conclusion of the course. Reference: CTEC policy CP08 (Student Course Evaluations).

**Commentary:** The objective of evaluations is to increase subsequent program effectiveness and to assess participant satisfaction with the specific program. Written evaluations should be solicited from all participants and instructors for each offering at the end of the course. Evaluations may also be solicited during the course presentation to assess whether objectives are being met. At a minimum, each program presentation, including distance learning, should be evaluated to determine whether:

- Stated learning objectives were met.
- Prerequisite requirements were appropriate.
- Program materials contributed to the achievement of the learning objective.
- Program content was timely and relevant.
- Time allocations were appropriate.

In addition, each presentation of a group program should be evaluated to determine whether:

- Individual instructors were effective.
- Facilities were suitable.
- Handout or advance preparation materials contributing to accomplishment of educational goals were satisfactory.
- Audiovisual materials were appropriate and effectively utilized.

Curriculum providers should periodically review evaluation results to assess program effectiveness and inform developers and instructors of evaluation results accordingly.

## PROVIDER REPORTING

1. Providers will provide participants who successfully complete their course with a certificate as outlined in CTEC policy CP11 (Completion Certificate).

**Commentary:** The certificate is to provide the participant as written support of successful completion of the subject course and the earning of corresponding credit hours.

2. Providers will inform CTEC of all students who have successfully completed a course as outlined in CTEC policy CP06 (Provider Reporting Requirement). Providers must notify students of their reporting time schedule.

**Commentary:** Providers, who offer a series of several CTEC-approved continuing education courses, may postpone submitting course report forms until the last course in the series, so long as the following requirements are met:

- Students register for the entire series as a unit;
- The course meets at least once a week (except for holiday weeks);
- The October 31<sup>st</sup> deadline does not fall within the course.

3. Providers shall retain the following information for three years:

- A record of student attendance and achievement;
- Course materials;

**Commentary:** Curriculum providers must retain this information in a location accessible to the participants and to all parties with a legitimate interest. Three years is sufficient to provide audit agencies time to audit the program and the hours earned.

4. Providers shall maintain a single administrator/responsible party for contacts with CTEC as outlined in CTEC policy CP12 (Provider CTEC Administrator/Onsite Coordinator).

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## CONTINUING EDUCATION TOPICS (CE-01)

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**Background:** A portion of the mission of the California Tax Education Council is to “establish professional tax education standards” and “approve tax education providers who comply with these standards.”

CTEC-approved providers are charged with seeing that the courses they offer conform to the requirements of the law, and the standards and procedures established by CTEC. The statute is found in section 22255(b) of the California Business and Professions Code, and requires that continuing education be in federal and/or California "taxation". "Tax returns" are defined in the statute as returns or documents filed in connection with "state or federal income taxes or state bank and corporation franchise taxes."

**Continuing Education Subject Matter:** To become a CTEC registered tax preparer (CRTP) an individual must have completed the basic 60-hour course or met the experience in lieu of education requirements of CTEC. In either case, the student has satisfied the CTEC requirement to have a basic knowledge of federal and California tax laws. Continuing Education on the other hand is defined as an enhancement of the individual's skills in taxation over and above the basic knowledge.

**Advanced Approval:** Advanced approval of continuing education topics is NOT REQUIRED as long as they are courses on federal and California taxation as defined in the paragraph above.

**Safe-Harbor Determination:** Providers may request a determination from CTEC before they begin creating the course. Providers requesting a determination should send in a description of the course to the attention of "Curriculum Review" and include their name, phone number and address. The curriculum review staff will evaluate the request and response will be sent directly to the provider.

**Previously Approved Topics:** CTEC maintains a list of previously approved topics. Providers will be provided a copy of the current list by requesting one from CTEC. The list is not intended as an exhaustive list, but rather a list that is being constantly updated as new courses are requested and approved to aid schools/providers in determining what topics and issues have or could be approved for continuing education by CTEC.

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## PREVIOUSLY APPROVED CONTINUING EDUCATION TOPICS (CE-02)

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The following is a list of previously approved topics for Continuing Education designed to aid schools/providers in determining what topics and issues have or could be approved for continuing education by CTEC. It is not intended as an exhaustive list, but rather a list that is being constantly updated as new courses are requested and approved.

### Taxation of Individuals:

1. Tax Planning for Individuals
2. Year End Tax Planning
3. Tax Planning for the Moderate and Low Income
4. Retirement Planning – The Taxing Side of Easy Street
5. Retirement Plan Distributions – How and When to make them
6. Taxation of Real Estate
7. Taxation of Sales & Exchanges of Assets (capital gains and losses, depreciation recapture, section 1031 like-kind exchanges, involuntary conversions, foreclosures and other reacquisitions, installment sales)
8. Buying and Selling a Business (allocation of purchase price section 1060)
9. Divorce Taxation – the hard part of breaking up
10. Passive Activities (section 469 The Fiscal Gordian Knot)
11. Alternative Minimum Tax Issues (especially those issues effecting low & moderate incomes)
12. Charitable Contributions – (what's deductible and what's not)
13. Charitable Remainder Trusts and other Deferred Giving
14. Taxation Treatment of Education Expense (HOPE & LTL credits, using IRA money, interest expense deduction, deductibility of, exclusion for employer paid, using educational bonds, law to come in 1999 or?)
15. Taxation of Insurance- the Premiums and the Benefits (Medical Reimbursements, Medical Insurance Premiums, group term life insurance vs. whole life, disability insurance, Workman's Comp insurance, combining life insurance with annuities, etc.)
16. Taxation of Medical Issues (what's deductible, how to calculate)
17. Taxation of Bankruptcy
18. Taxation of Debt (interest expense deduction-1<sup>st</sup> & 2<sup>nd</sup> homes etc., debt relief, cancellation of indebtedness income)
19. Taxation of Casualty Losses
20. Filing Status Issues (joint return & separation, head of household, surviving spouse, abandoned spouse section 7703, innocent spouse – the new rules in sections 1015 & 66)
21. The Fine Points Regarding Exemptions (divorced parents, multiple support arrangements, how to calculate support, getting TIN's, new child tax credit, adoption expenses)
22. Filing Requirements
23. Taxation of Employee Fringe Benefits (employer paid medical, legal, life insurance, disability, employer paid sick-pay, van pool, mass transit passes, parking space, car allowance, education, moving, employer paid meals, lodging, employer provided discounts, employer provided travel, employer paid union & business association dues, etc.)
24. Dependent (child) Care Credit (sec 21)
25. Earned Income Credit
26. Taxation of Social Security Benefits
27. Tax Credit for the Elderly or Disabled
28. Sale of Residence (sec 121)
29. Employee Stock Options and Stock Purchase Plans

### Quasi Personal/Business:

1. Using the Web as a Tax Tool
2. Reading and Preparing Information (1099) Reports(1099 Misc, B, G, S, DIV, INT, etc.) (Sections 6041-6050S)
3. Understanding the Partnership & S Corporation K-1's (from an individual recipient point of view)
4. Taxation of Fun (vacation homes, charitable volunteer work, hobby losses etc.)
5. Independent Contractor Vs Employee (worker classification issues, 20 common law factors, section 530 Relief, statutory employees)
6. Below Market Loans (sec 7872, 1272 et. seq.)
7. Investment Related Expenses (section 212)

**Business Taxation:**

1. Choice of Business Entity (sole proprietor, partnership, LLP, LLC, S Corporation, C Corporation, business trust, family business issues)
2. Employee Expense Reimbursements (allowances, advances, accounting for, W-2 reporting)
3. Record Keeping Requirements for autos, cell phones, home computers – section 274(d)
4. Luxury Auto Rules (sections 280F, 274(d))
5. Taxation of the Employer-provided Auto (section 132(a)(3), Reg. sec 1.61-21, sec 280F, sec 274(d))
6. Deducting the Cost of Business Assets (sec 179, MACRS sec 168, amortization of intangibles sec 197, start up expenses sec 195, trees sec 194)
7. Accounting for and Taxing Tips
8. Taxation of Farmers,
9. Taxation of Clerics (pastors, rabbi's & priests)
10. Taxation of Churches
11. Taxation of Doctors, Dentists, etc.
12. Taxation of Various Industries such as:
  - a. Attorneys
  - b. Restaurants & Bars
  - c. Commercial Fishing
  - d. Auto Repair & Auto Body Shops
  - e. Construction Contractors
  - f. Architects
  - g. Artists & Art Galleries
  - h. Beauty & Barber Shops
  - i. Laundry Mats & Cleaning Establishments
  - j. Vending Machine Business
  - k. Taxicab Drivers
  - l. Stock Market Traders
  - m. Etc.
13. Travel & Entertainment Expenses
14. Deductions Attributable to Employee Use of Company Auto
15. Office in the Home (Sec 280A)
16. Net Operating Losses
17. Estimating Your Tax Liability
18. Payroll Tax issues
19. Deferred Compensation Issues
20. Retirement Plans Available to the Self-employed
21. Accounting Methods & Periods
22. Change of Accounting Method
23. Installment Sales
24. Uniform Capitalization Issues (sec 263A)

**C Corporations:**

1. General Concepts Concerning Corporate Taxation
2. Taxation of Corporate Formations
3. Corporate Alternative Minimum Tax Issues
4. Taxation of Corporate Distributions
5. Tax Aspects of Reorganizations
6. Tax Aspects of Liquidations
7. Special Tax Treatment for Certain Deductions (contributions, dividend received, NOL's, capital losses, etc)
8. Personal Service Corporation Issues

**S Corporations:**

1. General Concepts Concerning S Corporate Taxation
2. Qualifying for S status
3. Fringe Benefit Rules for S Corporations
4. Election & Termination
5. Taxation of & Accounting for S Corporate Distributions
6. Preparing the Form 1120-S
7. Preparing the S Corporate K-1

**Partnerships:**

1. General Concepts Concerning Partnership Taxation
2. Preparing the Form 1065
3. Preparing the Partnership K-1
4. Tax Aspects of Partnership Formation
5. Tax Aspects of Partnership Operations
6. Taxation of Partnership Distributions
7. Taxation of Dispositions of Partnership Interests
8. Optional Basis Adjustments
9. Limited Liability Companies
10. Retiring a Partner

**Estate & Gift Taxation:**

1. General Concepts Concerning Estate & Gift Taxation
2. Estate Tax Planning Overview
3. Estate Planning – More advanced
4. Preparing the Form 706
5. Valuation Issues in Estate & Gift Taxation

**Trusts & Estates (income side):**

1. General Concepts Concerning Income Taxation of Trusts & Estates
2. Trust Formation Issues
3. Trust Administration Issues
4. Preparing the Form 1041
5. Proper Reporting by Estate of “income in respect of a decedent
6. Special Tax Treatment of Trusts
7. Special Tax Treatment of Estates

**Exempt Organizations:**

1. General Concepts Concerning Tax Treatment of Exempt Organizations.
2. Applying for Exempt Status Under sec 501
3. Pros & Cons of Exempt Organizations
4. Taxation of Private Foundations
5. Charitable Remainder Trust and other
6. Revocation of Exempt Status

**Tax Practice & Procedure:**

1. Surviving an IRS or FTB Audit
2. Collection Techniques
3. Protecting the Client Under Audit
4. New audit & Collection Rules of 1998 IRS restructuring & Reform Act
5. New Collection Appeals Rules Under Sections 6320 & 6330 – Preparing the Form 12153
6. Negotiating An Offer-in-Compromise
7. Negotiating an Installment Payment Plan
8. Filing Amended Returns & Claims for Refund
9. Statute of Limitation Rules
10. Record keeping Rules – General (sec 6001, Special sec 274(d) & the Cohan Rule)
11. Penalty and Interest Assessments
12. When to Involve an Attorney
13. Fraud & Criminal Charges & the Accountant

**State Tax Issues:**

1. State Aspects of All of the Above Subjects
2. All of the Sales & Use Taxation
3. Real & Personal Property Taxation
4. State Differences
5. Multi State Taxation Issues
6. Residency Issues

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## ADVERTISING DISCLOSURES – CONTINUING EDUCATION (CE-05)

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**Background:** CTEC Registered Tax Preparers (CRTPs) must annually complete “continuing education” offered by approved CTEC Continuing Education Providers. To assist the CRTP in finding and identifying approved courses presented by approved providers the following provider CE course advertising disclosures have been developed.

**Disclosure Requirements:** Providers shall inform prospective students that the California Tax Education Council 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 the California Tax Education Council. The Course Name and Number listed in any disclosure must be the same name and number found on the Course Numbering Form submitted by the provider to CTEC. To meet this requirement:

- Providers shall use pre-approved disclosures, or
- Providers needing alternate language may submit proposals for approval to the Board.

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

**Violations:** Courses that are promoted in a way that makes claims in violation of this standard may be disallowed for any credit.

**Disclosure Types:** The Board has approved two types of disclosures:

1. *Promotional disclosures* - a short version for limited-space ads; and,
2. *Pre-registration disclosures* - a more complete disclosure that all prospective students shall receive prior to registration.

**Approved Disclosures:** The following are pre-approved disclosures:

### Pre-registration disclosures

Course Approval – for use only with courses that have been reviewed and approved by CTEC.

*(Course Title and Number) is a CTEC-approved course which provides \_\_\_ hours of federal credit and \_\_\_ hours of state credit towards the annual “continuing education” requirement for 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, toll-free by phone at (877) 850-2832, or on the Internet at [www.ctec.org](http://www.ctec.org).*

Provider Approval – for use with any courses offered by CTEC approved providers.

*(Provider Name) has been approved by the California Tax Education Council to offer (Course Title and Number), which provides \_\_\_ hours of federal credit and \_\_\_ hours of state credit towards the annual “continuing education” requirement imposed by the State of California. 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, toll-free by phone at (877) 850-2832, or on the Internet at [www.ctec.org](http://www.ctec.org).*

**Promotional disclosure** - A promotional disclosure need only list the course name, CTEC course number and hours of federal and state credit offered.

# **SECTION 3**

**(Please read and familiarize yourself with the policies pertaining to approved education providers. All policies can be viewed at [www.ctec.org](http://www.ctec.org).)**

## **Continuing & Qualifying Education Provider Policies**

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## PROVIDER REPORTING REQUIREMENTS (CP06)

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**Background:** Providers record and report to CTEC those students who successfully complete their CTEC-approved courses. This information is used to confirm the successful completion of the educational requirements claimed by tax preparers when they register with CTEC.

### Methods of reporting:

- ❑ **Online Reporting:** Providers may report student information by entering data on CTEC’s website. Complete instructions are available upon request.
- ❑ **Manual Reporting:** Providers may report student information by completing a course report form (Form CTEC-0006) and a student list (Form CTEC-008) and submitting it to CTEC by mail or fax.

**Which students are reported?** The provider reports only those students who successfully complete the course. Students who do not successfully complete the entire course should not be listed. Partial credit of a course is not allowed.

Example: The provider offers a 20-hour course, the student completes 15 of these 20 hours – no credit is given.

Example: The provider offers four 5-hour courses, the student completes three of these courses – 15 hours credit is given.

Providers of Qualifying Education must report all successful graduates. Providers of Continuing Education may report only those students who are CTEC-registered, or desire to be reported. Students who are not yet registered but may become subject to the program during the coming year (e.g. retiring CPAs or graduates of a qualifying education course), may want to be reported.

**What information is required?** All curriculum providers must report course information found on the Course Report Form. This includes information such as the CTEC Course title, course number, and the date the course was completed. In addition, the names of the students who successfully completed the course must be reported.

- ❑ **Online Reporting:**
  - Qualifying Education Courses – Providers must report the student’s last name and the last six digits of the student’s social security number. (Note: If a student does not wish to provide the last six digits of the social security number, the student may elect to provide a six digit “pin” number.)
  - Continuing Education Courses – Providers must report the students CTEC number.
- ❑ **Manual Reporting:**
  - Qualifying Education Courses – Providers must report the student’s full name and address.
  - Continuing Education Courses – Providers must report the student’s full name and CTEC number.

**May providers create their own Student List?** Providers may request approval for a substitute Student List by submitting a sample for approval. It must include all the information that the standard Student List contains. Such requests should be addressed to CTEC, Attention of: Provider Records Analyst. The request will be reviewed and the provider notified of the results within two weeks. Successful applicants will receive a letter approving their substitute Student List, and may begin using the list at that time.

**When is the Student List due?** The Student List is attached to the Course Report Form and filed *within 45 days of the date the student completes the course*. For those courses that conclude during the months of September and October, the Course Report Form is due on November 15<sup>th</sup>. This allows CTEC to confirm the education of those who renew their registrations on or near the October 31<sup>st</sup> deadline.

### Considerations:

- Providers offering distance-learning courses will frequently have students completing the course throughout the month. In these situations, the provider need not file a Course Report Form every day a student completes the course, but may instead file a single Course Report Form (and Student List) combining the students who successfully completed the course on a weekly, or monthly basis, or other time frame as necessary to accommodate the providers volume of students.  
**Completion dates reported to CTEC must be identical to course dates printed on completion certificates.**



- Automation of the registration process has allowed for immediate processing of preparer applications. Since all education must be verified, providers are encouraged to submit student information electronically prior to distributing completion certificates to ensure that course information is available online. Providers who are unable to provide this information prior to distributing completion certificates should provide students with an estimated time frame indicating when course information will be electronically reported to CTEC.

**How long is the Student List retained?** Providers retain the student list for **three years** from the completion date of the course.

# COURSE REPORT FORM FOR CLASSES

**\*Please complete this form each time a class is offered. Information on this form can be submitted electronically online at [www.ctec.org](http://www.ctec.org), or manually by completing this form and mailing to PO Box 2890, Sacramento CA 95812-2890.**

## • PROVIDER INFORMATION

Provider Number \_\_\_\_\_  
Provider Name \_\_\_\_\_  
Provider Address \_\_\_\_\_  
CTEC Administrator \_\_\_\_\_ Phone# \_\_\_\_\_

## • COURSE INFORMATION

Course Number \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Course Title \_\_\_\_\_  
Hours: \_\_\_\_ Federal \_\_\_\_ California \_\_\_\_ Total Type of Education:  Qualifying  Continuing  
Location class held \_\_\_\_\_  
Course Dates: Start \_\_\_\_\_ Finish \_\_\_\_\_

Instructor's Name \_\_\_\_\_

Method of instruction  Contact  Distance Learning  Internet  Interactive

The Student List showing all students who have successfully completed this course:

- Are recorded on the attached CTEC student list, or
- Are attached in a format matching that of the CTEC student list.
- Are reported online at [www.ctec.org](http://www.ctec.org)

## ATTESTATION

As authorized by the provider, I attest that this course has been conducted in accordance with the standards, guidelines and procedures of the California Tax Education Council.

\_\_\_\_\_  
On Site Coordinator

\_\_\_\_\_  
Date

This form must be submitted to CTEC within 45 days of the conclusion of each course. **Course Report Forms for courses completed between October 15-31 must be submitted no later than November 15th.** (Electronically submit to: [www.ctec.org](http://www.ctec.org) or mail to: PO Box 2890 Sacramento CA 95812)

Do not write below this line

### (For Office Use Only)

#### Provider Verification

- Number
- Address
- CTEC Administrator

#### Course Verification

- Number / first filing
- Type of education
- Hours

#### Student List

- Attached

P.O. Box 2890 • Sacramento, California 95812-2890 • [www.ctec.org](http://www.ctec.org)  
Toll Free 1-877-850-CTEC (2832) • Toll Free Fax 1-877-851-CTEC (2832)

Provider Number \_\_\_\_\_  
 Course Title \_\_\_\_\_  
 Course Number \_\_\_\_\_ - \_\_\_\_ - \_\_\_\_  
 Date Concluded \_\_\_\_\_

## STUDENT LIST

(Qualifying or Continuing Education)

**\*Please complete this form each time a class is offered. Information on this form can be submitted electronically online at [www.ctec.org](http://www.ctec.org), or manually by completing this form and mailing to PO Box 2890, Sacramento CA 95812-2890.**

I certify that the individuals, whose names appear below, have successfully completed the cited course in accordance with the standards, guidelines and procedures of the California Tax Education Council.

	Signature	Name	Date
	<b>Student Name</b>	<b>QE Students- Address</b> <small>(Required for all students in qualifying education courses)</small>	<b>CE Students - CTEC Number *</b> <small>(Required for all students in continuing education courses)</small>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

\* CTEC numbers that are not provided can be found on our website by clicking on “verify a tax preparer”. Please print legibly. (Attach to *Provider Course Report Form* – Must be submitted to CTEC within 45 days of the conclusion of each course)

Phone: (877) 851-2832 or (916) 492-0457 – Fax: (877) 851-2832 or (916) 447-3447

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## COURSE NUMBERING CONVENTION (CP07)

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**Background:** Tax Preparers are required to provide CTEC with a list of CTEC approved courses they have completed in order to register or renew their registration as a CTEC Registered Tax Preparer (CRTP). CTEC as part of the registration process must be able to validate an applicant's course completion during the registration process. Providers are required to submit to CTEC the student lists for those satisfactorily completing the courses offered by the provider. The course numbers need to identify the provider, type of education (QE or CE) and a unique number for each particular course.

**Numbering Convention:** Providers assign course numbers to their own courses according to the instructions outlined in this procedure. Numbers are assigned to each individual course, not each presentation (class). For example, a course may be presented at numerous locations over an extended period of time and is assigned a single number. The course numbers are established from the following elements:

- **First 4 Characters** - the provider's 4-digit identification number (automatically generated if reported online.)
- **Digits 5 and 6** - either the letters CE or QE. CE is assigned to continuing education courses and QE is assigned to qualifying education courses (automatically generated if reported online.)
- **Final 4 Characters** – are numeric, assigned by the provider and generally advance numerically from 0001 to 9999.

Example: If the provider number was 4278 and the course is a fifth CE course presented by the provider the course number would be 4278-CE-0005.

An additional course number is not assigned to courses that are offered in new locations or on subsequent dates. CTEC distinguishes these offerings through the date and location information provided on the Course Report Form. The course number identifies the curriculum and no new number is needed until the provider changes the number of federal or California hours awarded for the course, or makes a significant change to the curriculum content. Annual updates to include changes in the tax law would not, by themselves, require a new number to be assigned to the course.

**Course Numbering Form (CNF):** The Course Numbering Form (CTEC-007) is used by providers to assign and report to CTEC the unique number that they assign to each course that they develop. CTEC does not assign the final four characters. This is the sole responsibility of the provider.

**Changing or Correcting Course Numbers:** Because an individual student must include the course number on their registration, once courses are assigned a number, and that number is advertised, given to a student, or reported to CTEC on the Course Numbering Form, it cannot be changed or deleted – it must be reported on a CNF. Changes or errors are corrected by listing the original course number on the CNF, attaching an explanation to the CNF, assigning a correct course number, and reporting both course numbers on the next CNF filed. The CNF should show all CTEC course numbers that a provider has ever used.

### Reporting Requirements:

Provider Applicants - must file a CNF with their original provider approval application showing the number they plan to assign to the course they are submitting for approval leaving the first six characters blank until they become an approved provider and receive a provider number.

Approved Providers – must file a CNF the first time each new course is offered. The updated CNF is attached to the Course Report Form and filed within 45 days of the conclusion of the first offering of the new course. Providers who develop more courses than can fit on a single page, should cease providing a copy of any full page that has previously been submitted.



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## STUDENT COURSE EVALUATIONS (CP08)

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**Background:** In order to increase subsequent program effectiveness and to assess participant satisfaction with each particular course, written evaluations should be solicited from all participants and instructors for each offering at the conclusion of the course.

**Minimum Content:** At a minimum, each program presentation, including distance learning, should be evaluated to determine whether:

- Program content was timely and relevant;
- Course met the advertised objectives;
- Satisfaction with the course materials;
- Satisfaction with the meeting facilities;
- Time allocations were appropriate for the subject matter;
- Individual instructors were effective.

In addition, for correspondence courses:

- Determine the number of hours required to complete the course.

**Use of Evaluations:** Curriculum providers should periodically review evaluation results to assess program effectiveness and inform, as appropriate, developers and instructors of evaluation results and take steps to correct any deficiencies.

For correspondence courses, also use the evaluations to determine the length of time required by a student to complete the course. If the average completion time is less than the CE hours being awarded immediately take steps to either:

1. Adjust the CE hours to that of the average completion time; or
2. Increase the course content so that the average completion time mirrors the CE credit awarded.

**Retention of Evaluations:** The evaluations are for the sole use of the course provider as a tool to evaluate a course. There is no requirement to submit the evaluations to CTEC nor is there any requirement for the provider to retain the record for any length of time. However, for correspondence courses, a provider may choose to maintain the evaluations as a way to justify the average completion time.

**Suggested Format:** Sample is included

# SAMPLE STUDENT COURSE EVALUATION

Circle rating for each line description  
EXCELLENT - AVERAGE - POOR

Program content was "timely & relevant"....	5	4	3	2	1
Course met the advertised objectives.....	5	4	3	2	1
Text material.....	5	4	3	2	1
Meeting facilities (If applicable) .....	5	4	3	2	1
Time allocations for subject matter.....	5	4	3	2	1
Instructor – (Enter Name).....	5	4	3	2	1
Instructor – (Enter Name).....	5	4	3	2	1
Number hours to complete the course (Correspondence Only).....					<input type="text"/>

Part of the course you found to be the **most** beneficial: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Part of the course you found to be the **least** beneficial: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Additional Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Would you like us to contact you about your comments after the course?  YES  NO

Optional: Name: \_\_\_\_\_ Phone: \_\_\_\_\_

**Please turn in at the conclusion of the course**



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## **COMPLETION CERTIFICATE (CPI I)**

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**Background:** As part of the annual renewal process, CTEC Registered Tax Preparers (CRTPs) must include, and certify, on their renewal application form a record of their annual CE courses. To provide the CRTP with verification of course completion, approved providers shall provide each student with a completion certificate.

**Certificate Size:** No specific size requirement for the certificate.

**Information Requirements:** The following information is required on the completion certificate:

- Student Name
- Course Name or Description
- Course Number (Reference: CP07 – Course Numbering Convention)
- Number of Federal Hours awarded (if applicable)
- Number of California Hours awarded (if applicable)
- Date of Completion
- Signature of Instructor or CTEC Administrator (Reference: CPI2 – Provider CTEC Administrator/On-site Coordinator)

**(Sample Certificate)**

*Do not submit this...Use this as a template to create your own certificate.*

**California Tax Education Council**

(Replace with your school name)

**Presents to:**

(Insert student name)

**For Completion of Update Tax Course**

(15-hours Federal & 5-hours State)

**CTEC Course Number: 3000-CE-0001**

\_\_\_\_\_  
Completion Date

\_\_\_\_\_  
Instructor



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## **PROVIDER CTEC ADMINISTRATOR/ON-SITE COORDINATOR (CP12)**

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**Background:** Each provider will designate a CTEC Administrator, who is the main contact person with CTEC. A provider must notify CTEC in writing, within 30 days, of a change in CTEC Administrator.

Along with the CTEC Administrator, each provider will also designate an On-Site Coordinator who will actually be in attendance during a contact class (this person might be, but is not limited to, an instructor, school coordinator, owner or manager), or have direct access to all paperwork submitted for a correspondence course. The On-Site Coordinator will attest, by signing the “Course Report Form” (CTEC-006), that the course has been conducted in accordance with the standards, guidelines and procedures of the California Tax Education Council.