

Semi-Annual Provider Calls

May 4, 5, 6, 2021

Hot Topics

Each call, we deliver the hot topics currently trending or essential information that you should be aware of. The first topic is:

The “New” AFTR Exam Reconciliation Form

You spoke, and we heard you! Gone are the days of identifying exam questions with a confusing format that included marking the domain, topic, page, or slide number next to each question. This year we’ve rolled out a new AFTR Exam Reconciliation form that mimics the AFTR Outline. This required form is much easier. You simply place the test question number(s) in the box on the outline representing the topic it covers. We will share a bit more about the benefits of the form later.

Updated Test Parameters for Your AFTR Course

We have updated our test requirements for this year’s AFTR course. We felt it was important to clear up any misunderstandings concerning our standards for test integrity and your ability to offer test feedback. AFTR providers should not advertise that attendees have unlimited test attempts; we have included additional guidance in determining how many attempts you can offer based on the test bank of questions you have. You can find the 2021 AFTR Information Letter, the new exam reconciliation form, test parameters, and other AFTR documents in the 4/1 email that we delivered to your secure mailbox in the CE system or our CE website.

New Resources for CE Providers

The CE team has several useful resources and templates in the works. First, we are pleased to mention that we updated the Principal Point of Contact Quick Reference Guide. You will be happy to know that you will find a nifty index that provides a roadmap to our CE Provider Standards, Frequently Asked Questions, and other reference material in the back of the guide. Simply look up a term or topic, and we point you to the applicable Standard and FAQs. The PPOC Guide and Index are available to you now in the CE system Resources & Help section. Later this year, we will release templates that will be useful to everyone involved with CE. For example, there will be a template for a syllabus, agenda, sign-in/sign-out sheet, and more.

Courses That Can Qualify for IRS CE and Others That Cannot

A great deal of legislation has passed in the last 14 months in response to the COVID-19 pandemic, and there may be more to come. As a reminder for our IRS CE providers, program developers, and instructors, you can focus on the new enactments related to the preparation of a federal tax return. Your focus may include the taxability of income, allowable deductions, credits and stimulus payments, thresholds, safe-harbors, and extensions for personal and business income tax returns, employment returns, etc. However, all federal law and procedures do not equate to Federal Tax Law, so the legislation that does not involve federal taxation should not be offered for IRS CE. We encourage every CE provider to review your programs, including those related to recent legislation and ensure that they are eligible for IRS CE.

During our reviews, we find some programs that are unacceptable for IRS CE credit.

Ethics programs on general ethical behavior do not qualify for CE. Likewise, programs citing CPA ethical standards may not be eligible. Ethical content for IRS CE MUST contain guidance as directed and regulated by Circular 230.

Programs on financial planning, personal investments, office management, growing your business, personal development, or new office computer software use (just to name a few) **do not** qualify for IRS CE!

While these courses offer beneficial information to the student, they do not advance one's professional knowledge in federal taxation or aid in completing the federal tax return, which is required for earning IRS CE credit. It's like attending an ID Theft seminar and being awarded credit towards a CDL driver's license – good information, but not fitting for the certification.

Please remember that our joint objective is the enrichment of federal tax law.

Biennial EA Continuing Education Audit

The IRS enrolled agent group is amid its biennial EA continuing education audits. A random sample of the EA population up for renewal of enrollment to practice is being selected. Part of the audit process involves verification that the CE was received through an IRS-approved CE provider, and the EAs do have to provide certificates of completion for the past three years. Just as CE providers have a 4-year recordkeeping requirement, so do EAs. However, you may find attendees reaching out to you for assistance in replacing their lost certificates.

CE System Tips

System Lockouts and Password Resets

We understand that account lockouts will happen but there are steps you can take to minimize these. Your password must be changed every 90 days as part of the security requirements to access the CE system. Upon logging in, the system will prompt you to update your password. If you do not access your CE account for 90 days, this often results in a delay in CE processing and a call to the Helpdesk for assistance.

If you are a provider that does not have a business reason to access the account more frequently, you should consider setting a recurring calendar reminder on a personal device prior to the 90 day expiration to avoid system lockout.

APOC

Administrative Point of Contacts are important to appoint on CE accounts. In absence of the Primary Point of Contact, the APOC could be the bridge in keeping the lines of communication open with us during periods of illness, holiday leave and vacations.

Although not required, we recommend listing at least one other contact that could explain any absence of the primary contact.

Under review, now what?

When you're selected for a provider review, a review analyst will reach out to you by phone to discuss the forthcoming review and answer initial questions. During the introductory call or shortly after that, the review analyst will open the review in the CE system, and you will receive email communication from @ceprovider.us. Secure Message Notification will be in the email's subject line, and the body of the email will simply ask you to access your online CE provider account, directing you to the review section.

Upon signing into the CE system, you will notice a red alert in the upper right-hand corner of your CE home page. The alert directs you to check the CE Provider Review Section below. Scroll to the very bottom of your home page, and there that you will find a newly added review section. Within the review section, you'll see the electronic documents from your reviewer, including a review notice and perhaps a separate document outlining the requested records and information that you will need to furnish for the review.

Once you've gathered all your documents, you can upload your files to the reviewer directly from your CE account review section. Word, Excel, PowerPoint, and PDF files are all acceptable. You would simply click upload document, provide a document name, and choose your file. You can repeat as needed for subsequent files. During the review, you and the reviewer can share documents here in the review section. If the reviewer adds a document for you, you will receive an email alert.

At the end of the review, the reviewer will deliver closing documents to you, including their summary of findings (SOF). If applicable, the SOF will denote action items for you to follow. Once the review is completed, the red alert button will go away, but you will still have access to the review documents in the review section of your account for future reference.

The Program Evaluation

This section covers how to deliver your best program by beginning at the end. This means to look at the program elements that are required to be included on your evaluation form.

The evaluation requirements are so critical that in the Continuing Education Post-Approval Provider Obligations frequently asked questions area there is a section literally called "Evaluations"...and the "Evaluations" Frequently Asked Question #1 is "What information must be on an evaluation form?"

The answer includes a link to a Sample Evaluation Form that has all required elements and can be used by any provider, and also, because we are the IRS, you know there is link to a separate form #14364 Continuing Education Program Evaluation form.

Although program attendees are not required to complete an evaluation form, providers are required to give all students a means for evaluating program content.

We call this the "Who, What, When, Why, Where, How" questionnaire.

The evaluation must have five (5) Identifying elements:

1. Name of the CE Provider
2. Program name
3. IRS program number
4. Date(s) of the program
5. Optional student name field

The evaluation must also have eight (8) measures of rating:

1. Stated learning objectives were met
2. Program materials are accurate, relevant, and contributed to the achievement of the learning objectives
3. Time allotted to learning was adequate
4. Facilities/equipment were appropriate
5. Handouts were satisfactory
6. Audio and video materials were effective
7. Individual instructors were effective
8. Comments section

The evaluation must have a grading system (i.e. 1 – 5, poor – excellent, extremely agree – extremely disagree, etc.) that also contains a Not Applicable (NA) selection, as the method for rating.

A quick side note here, Not Applicable (NA) is a required option. We've seen in our reviews where providers leave out the measures they think may not apply, such as "#5. Handouts were satisfactory" when it is a self-study program with no handouts, but all measures are required to be included for all programs; hence the need for the Not Applicable (NA).

To get back to the original thesis: Deliver your best program by beginning at the end; in other words, what is your program going to be evaluated on?

How would a student evaluate your program for whether:

1. Stated learning objectives were met.
2. Program materials are accurate, relevant, and contributed to the achievement of the learning objectives.

Obviously, having clearly stated learning objectives at the beginning, and a summation of the objectives covered at the end, is required to answer #1 and #2 since they are all about learning objectives.

How would a student evaluate your program for whether "#3. Was time allotted to learning adequate?"

To answer question "#3. Was time allotted to learning adequate?", there would need to be time allotted. Providing a syllabus with scheduled time for each objective allots the time and, by adhering to that time schedule, serves to substantiate the 50 minute per continuing education hour criteria for in-person and online programs. If it is a self-study program, time may be based on either the word count formula or pilot testing.

The next four criteria:

4. Facilities/equipment were appropriate
5. Handouts were satisfactory
6. Audio and video materials were effective
7. Individual instructors were effective

Gets into the art and skill of presenting the material in effective ways and should support the delivery of the subject matter for student retention.

In summary, by beginning at the end, and using the evaluation criteria as a checklist, you can structure a program with clearly stated learning objectives, presented effectively with appropriate educational materials, that are delivered in an appropriate timeframe for the continuing education credit hours offered.

Annual Filing Season Program

The Annual Filing Season Program is designed to recognize the efforts of non-credentialed return preparers who desire a higher level of professionalism by obtaining 18 hours of continuing education, which includes passing a six-hour federal tax law refresher course and test called the Annual Federal Tax Refresher (AFTR). The return preparer must also renew their preparer tax identification number (PTIN) for the upcoming year and consent to adhering to the obligations in Circular 230, Subpart B and section 10.51.

Upon completion of these requirements, the return preparer receives an Annual Filing Season Program – Record of Completion from the IRS. Annual Filing Season Program participants can then be included in a public database of return preparers on the IRS website alongside credentialed Attorneys, CPAs, Enrolled Agents, Enrolled Retirement Plan Agents, and enrolled actuaries for their accomplishment.

The Annual Federal Tax Refresher (AFTR) course requirement is a high-level, but basic tax course, to assist preparers in getting ready for the upcoming filing season tax returns. It is not intended to cover in depth any one topic. Individuals looking for in-depth coverage of tax law or specific topics should avail themselves to your other programs offered.

Although presenting additional topics can be educational and well done within the AFTR course, it is our recommendation that providers stick to the topics listed in the AFTR Course Outline, optionally adding only new regulations enacted after publishing of the outline. We have found that providers adding more topics often fail to cover or shorten required topics when doing so.

The Annual Federal Tax Refresher course is limited to 6 hours for presenting the material and 3 hours for administering the final exam. Here are some other reminders:

- Those of you preparing students for the Annual Filing Season Program (AFSP) and will be offering the Annual Federal Tax Refresher (AFTR) course this year, please review the new 2021 AFTR letter delivered to your provider account secure mailbox on April 1 as it contains some new and changed information. It's also good to refer to it during development of the AFTR course for guidance.
- Unlike other IRS CE courses, an AFTR program number can be obtained prior to having the material and test completed. However, since all AFTR providers will be contacted regarding their program immediately after the number is received, we prefer that you get your program number after your material is finalized. Keep in mind that all AFTR courses are subject to a review and will generally be reviewed every 3 years.
- If you have already obtained an AFTR program number and have spoken with us but your material was not finalized, please remember to notify us as instructed when the course, test, and website (if utilized) are fully developed.
- AFTR courses can be offered and PTIN uploads accepted beginning on June 1. Remember, you are required to inform your students they must complete the **course and test** by midnight of their time zone on December 31, 2021, no exceptions!
- If you are selling your AFTR program **or** if you are buying a program from another provider, please send an email to rpo.ce@irs.gov informing us. We must review all sellers' material. This ensures that your course meets our standards and purchasers will not have to resubmit material purchased from a known seller or be responsible for correcting issues found in unreviewed purchased material.
- Regardless of when you plan to offer your AFTR course, **AFTR program numbers** are only available from April 1 – October 1. **No** AFTR program numbers will be issued after October 1, again... no exceptions! This allows us time to review select programs, allowing enough time for any needed adjustments before being offered to students ahead of the December 31 deadline.

AFTR Tips

When developing your AFTR course, remember to consider these tips:

- The AFTR course is a high level, basic 1040 “refresher” course focusing on tax law relevant to the preparation of 2021 tax returns.
- Be sure all topics listed on the AFTR course outline are sufficiently covered. The section titled ‘Overview Topics’ are topics that do not require a full detailed description, but rather an overview of the topic.
- Your AFTR course presentation must be 6 hours in length, regardless of delivery method. We understand that producing precisely 6 hours of material is challenging; however, any material

computing less than 6.0 or more than 6.5 hours using the Word Count Formula will have to be modified. This is strictly enforced to ensure AFTR courses are consistent throughout the marketplace. This is also very important for those of you who will videotape your AFTR presentations, as editing might be difficult to extend or shorten the length if not in compliance.

- All delivery methods should provide detailed written material to participants to take the open book final exam. If your delivery method is self-study, make sure you use the Word Count Formula to ensure your course meets the 6-hour study requirement. And as a reminder, review questions are not required but, if offered, no more than 18 can be counted in your Word Count formula, and review questions cannot be duplicated as exam questions.
- If your Table of Contents does not mirror the course outline, be sure to complete the AFTR Course Outline reconciliation form to document the page or slide number where each required topic can be found in your material. Again, we recommend this be done during the course development to be sure all topics are addressed.
- All AFTR documentation should be submitted in Word or PDF format, even if the material is web-based since we cannot access all external sites from our IRS computers. Additionally, all program material must be available in English should it be selected for review, even when you only offer the course in a different language.
- All AFTR tests must contain at least one question for each topic on the AFTR course outline and should only test for topics covered in the course material.
- A new AFTR Exam Reconciliation form is now **required for use** to identify which questions addresses each topic on the outline. This new, more straightforward method will ensure that you have at least one question for every topic and provide a visual alert for excessively tested topics.
- Be sure the web site and testing material state the minimum passing score of 70% and final date to complete the course & exam as December 31 (**prior to purchase**) and that the exam must be completed in **3 continuous hours** so that students can make appropriate scheduling. A visible countdown clock that cannot be paused or stopped must be utilized.
- Be mindful of misleading testing limits. Multiple test attempts are permitted; however, a student must receive a different version of the test at every third test attempt. For every third test version, at least 50% of the test questions must differ from previous questions. The size of the test bank limits the number of test attempts. Although it's rare that someone would require an excessive number of testing attempts, wording like "unlimited attempts" is misleading and is no longer allowed. Alternatively, "multiple attempts" or the actual number allowable should be used.
- Remember, if your AFTR program is selected for review and we identify items needing correction, only one revision of the AFTR course and comprehension test will be allowed and all corrections (if multiple) must be submitted together.

Special Enrollment Exam

If you are a Continuing Education Provider interested in offering or (are) currently offering a SEE test preparation program, the following information will be of particular interest to you.

Individuals wishing to become an IRS Enrolled Agent may take the Special Enrollment Exam (SEE) from May 3, 2021 through February 28, 2022.

- The SEE is a three-part exam administered for the IRS by Prometric, Inc. (Part 1 covers Individuals, Part 2 Businesses, and Part 3 Representation, Practices and Procedures)
- The SEE has been updated to cover tax law in effect through **December 31, 2020**.

- Annual updates to the SEE have been posted on the Prometric website and IRS.gov, which we'll talk about in more detail below.
- The cost of the exam is \$185 per attempt per part. A candidate may retake a failed test up to four times within the test cycle.
- As a result of a 2020 analysis, there were changes made to the SEE Test Specifications. A full set of the test specifications, including a tracked changes version of the updated specifications, are available at www.prometric.com/SEE.

When developing your SEE test preparation program, please refer to these resources to ensure your content is current:

Prometric website – A lot of valuable information regarding the SEE can be found on Prometric's website including the [Candidate Information Bulletin](#).

- This document provides you with everything you need to know about the SEE program.
- Included within this document is a detailed listing of the tax law exam content outlines. This is the test specifications mentioned above for each part of the exam.
- These exam outlines are used by Prometric to construct the SEE exams.

IRS website – There are also multiple resources available at www.irs.gov/tax-professionals/enrolled-agents including:

- [Sample Test Questions](#)
 - There are 20 sample test questions per part.
 - The sample test questions are written and designed to give the candidate a look at how the test questions may appear on the test.
 - The sample questions have never previously been used on a test.
- [Enrolled Agent FAQs](#)
 - There is a comprehensive list of FAQs on the IRS website that covers everything from test scheduling to the scoring methodology.
- [Circular 230](#)
 - This document contains the regulations for governing practice before the IRS.
 - This is a very important resource for Part 3 of the test, Representation, Practices and Procedures.

Next, we will inform you about credit hour limits when adding an EA SEE test preparation program in your CE Provider account

Tax return preparers may earn up to five hours of federal tax continuing education credit for prep programs for each of Parts 1 and 2 and two credit hours of ethics for prep for Part 3. The maximum amount of CE credit that can be earned from taking SEE prep programs is 12 credit hours total and is for unenrolled preparers only; Enrolled Agents do not receive credit.

Again, a lot of valuable information can be found at www.prometric.com/SEE. If you have additional questions regarding SEE test prep programs that were not answered here, please send them to rpo.ce@irs.gov.

Questions Received From You

1. Q – Has there been any further discussion on Tax Preparer REQUIRED continuing education? (Not the voluntary program). Thank you for hosting these updates, they are helpful.

A – Yes, last month, on April 13, Commissioner Rettig testified before the Senate Finance Committee hearing concerning the 2021 Filing Season and 21st Century IRS. SFC member Senator Cardin shared his regret that the committee he chaired could not give back the regulatory authority for paid tax return preparers. Still, he hoped that Congress would continue to find a way forward to grant that authority because it is in the consumers' and taxpayer's best interest. In answers to questions on the matter, Commissioner Rettig said, "We absolutely need the ability to regulate paid tax preparers," and that he believes a minimum competency standard would help with improper returns filed. So, the matter is ongoing, and we're hopeful that required CE will be a part of any regulatory authority that the IRS receives in the future.

2. Q – What is the best way to obtain updated Special Enrollment Examination updates to include on SEE training? When are testing updates usually posted and where?

A – As previously mentioned, the annual Special Enrollment Exam updates are posted each year during March and April on the Prometric website and IRS.gov. In the conference call notes that will be published by May 17, we will share specific links to the available SEE resources.

3. Q – Can CE providers include ARPA (American Rescue Plan Act Overview) in Domain 1?

A – It is not required, but new law enacted after the AFTR Course Outline revision date of 2/26/2021 can be incorporated into your AFTR course and exam. There are a few caveats. The new law would need to cover the 2021, not 2020, personal income tax return. You must ensure that your course is six hours and every topic that we outlined is covered and tested, so you can't overdo it with new material. Be sure that the information that you test for covers the information that you presented. For example, if you've included the most recent changes and thresholds for the CTC and EITC in the course, you would want to be consistent and avoid confusion by testing the information that you presented in the course.

4. Q – The AFTR outline says Recovery Rebate credit, is it correct to use the recovery rebate credit information for 2021 returns?

A – Yes, the Recovery Rebate Credit is applicable to the 2021 tax return. The third round of Economic Impact Payments was authorized by the American Rescue Plan Act of 2021 as an advance payment of the tax year 2021 Recovery Rebate Credit.