

Semi-Annual Provider Calls May 5, 6, 7, 2020

Tax Day Extended

- Tax Day has been extended from April 15 until July 15 to grant the nation's taxpayers relief due to the coronavirus outbreak. This means, taxpayers and businesses will have this additional time to file and make payments without incurring any additional interest or penalties.
- At this time, we haven't implemented any CE program-related extensions. However, should there be any changes or updates in the future, we will share that information as soon as it becomes available.

Annual Filing Season Program

Even though you may not be offering the Annual Federal Tax Refresher (AFTR) course/test portion that is required for the Annual Filing Season Program (AFSP), the information shared here can be very beneficial since most of you provide the other (non-AFTR) continuing education (CE) course requirements for preparers who do participate in the AFSP program.

- The AFSP eligibility date has also been extended from April 15 to July 15, 2020. This means eligible preparers for the 2020 AFSP program now have until July 15 to consent to the Circular 230 notice or elect to participate in the program.
- If you are planning on offering an AFTR course this year, we hope you have taken the opportunity to read the 2021 AFSP letter delivered to your provider account secure mailbox on April 1. We encourage you to refer back to that document for guidance during the development of your AFTR course.
- AFTR courses cannot be offered to your participants until June 1 and students must complete the AFTR course and test by December 31, 2020.
- While you're able to obtain an AFTR program number prior to having the material and test completed, we do prefer that you get your program number after your material is finalized since all AFTR providers will be contacted regarding their program once the number is received, and all are subject to an AFTR review.
- If you have already obtained an AFTR program number and have spoken with us, please remember to notify us as instructed when your AFTR course, test and website (if utilized) are fully developed.
- Please send an email to rpo.ce@irs.gov if you are selling your AFTR program **or** if you are buying a program from another provider. 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.
- No PTIN uploads for the AFTR course and test completion will be accepted prior to June 1. And although you will receive an AFTR program number immediately after registering the program, you should not offer your AFTR program prior to contact and approval to do so by one of our review analysts.
- No AFTR program numbers will be issued after October 1. This allows us to complete selected reviews so the program may be offered to preparers before the end of the year.

Reminder about the importance of submitting all required information when sending your request for the semi-annual conference calls:

- Please be sure to include the name of your organization, the name of all participants, and the date that you would like to attend (in order of preference). In addition, you should send all request to rpo.ce@irs.gov. Please do not send your request to your CE Secure Mailbox.

Some important things to remember when developing your AFTR course:

- The AFTR course is a high level, basic 1040 “refresher” course focusing on tax law pertinent to the preparation of 2020 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 exactly 6 hours of material is difficult, 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 will be strictly enforced to ensure AFTR courses are consistent throughout the marketplace. This is very important for those of you who will videotape your AFTR presentations, as editing could prove difficult if we find changes are needed.
- All delivery methods should provide detailed written material to participants in order to take the open book final exam. If your delivery method is self-study, please be sure to use the Word Count Formula to ensure your course meets the 6-hour study requirement. Review questions are not required but, if offered, must have no more than 18 counted in your Word Count formula, and they cannot be used again 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 number where the topics can be found in your course material. 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.
- All AFTR tests must contain at least one question for each topic on the AFTR course outline and should only test for topics specifically covered in the course material.
- A test reconciliation is required to identify on your comprehension test the domain, tax topic number and page number in the course material where the answer to the question can be found. This will also help to ensure that you have at least one question for every topic in all 3 domains.
- Be sure the web site and testing material state the minimum passing score, final date to complete the course and exam as December 31 (prior to purchase) and that the exam must be completed in 3 continuous hours.
- Be mindful of misleading testing limits. The size of your test bank determines the number of testing attempts you can allow. Every third test requires at least 50 different questions from the previous test, which means if you have a test bank of 150 questions, your testing limit is 4 attempts (two tries at the original exam of 100 questions and two more with a test containing the remaining 50 *new* questions). Although it’s rare that someone would require an excessive number of attempts, wording like “unlimited attempts” should be revised to something such as “multiple attempts” or the actual number of attempts allowable, based on your test bank size.

- 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.

Hot Topics

In the face of COVID-19 and social distancing, people in most of the U.S. and other countries are homebound, therefore on-line programs are becoming more of a trend with “GoToWebinar” programs and similar electronic forms of program delivery, to ensure business continuity. Some of you have asked about converting previously recorded in-person content into webinars or just how to stay afloat during this challenging time?

COVID-19 Program Delivery Alternatives

- Remember any program whether offered in-person, online (meaning in a set, scheduled, group setting) or our most common delivery method, self-study (meaning taken whenever the student decides), must be registered in your account prior to offering or awarding IRS CE credit.
- Depending on your internal system capabilities, many programs can be recorded and/or created using PowerPoint slides for electronic delivery to participants. Use of previously recorded live program material can also be utilized. These new or created programs will have to be registered as new 2020 programs in either self-study or on-line categories in your account.
- Keep in mind that there are some program requirement differences that must also be met depending on delivery type. Some differences include: exams being required for self-study courses, polling questions for on-line courses, and the awareness that all recorded webinars are considered self-study unless they have a live Q&A at the end, which would then make it an online delivery program. So be sure to visit the Provider Standards and Continuing Education FAQs at www.irs.gov/taxpros/ce for more information on our socially distanced delivery options.

Recordkeeping Requirements

- Required recordkeeping of the AUDIO and VIDEO content of what was shared, along with any PowerPoint presentation or downloadable/viewable handouts must be maintained for a period of 4 years and be readily available if selected for review. This requirement is also mandatory for stump-the-speaker type forums as well.
- Material for each registered program, including those that are presented as a topic within a day-long or multiple day seminar, must be separately maintained. This means if a 2-hour ethics program is presented during an 8-hour, day-long employee seminar, the material for the 2-hour course cannot be maintained and lumped together within the entire 8-hour (unregistered) seminar. The registered program number reflects a 2-hour program, therefore all material maintained for that program and submitted for review should only reflect the registered program and associated hours.
- All registered programs in your account are stand-alone when it comes to our mandated recordkeeping requirements and therefore, material must be maintained separately.

Ethics Clarification

- Some of the programs for Ethics recently reviewed by the analysts continue revealing information that is not classified as ethics.

- Ethics programs should consist of topics like due diligence obligations of tax professionals, key Circular 230 provisions and practitioner responsibilities to their clients and to the Tax Administration System. Other great topics are best practices for all tax professionals as well as the Office of Professional Responsibility (OPR) Policies and Procedures guidance.
- While many of you are doing a great job of categorizing correctly, we are still seeing ethics programs focusing on ID theft and data security of taxpayer information. Keep in mind, these topics are tax-related and not ethical, so be sure they are accurately categorized as ‘T’ programs, and not as ‘E’ (ethics).

PII on Sign-in/out Sheets

- Another trend we continue to see is exposed PII (personal identifiable information) on sign-in/out sheets in the form of PTIN numbers. We stress that a sign-in/out sheet is the most common and accurate way to validate in-person course attendance and credit hours. However, in the age of increased security threats, you should not expose attendees’ PTIN numbers for others to see.

When is a new program number needed?

- A new program number is needed when the program content changes (other than inflationary adjustments). We consider any addition or reduction of content or a change in CE hours a new program, because it’s no longer the same. Therefore, a new program number is required for a changed program.
 - For example: You have a 4-hour tax law program on depreciation in your CE account, but you’re asked to speak for just 2 hours about depreciation at a luncheon. If you were to reduce the contents of your 4-hr program for the event, you will need to obtain a program number for the 2-hr program.
- Some of you have incorrectly bundled programs. These are programs that cross multiple categories (Ethics, tax law, or tax law updates) all under one program number. This option only works for providers that offer programs to employees or others that do not have yearly CE credit requirements.
- However, the vast majority of providers target participants that must achieve yearly credits to meet EA or AFSP requirements, therefore we highly recommend no cross-category bundling when getting program numbers!
 - For example: You have a registered 8-hour Federal Tax related (T) program number titled ‘Annual Tax Day’ that also contains tax law updates and ethics lumped together under one program number. Now you have a participant in attendance that needs 2 hours of Ethics to meet their final AFSP requirement, and chose this program because they saw that it included the Ethics they need, as well as some other topics they are interested in. And although the participant was in attendance for the Ethics portion, they wouldn’t receive the final 2 Ethics credit they thought they were getting, since you incorrectly bundled all the categories together. You should have separate program numbers and be sure that you do not bundle programs by mixing categories.

Acceptable programs that qualify for IRS credit

- We’ve covered this before, including in our most recent newsletter, since it continues to be a reoccurring issue.
- Programs are acceptable for IRS CE credit if:
 - Programs cover federal tax law topics typically reported on Form 1040 returns, as well as other business entity return types, covering basic to advanced topics. CE programs must

be designed to enhance professional knowledge in Federal tax law, Federal tax-related matters, qualified retirement plan matters, or Federal tax-related ethics, and must be consistent with the Internal Revenue Code and effective tax administration.

- Somewhat of an exception to that definition (because they aren't technically "federal tax law" programs) are the Identity theft/data security programs we mentioned earlier. They must meet CE program requirements focusing on enhancing tax professional awareness of protecting client data, including review of Publications 4557 and/or 4524 safeguards, and can qualify for CE credit in the federal tax law category. Again, **Identity theft/data security programs are NOT ethics programs**. Also note that EAs and potential AFSP participants can take these programs for federal tax credit.

Programs that are not acceptable

- Programs not directly related to federal taxation or federal tax related matters, such as personal development, personal investments, office management, non-tax return preparation computer software or sales-oriented presentations for office equipment and other system applications are not acceptable. These may be allowed for CPAs, but they are not allowed per Circular 230, section 10.6, for IRS CE credit. That statement is key, especially for CPA societies who typically also offer programs to CPAs.
- A program that covers state tax law issues or any non-federal tax content will not qualify for IRS CE credit unless a minimum of 80% of the program material consists of federal tax laws, and no more than 20% of state tax laws or other non-federal tax content. Programs approved by state licensing bodies must meet these criteria to qualify for IRS CE credit. Remember, the intent of the 80/20 rule is to ensure that state tax programs have comparisons of fed/state in order to qualify for IRS credit, not just that one hour out of X number of hours met the 80% rule.
- Examples of non-acceptable programs are Social Security programs dealing with benefits and eligibility, programs that cover only state tax law or general business programs. If they do have 80% federal tax law incorporated into them, they would be ok, but that's not generally what we see.
- If you have any questions about whether a program qualifies, please send us an e-mail at rpo.ce@irs.gov and we can weigh in. Please have the program material ready as we may need it in order to assess compliance with Circular 230.

Use of the Old IRS CE Logo with the Eagle

- An IRS insignia or logo with an eagle on it can only be used by IRS Official personnel. The former CE logo containing the eagle is now obsolete and cannot be used on any publication or website by IRS-approved providers. A letter was issued to all providers in March of 2017 giving them until October of 2018 to remove all images of the eagle logo, while providing new options that are authorized for use. Yet, reviewers are still finding the outdated logo on website pages, certificate of completions and in program material.
- We ask that you thoroughly review your website pages and all program material to be sure you are no longer using the outdated logo. If you would like to use an approved IRS CE logo as a marketing tool that immediately alerts viewers that you are IRS-approved, please refer to the IRS Logo Letter (delivered to all new providers) in your secure mailbox for instructions on securing and using the appropriate versions.

Questions Received From You

1. Q – How many polling questions should there be per 1 hour of CE?

A – There should be a minimum of 3 polling questions asked and answered per CE hour, but that leaves no margin should there be any sort of problem, so we recommend that you ask 4 polling questions per hour, and require that a minimum of 3 responses be made in order to receive CE credit. You want to be sure too that your policy is clearly stated and announced before your program with maybe a follow-up reminder during the program.

2. Q – Will topics covering the PPP loan (Paycheck Protection Program) and EIDLs (Economic Injury Disaster Loan) and advances qualify for IRS CE?

A – PPP and EIDL are “loans” governed by the Small Business Administration and not by the Internal Revenue Service. A qualifying CE program covers federal tax law. So, if a CE program is developed around the SBA requirements for obtaining those loans or perhaps the loan application form or the loan process, then it’s probably not a qualifying CE program. If the program focuses on federal taxation and there is enough material for 50-minutes of CE, then it would likely qualify for IRS CE. For example, last Thursday, IRS issued [Notice 2020-32](#) declaring that businesses having their PPP loans forgiven will lose the ability to claim certain expenses. This PPP guidance is federal tax related. If Congress were to pass a subsequent law to change the IRS’ position on deductions where PPP loans are forgiven, that would be another example of a qualifying CE tax topic. So, any program regarding PPP or EIDL must focus on federal taxation to qualify for IRS CE.

We have a new document that we introduced in last month’s CE newsletter concerning qualifying programs. You can find the document in the resources & help section of the CE system and we encourage you to review it. It’s called the 80/20 rule and has helpful guidance about qualifying topics. If you have further questions about qualifying programs, please email us at rpo.ce@irs.gov.

3. Q – If a University was approved to offer an in person 16-hour seminar and due to COVID-19 issues it is not possible to present the seminar in that format, what is the process and timeline to get the seminar approved to be taught as a webinar or a recorded self-study type seminar? And Does the kind of virtual seminar make a difference in the type of continuing education credits earned by the participants?

A – The timeline is up to you. Once your program is developed, you’re free to go into your CE account and request a program number. The approval happens automatically & instantaneously. And no, the delivery type does not change the CE credit earned. The delivery type utilized does need to be stated on the participant’s Certificate of Completion.

As a reminder, a recorded webinar without a live Q&A during program falls into the self-study category and a final exam is required with 5 questions per CE hour. Online programs have to have attendance verification. Please see [IRS CE Provider Standards](#) No. 5 and No. 7 and our [FAQs](#) for additional guidance.

4. Q – We are having to cancel our big Spring Fling 14 hours 2-day seminar schedule for May 8th. We are now in the process of figuring out how to do a live webinar. We will have the speaker talk live and have attendees watch over the computer screen. My question is how do we make sure the attendees are watching the class and don’t just sign in and leave? We need to be able to verify attendance before we issue the CE credit.

A –This provider is correct; it is required that you verify the attendance of a participant for your online program. We’ve already covered guidance for polling questions. To add to that, some providers utilize webinar software portals that can track a student’s engagement. You might find more on these services through an internet query or by asking your cohorts in the CE community. We’ve recently seen where NASBA decided to temporarily relax some

requirements to make it easier for providers to offer online courses, including the use of screen shots from student's computers to verify attendance. Our [Provider Standard No. 5](#) simply states that you have a method for ensuring attendance during the entire live program. Please ensure that it is a method that you can capture as part of your recordkeeping requirements.

Remember, if you're not able to establish a method for measuring online attendance, you could offer the program as self-study.

5. Q – How do we go about offering live streamed or online courses this year in addition to, or in lieu of, in-person courses? What do I need to complete to make this happen?
A – This is a repeat question, so this time we will answer it as a how-to add or edit a program delivery in the CE system. If it's a brand-new program, meaning you're not already offering the program in another delivery method, you will click programs/manual PTINs in the left margin as you're in your CE account. Then click add program & proceed to enter the category, program name, CE hours, etc. If the program is already in your account & you simply want to add a delivery method, i.e. self-study or online, you will click programs/manual PTINs and then find the program in your list & click update. This will allow you to check a box to add a new delivery method. You will be given a new program# for the new delivery method.

6. Q – What are tax preparers currently looking for in terms of career advancement or supplemental training?
A - This is pretty broad, but some return preparers that are not credentialed may aspire to become a CPA or an enrolled agent. You might develop programs ladders for them. If your questions were more so about programs that cover the aspects of starting or acquiring a tax practice, then please see our 80/20 rule with our guidance on that. We think the provider community is more apt to know before we do as to what tax professionals are seeking, so just another reminder for you guys to talk to each other and to network. You may also want to use your program evaluations as an opportunity to ask students what additional training they're interested in receiving.

7. Q – Since we are now doing on-line webinars, we are verifying participation using polling data. This works well for platforms like ZOOM and GoToWebinar. If a participant is on a cell phone, can we request verbal acknowledgement of all phone-connected attendees by having each one of them announce themselves during the polling period? This would allow us to award CE to Phone Participants. We could encourage people who were on the phone to go ahead and log in on their computer, even though they do not have a camera or microphone. That way, they could see the PowerPoints and Polls and also participate in the Chat "sign in."
A – The answer is yes; you can request verbal acknowledgement by phone as long as you can track it and substantiate it. You should remember that the attendance monitoring must be for the entirety of a CE program, it doesn't matter whether it's an in-person program or an online program. So, you can't just check attendance once at the beginning and be done, you'll need to do so throughout to ensure the participant is in attendance, in this case, online; and you'll need to meet the recordkeeping requirement.

8. Q – What are the additional or different requirements for CPA CEs? We do CEs for EAs and they transfer to most state Bar licenses, but not for CPA. We need this for our CPAs.
A - We cover this in a frequently asked question on our website under Program/Course Guidance, the FAQ is #21.

It's true that an IRS CE qualifying program may not meet CPA CE requirements and vice versa. We do not track CPA requirements for all 50 states. The rules will vary not only by state, but by type of credential. But to answer the question, most states require that a provider be registered with NASBA in order to get CPA credit. So NASBA will have the standards and guidelines that you will need because they are following and tracking all requirements for every state. As a reminder, we suggest that you put a caveat on your Certificate of Completion saying CPAs, attorneys, and others licensed by state boards/organizations should check with their board or officials to determine if the program will count towards their CE requirements.

9. Q – What other requirements are necessary to offer recorded live Webinars in the future? We do Webinar lives, record them, then sell to the professional community. Do we need to use a specific platform or will ZOOM suffice?
A – No, we do not require that you use a specific web platform, that is up to you. However, if you're selected for a provider review and we can't access the site due to IRS computer restrictions, we may ask for a copy of the video file or have you place the file on your own server so that we can view it. As a reminder, online videos are part of your program material and must be retained for a period of 4 years.
10. Q – Due to COVID-19 travel & social distancing restrictions, many in-person events that would have allowed tax pros the opportunity to earn CE credits were cancelled. Plus, the tax filing deadline was extended until July 15th and throughout the US, there's several tax updates that need to be taught before that deadline. Taking all of this into consideration, will the IRS allow exceptions for CE credits to be earned for self-study programs in 2020, if PTIN attendees conduct relevant course(s) through an existing CE Provider?
A – No exceptions are needed. Unlike NASBA where you have to apply and be approved for each type of delivery, we allow all IRS-approved CE providers to offer their programs in all three delivery methods, including self-study.

***We received several questions related to enrolled agents, ERPA's, and the SEE exam. [The IRS Office of Enrollment](#) has oversight of EAs and ERPA's and the SEE exam is administered by [Prometric](#) with oversight by RPO Competency & Standards, so we won't address those questions individually, but we will pass along some news that was shared with us.**

SEE Examination

COVID-19 has impacted the Special Enrollment Examination, which is the test to become an enrolled agent:

- Because test centers are closed, the 2020-2021 test window will not start on May 1. Those candidates who already had test appointments for May are being contacted about rescheduling.
- The June 15-29, 2020 international testing window has been cancelled. International candidates can still schedule in the three remaining windows in August and November 2020 and February 2021.
- The two-year carryover period for test results has been extended to three years for any passed examination parts that had not expired as of February 29, 2020.

More information on these impacts can be found on the [Enrolled Agent News page on IRS.gov](#).

You may also visit www.irs.gov/taxpros & click on the EA tab or find SEE testing information at www.prometric.com