

Semi-Annual Provider Calls November 17, 18, 19 2020

Hot Topics

With the COVID-19 pandemic underway, many of you had to alter how your courses are regularly presented. These changes led to questions about how this affects various delivery types, and even more questions about meeting our Standards through these workarounds. Vetting all these questions, the review analysts worked quickly to come up with a simplified way to address all the concerns by creating a '[Delivery Methods Determination and Requirements Chart](#)'. The first page of the chart will help determine which delivery-type category your program fits into: In-person, Online or Self-Study. The second page will allow you to follow that color-coded, verified delivery-type for the actions and recordkeeping requirements that must be met and adhered to.

Creation of the chart also prompted the update and creation of several [Frequently Asked Questions](#) under 'Programs/Course Guidance' on our website at www.irs.gov/taxpros/ce:

- **FAQ #11** was updated to clearly explain the differences in delivery-types using web platforms and to clarify polling questions. This is also where the new delivery methods pdf chart is located and can be printed.
- **FAQ #16** was updated to address programs being delivered over multiple platforms and multiple locations and the program numbers that would be required.
- **FAQ #28** was developed to provide guidance for Paycheck Protection Program (PPP Loan) and other COVID-19 topics and our requirement to substantially cover Federal tax-related content at a margin of the "80/20 rule" for the program to qualify for IRS Continuing Education (CE) credit. We received several questions about "Proposed Tax Law Changes – based on the President Elect" and providing IRS CE credit based on the proposals. We know these tax law proposals will have some impact financially and related to tax planning but until they are officially enacted, no IRS CE credit should be granted as they depend on numerous factors for enactment. While pandemic regulation is needful information to preparers, be mindful that unless the data is federally mandated and can be applied to the tax return, it does not qualify for IRS CE credit.
- **FAQ #29** was created to address the number of review and exam questions required for self-study programs as providers are often omitting the use of review questions.
- Keep in mind that per our [Provider Standard No. 7](#), the integrity of the final exams is expected for all providers and that a completed test should never be provided to students.

Looking further into our CE program, we found that Evaluation guidance could also be helpful:

- On our website under the FAQs for 'Evaluations', we revised the sample Evaluation form so that it is more useful to providers not desiring to create their own. We also revised Evaluations **FAQ #1** where the form is located, to point out the elements and measures required on evaluations created by the provider.
- We created a new **FAQ #2** to address that separate evaluations are needed when multiple programs are offered in a seminar or conference-type setting.
- **FAQ #3** was renumbered and revised detailing that state evaluations should be voluntary, how the information should be used by the provider and the recordkeeping requirements that must be met.

With FAQs changing regularly, to provide better clarity on topics we hear about repetitively, please remember to check the FAQs for updates when you have concerns.

Annual Filing Season Program Reminders

- Remember, all CE credits taken by preparers must be completed by midnight local time of the student on 12/31/2020. This includes the Annual Federal Tax Refresher course (AFTR) and any additional CE credit hours needed to meet the exempt/non-exempt requirement. Be sure to post the deadline for completing both the course and exam in your advertisement of the AFTR program. When it only states that the course must be completed by that date, students can falsely believe they have additional time beyond 12/31 to complete the exam portion.
- Now that we're in the fourth quarter of the year, PTIN reporting of CE credit hours must be processed within 10 business days of completion. This is very important during this season since credit hours earned must be registered in the student's PTIN account before they can finalize entrance into the Annual Filing Season Program (AFSP) for 2021, and this cannot be done until providers have completed the uploads.
- Speaking of finalizing entrance into the AFSP program, we also suggest reminding students of that last step, that they **MUST** sign the Circular 230 Consent to be accepted into the program. The student can watch the video titled "Completing the Circular 230 Consent" (https://www.youtube.com/watch?v=l6n_dAnQCn8&feature=emb_logo) that can be accessed from the AFSP website and you can also link to your website as a convenience to students.
- Next year for the AFTR season, you can expect to receive an **AFTR Exam Reconciliation**. We realize our current format for identifying the topic, section and page number in Word format which references each exam question is both confusing and time consuming. We expect to roll out an exam reconciliation method much like the course reconciliation we currently use. That way, questions can easily be associated with the topic(s) they cover while also offering a checks and balance system to confirm all topics are covered.

2021 Renewals

Several of you have completed the process and saw that there were no changes to the renewal process for 2021. However, we do have some tips to consider for those of you who still need to complete the process or changes some early birds may need to go back and make:

- Currently approved Providers have from now until December 31, 2020 to renew and retain their IRS-approved provider status for 2021. This means if you plan to offer continuing education for IRS credit at ANY time during 2021 without lapsing, you must meet this 12/31 deadline. This also applies even if you won't offer your course until the fall of next year; you must renew by 12/31 to retain your status.
- If not renewed timely, on January 1, 2021 you will be placed in a lapsed state in the CE system, you will no longer appear on the IRS CE Public Listing and you cannot hold yourself out on any advertisement as an IRS-approved CE Provider. Additional fees are also incurred if you don't renew on time and choose a later renewal date. These fees are:
 - \$100 if renewed in Jan
 - \$150 if renewed in Feb
 - \$200 if renewed in March or laterKeep in mind, these late fees are in ADDITION to the annual fee of \$460.
- When starting the renewal process, you can stop at any time if necessary, and your progress will automatically save. When you sign in and restart the renewal process, it will automatically pick up where you left off.

- During renewals is the perfect time for cleaning up programs in your account! Unlike other Continuing Education programs, the IRS Continuing Education Program requires the provider to maintain their account listings. The IRS CE staff cannot add or remove programs from the provider's account.
- With that said, if your program list is lengthy, we suggest before starting the renewal process that you export your entire program listing. You can refer to the CE Provider User Guide, section 9.2, 'Exporting Program Information' for instructions. This way, you can determine ahead of time the existing programs you can rollover and offer in 2021 that have no changed content and you plan to offer, and those you can't or won't.
- If you have a program with a numbering scheme of 17 and prior, it is highly unlikely that the content hasn't changed beyond just inflationary adjustments, which if so, requires you getting a new program number.
- However, programs should be retained for as long as you have PTINs to report, even when you must get a new program number due to changed content. This means, if you remove a 2017 program number during your 2021 renewal, you will only be able to report PTINs with completion dates through the end of this year (12/31/20). But, if for example, you have sold this program and a purchaser has a 1-yr term through February 2021 to complete it, you can still report that PTIN after 12/31/20, if that program remains in your account and be rolled over during renewal for 2021. You would still need to get a new 2021 program number for purchases going forward, but that way you are able to report PTINs to the old number as needed. When all expected PTINs have been reported, you should then delete the outdated program from your CE account.
- A federal tax law update is only an 'update' program when it's new or changed law. If you have update programs that are past the 'new or update' phase, you should be obtaining a new program number and changing the category to federal tax law.
- During the October 1 through December 31 provider renewal period, you may add 2020 and 2021 programs to your account. The best practice is to add all 2020 programs before you renew, but if you have to add 2020 programs after you have renewed for 2021, use the default to add the program for 2020 and 2021. Doing this will allow PTIN uploads for completions during both years.
- Once you complete the renewal process, a screen will be displayed that will offer your renewal letter, your PTIN/logo information and your invoice to print or save. You can also access the documents anytime on the main page of your account at the bottom where each year of applications are displayed.
- Remember to also check your CE Provider account at least once monthly to get the latest News & Alerts and to be sure there are no secure mailbox messages for you. The Principle Point of Contact is notified by the e-mail address in the Provider account alerting them that something has been delivered to the secure mailbox. So, make sure this information is kept current, that IRS is identified as a "safe sender" for messages and check your SPAM folder periodically to ensure no messages have been misdirected.

General Topics

We have gotten some inquiries about the Special Enrollment Examination for Enrolled Agents. The Competency and Standards area deals with this examination and has provided us with some information to share with you.

- The Internal Revenue Service commissioned a job analysis this past summer from Prometric for the Special Enrollment Examination. A job analysis is designed to obtain descriptive information about the tasks performed on a job and the knowledge needed to adequately perform those tasks. The job analysis conducted was consistent with professional test development standards and guidelines and involved several activities: background research, collaboration with subject

matter experts (SMEs), survey development, survey dissemination, compilation of survey results and test specifications development.

- As a result of this latest job analysis, the test specifications for the May 1, 2021 test have changed. We are currently looking at releasing the newly revised test specifications the week of January 11th, which is earlier than our normal release time in March. This will give providers more time to process changes and prepare their curriculum.
- As we have done in the past, the test specifications will be posted on the Prometric website, with both a clean version and a tracked changes version and linked to www.irs.gov. In addition, we will later also publish them in a revised Candidate Information Bulletin.
- The test that will be rolled out on May 1, 2021 will cover tax law through December 31, 2020. This includes (but is not limited to); the Families First Coronavirus Response Act; the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act); the Coronavirus Aid, Relief, and Economic Security (CARES) ACT as well as provisions in the Tax Cuts and Jobs Act (TCJA).

Questions Received From You

1. Q- What is the impact of COVID-19, changes to Social Security withholdings, and the taxability of EIDL (Economic Injury Disaster Loans) and PPP (Paycheck Protection Program) loans from the SBA (Small Business Administration) on AFTR (Annual Federal Tax Refresher)?

A- These provisions were enacted after we published our AFTR outline on February 28 and are not required AFTR topics. The immediate impact of the COVID-19 provisions for the 2020 tax year return are significant but the current AFTR outline focuses on the preparation of the tax year 2021 return; so, you're limited in your ability to cover those enactments in your AFTR program. Because AFTR is ahead of the times, e.g. in a few months we will publish our outline for the preparation of the 2022 income tax return, it will be too soon to know how that year's return will be impacted. So, you could decide to just cover the tax related COVID-19 enactments in a separate tax law update or tax law program.

2. Q- We have hired another IRS approved-CE provider to handle our seminars this year, they are handling all the certificates, etc. Do I still need to post it to the IRS CE Program?

A- If you are providing the training, yes, you should get a program number (which by the way includes your provider number). The provider who has the program number issued is responsible for issuing the certificate of completion with that program number and uploading the PTIN completion records. If you hire for additional services, you need to cover all the details about your individual roles and responsibilities and have that documented. If another CE provider is sponsoring the event, typically they will be responsible for issuing the certificates, PTIN reporting, and recordkeeping.

3. Q- With just about all CE virtual this year are there any developments around attendance taking strategies for longer events? When you're running a 4 day/24-hour long event you have to add in an extra hour for just polling questions and it becomes very distracting and takes away from the course. In fact, it is often one of our biggest complaints from attendees due to the constant interruptions.

A- When a program is offered online without student visual contact, there is a requirement to confirm the student's attentiveness throughout the course to validate their attendance for the credit hours earned. Providers can administer polling questions, roll call, the raised hand feature (on certain platforms) or other method to ensure attentiveness, as long as the method

can be recorded and retained for review if requested. Other delivery options for your course that does not pose additional interruptions are standard in-person, web-based in-person where students are visible throughout the program and self-study. Please refer to our new **Delivery Methods Determination and Requirements** chart in **FAQ #11** under **Programs/Course Guidance** to see all delivery-type attendance requirements.

4. Q- Generally, I know that you only consider federal tax update CE for classes originating later in the year. However, since Congress has a habit of passing new laws in February (often retroactive to the previous year - or two), would classes based on those new laws also qualify as updates.

A- Yes, a tax law update program may cover a current year return or the upcoming tax year. You may develop an update program at any time of the year. So, programs developed in February or other times would be okay, we don't require that an update program originate later in the year. As a reminder, for a tax law update you may cover new federal tax laws; inflationary adjustments; IRS Revenue Rulings and opinions, revisions to forms and procedures; and recent Federal tax court cases.

5. Q- Can I offer CE for teaching an EA exam prep course developed by another CE provider and how many hours CE would that be?

A- Yes, a special enrollment exam prep course developed by another IRS-approved CE provider can be offered. We allow and frequently find that IRS-approved CE providers sell programs that they've developed to other providers. The partnerships or agreements that you reach with one another to exchange a program is ok. However, you're both responsible for ensuring that the program meets IRS standards for CE. In answer to the 2nd part to the question, there are several factors to consider concerning the number of CE hours that can be offered for a SEE prep program. The requirement for a 50 min contact hour should be followed and program material and records to support the amount of CE should be present. A maximum of five hours of CE can be offered annually for SEE test prep programs covering Part 1 or 2, and two credit hours can be offered for Part 3.

6. Q- At one point (IRS/Prometric) provided an early draft of the Exam Content Outlines (ECO) with changes/edits from prior year in red. As a provider, that was very helpful, as we are already in the process of updating our material for 2021 and we provide our product to our customers by March 1st of each year. Not having access to the new ECOs till the beginning of March is a real challenge for us. Will you provide us ECO changes for 2021 by the end of this year?

A- We checked with IRS Competency & Standards and they shared that we used to make the test specifications available on March 1 each year that they were updated. Our plan is to do that in January going forward to allow more time for providers to update their materials. The test specifications will change again for the exam that will be administered beginning May 1, 2021. Look out for the test specifications the week of January 11, 2021. You will be able to find the clean and tracked version of the outline on Prometric's website and there will be a link on www.irs.gov.

7. Q- As is your policy, "...all references on the examination are to the Internal Revenue Code, forms and publications, as amended through December 31, [of the year prior to the beginning of the test window, e.g., December 31, 2020 for the upcoming May 1st 2021 test window]...candidates should not take into account any legislation or court decisions after

December 31, [of that same year]." Are there any changes to this policy because of the CARES Act, or any other tax law that was passed for 2020 after January 1, 2020?

A- The policy has not changed. The SEE test that rolls out on May 1, 2021 will be based on all tax law through December 31, 2020; which includes the CARES Act and other legislation passed in 2020

8. Q- We only have one training each year that we issue CE for, and that event is annually held in November. This year we had to cancel that event due to COVID. We are trying to be mindful of our spending for 2020-21, and we are uncertain as to whether or not we will be able to hold this event next year. On the renewal, there did not appear to be a late fee schedule for the renewal as we have seen in the past. Will there be a late fee schedule, or can we have an extension of the renewal deadline?

A- We understand the decision that you're faced with in having only one annual event each November. As covered earlier, the renewal is due by midnight Dec. 31. Unfortunately, there is not an extension available and there are late fees charged and collected by the vendor which maintain the CE system. The fee tier is \$100 starting Jan. 1, \$150 starting Feb. 1; and \$200 for any renewal after Feb. 2021. If you find that you're unable to hold your event in-person, you're welcome to pursue other delivery methods. It is an issue that a great number of CE providers have had to navigate this year and find solutions for taking programs online or offering them as self-study.

9. Q- Presenter has no written material other than PowerPoint. May we simply provide copies of PowerPoint materials with room to make comments or notes by the participant? 1 CE hour only.

A- As a CE provider you want to have a process in place to review/approve instructors and program material for delivery to your participants. The type and amount of material will vary with the delivery type, the subject matter, and the complexity of the program. The material should be "suitable" per our provider standards. For in-person and online delivers the standards state that there should be a written outline, textbook, or suitable electronic educational materials. So if you conclude from a review of the material that the Power Point is not suitable, that there is not sufficient information, material, activities, etc. to enhance the student's learning and to meet learning objectives or it's not up-to-date and accurate, you should not approve the program for delivery.

10. Q- Can you expand on how self-study courses can be eligible for CE credits? What are the specific requirements for self-study CE eligible courses? Given the constant schedule conflicts and competing priorities, many tax professionals find it hard to attend live webinars and might not be receiving the continuing education they need.

A- A self-study programs is where a student participates with no live instructor, and either reads program material (printed or online) or watches video content. There are some specific requirements. Because there is no live instructor you want to ensure that the program is developed with clearly defined learning objectives, you can't simply provide an IRS publication for use as self-study. You want to provide information and techniques that are going to enhance a person's learning and comprehension. You may develop an existing program for self-study delivery or create a self-study program from the ground up. Here are some additional requirements. You will have to substantiate the amount of CE hours to be offered for a self-study program that has required reading. This is typically done using the Word Count Formula. Self-study programs must have 3 review questions for each CE hour that you offer,

and you also must have a final exam consisting of 5 multiple-choice questions for each CE hour and a passing score of at least 70%. For further details, please see our CE Provider Standards and the Delivery Method and Requirements Chart.