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Semi-Annual Provider Call
May 10, 11, 12, 2022

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Annual Filing Season Program

The Annual Filing Season Program aims to recognize the efforts of non-credentialed return preparers who aspire to a higher level of professionalism. IRS-approved continuing education (CE) providers help in this effort by supporting the program and providing the required federal tax courses.

To meet program requirements for receiving an Annual Filing Season Program – Record of Completion from the IRS and be added to a public database of return preparers on the IRS website, voluntary participants must:

- o Complete 18 hours of CE that includes the six-hour Annual Federal Tax Refresher (AFTR) course and test

- o Renew preparer tax identification number (PTIN) for the upcoming year and

- o Consent to adhere to the obligations in Circular 230, Subpart B and section 10.51

For those of you that will be offering the AFTR course and test this year, keep the following points in mind:

- o Be sure to read the AFTR Info Letter that was sent to the secure mailbox of your provider account on 3/31/2022 for the specifics of the program.

- o Providers offering an AFTR course must cover all AFTR Outline topics. On the test, you should vary the order of the questions so that the questions are presented randomly or arranged so that the question topics are not in the exact sequence as covered in the program material. We ask that you mix up the order of the topics tested to strengthen the assessment of the participant's comprehension.

- o Your AFTR course presentation must be 6 hours in length, regardless of delivery method. We allow some tolerance, however any material totaling less than 6.0 or more than 6.5 hours using the Word Count Formula, will have to be modified to become compliant. A provider offering a live program must develop a detailed timed agenda for their 6-hour AFTR course.

- o All delivery methods should provide detailed written material for participants to take the open book final exam. Again, if your delivery method is self-study, make sure you use the Word Count Formula to ensure your course meets the 6-hour course requirement. While review questions are required for general IRS CE self-study programs, they are optional for an AFTR self-study program. If offered, no more than 18 review questions can be counted in your Word Count Formula. Here is a quick tip for achieving exactly 6.0 hours for your self-study AFTR course. If your course contains exactly 48,000 words with 18 review questions or 54,000 words with no review questions, your course will be 6.0 hours on the nose.

- o Participants must complete the AFTR course and exam in its entirety to earn the 6 credit hours for AFTR. Partial hours are not allowed.

- o Providers must use the exam reconciliation form that the IRS began using in 2021. The form is like the AFTR course reconciliation form, and it serves as a good visual aid for your course developer to ensure that all outline topics are tested and helps them to visually see how their questions are dispersed. The form also helps the IRS during our AFTR reviews, as we are looking to see how you did in those areas as well.

- 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' AFTR material. This ensures that your course meets our standards, and during our AFTR reviews, purchasers will not have to resubmit material 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 and for CE providers to have sufficient time to make any needed revisions and offer the course ahead of December 31, which is when the program ends.

- Providers should not advertise that a participant has unlimited attempts to pass the AFTR exam. Since every third test attempt requires that 50% of the questions differ from the previous test and every test must cover all outline topics, the size of the test bank will determine how many tests attempts you can offer and advertise. Please note: If a student has exhausted their allowable attempts and your bank of questions, having the student pay again does not reset their testing opportunity.

- Providers should offer clear details and information about the AFTR program upfront (before purchase).

Here is a list of things your AFTR advertisement should provide in advance for those considering your program:

- ✓ Course syllabus, including the course description or link to the AFTR Course Outline on IRS.gov/taxpros/ce.
- ✓ Timed agenda for live programs.
- ✓ Notice that the deadline to complete the course and exam is December 31, 2022.
- ✓ Testing requirements, including the 70% passing score, three hours to complete the exam in one sitting and the number of test attempts allowed.
- ✓ Reminder that enrolled agents can take the AFTR course but are not eligible to receive IRS CE credit for doing so.
- ✓ Alert that Annual Filing Season Program participants must sign the Circular 230 consent for entry into the program.
- ✓ Other required CE for Annual Filing Season Program participation, like our [Annual Filing Season Program exempt/non-exempt chart](#).
- ✓ [The IRS Annual Filing Season Program page](#), which includes information and benefits about program and explains the benefit of limited representation for uncredentialed tax return preparers.
- ✓ Explain browser requirements for your website and course and exam portal as applicable, course policies, and other pertinent information.

We certainly appreciate the CE providers that participate in offering AFTR and all CE providers that support the Annual Filing Season Program with hand-picked CE packages and individual course offerings. Again, you can find more details about AFTR in our information letter and in the frequently asked questions designated for AFTR on our web page.

Hot Topics

Each call we deliver the hot topics that are currently trending or important information that you should be aware of. Here are the hot topics for this call:

Updates for the Special Enrollment Examination (SEE)

- o There has been an increase to the test fee for the SEE. The cost per test-part has increased by $18…raising the cost for each test event from $185 to $203.

- o We have recently revised and updated the 60 SEE sample test questions. These are available on IRS.gov [here](#).

- o The IRS Enrolled Agent SEE Candidate Information Bulletin for examinations beginning May 2, 2022 is available on Prometric's website [here](#).

CE System Provider Survey

Last month, we launched the Return Preparer Office Continuing Education System Customer Satisfaction Survey. We want to extend our thanks to those of you who have taken the voluntary survey already. You can access the survey on your provider account homepage by clicking "Take survey" on the upper right-hand side of your home screen. The survey should take approximately five minutes to complete, and your responses are anonymous. By identifying areas of success and opportunities for improvement, we can continue to refine and enhance the CE Provider System. The survey will be available to take for a couple more months, so we encourage you to participate.

Reminder Regarding Your CE Provider Account

Please ensure that all phone numbers and email addresses are kept current for your provider account. You can add as many Administrative Points of Contact (APOCs) as you need to help with administrative tasks in the CE system, but there can only be one Principal Point of Contact (PPOC) for your organization. Remember, a current PPOC who is leaving their organization, or their position, should reassign the lead role to a new PPOC prior to their departure.

Program Approval Dates and Reporting Instructor Hours

We are experiencing an increased number of requests to our CE Help Desk and secure mailbox related to programs that were not registered timely. Remember, you should obtain program numbers once you have fully developed the program, but **before** the program is offered. You should not sell or offer a program before you have an IRS-approved program number. There are also some important considerations that you must make about your program during renewal season, but we will talk more about this in detail later in the year.

Another high-volume call topic to the Help Desk is concerning the reporting of instructor hours.

So, what exactly are the rules and best guidance for instructor hours and how are CE providers to report instructor hours?

Circular 230 allows those serving as an instructor, discussion leader or speaker to receive CE credit. The instructor may receive one hour of CE credit for each contact hour completed as an instructor and a

maximum of two hours of CE credit for preparation time for each contact hour completed as an instructor.

However, there are limitations. CE credit is not allowable for serving as an author or developing self-study material. The maximum CE credit for instruction and preparation may not exceed four hours annually for unenrolled tax return preparers and six hours annually for enrolled agents and enrolled retirement plan agents. An instructor who makes multiple presentations on the same subject matter during a 12-month Annual Filing Season Program cycle, for those who participate, or the 3-year enrollment cycle for an enrolled agent can only receive CE credit for one presentation on the same subject. Any instructor hours above these limits are forfeited and cannot be converted into student credit hours.

If you are reporting instructor credit, it is the responsibility of the tax professional to tell you if they've already received any instructor credit from another provider, but you also should ask the instructor, so you know how many hours to report, if any.

You cannot report instructor hours using the Excel preparer tax identification number (PTIN) upload template. Instructor hours must be reported manually, as we cover in the Provider User Guide section 9.5.1. In the CE system, you will go to PTIN Manual Reporting, choose the Instructor Hours check box and enter data for all required fields. Be sure to check the instructor hour box which will allow the CE system to accept credit in excess of a programs allotted CE hours where needed. You cannot report more than one CE record for someone with the same program number and completion date. If you do, one record will be overwritten. Allowable instructor preparation hours and instructor hours should be totaled and made as one entry. Also, if someone instructs a portion of a program and also attends a portion as a student, they could earn instructor credit up to their annual maximum, as well as student credit.

Best Practices

Today we'll be addressing verification of Continuing Education (CE) credit hours, program numbers, agendas and scheduling, and recordkeeping requirements with an emphasis on bundled and purchased programs delivered on-line or in person to give you an understanding of these requirements and expectations.

We will not address specific self-study requirements and recordkeeping, which have some differences, although many general responsibilities are very similar or identical.

For example, a timed agenda, or syllabus, for this 10-minute section would be quite simple:

- o Introduction (1 minute)
- o Definitions (1 minute)
- o Provider CE Responsibilities (general) (2 minutes)
- o Agenda Requirements (1 minute)
- o Provider CE Responsibilities (for purchased programs) (4 minutes)
- o Summary (1 minute)

Definitions

"Bundled" programs are usually timed programs delivered on-line or in person and include multiple topics and and/or types, most often ethics, updates, and tax law with appropriately assigned program numbers for each type. These bundled programs are often delivered over one or multiple day sessions.

Purchased programs consist of CE course material that is most often purchased from the creator of the material, who may also present the material on-line or in person. Program agendas, or syllabi, should explain what topic(s), or objectives, are being covered. Program agendas, or syllabi, for programs where CE credits are based on delivery time, should also show the actual scheduled time for delivery.

CE credit hour = 50 contact minutes

Provider CE Responsibilities (general)

Provider Standard No. 1 says," CE Providers are responsible for compliance with all applicable IRS standards and requirements." We have a total of 16 providers standards and many FAQs for guidance, but to summarize the basic requirements, an IRS-approved CE provider must provide accurate federal tax related program material created by a qualified developer, be delivered by qualified instructors, account for participants attendance and CE credit hours, timely upload those credit hours for preparer tax identification number (PTIN) holders associated with the program numbers obtained prior to delivery of the course, request program evaluations from, and issue appropriate certificates of completion to all participants.

Many of those requirements are covered in the required evaluation's eight (8) measures of rating, which ask if:

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

Pro Tip: This can be a go-to checklist when creating your own program or evaluating other's programs.

Agenda Requirements

When creating and allocating CE time at 50 minutes per CE hour, having a timed agenda for each program, as well as the entire time for all day, or days, is critical. Attendees want to know what is being covered, and when, and for how long, and most important, breaks and lunch. You, as the provider, need the allocated time to get the appropriate program number, and then to verify attendance for appropriate CE credit hours.

Pro tip: scheduling multiples of 50-minute blocks of course time makes CE hours accounting easier.

Provider CE Responsibilities (purchased programs)

When purchasing programs from a vendor, the provider who gets the program number is responsible for all the same criteria as if they created and delivered it themselves. Often the vendor will provide the program material and delivery and offer some support functions.

They may be set up to keep attendance, especially for on-line programs, since polling questions are often built into the course, and they may offer the evaluations to attendees. If this meets the IRS recordkeeping criteria, and the records and evaluations are received, verified, and archived by the provider, this is fine.

Common problems with purchased programs often arise when the vendor is told how much delivery time needs to be filled, but the purchasing provider does not verify content and the related timed agenda. An example of this is when a provider is advertising a weekend seminar called something very general like "Annual Tax Law Seminar" offering 2 hours of ethics, 3 hours of updates, 11 hours of tax law but does not yet have the material. When a company commits to the provider to present material, they make available a reference book hundreds of pages long and reference the material on a PowerPoint presentation. The agenda might be quite general and loosely followed by the presenters, with ethics presented at a different time than scheduled, and attendance verification unclear.

Without a clear, timed agenda, or syllabus, presenters may go into great detail on one subject while superficially covering another. Attendee's comments from this type of program with vague or untimed agendas includes things like, "Spent too much time on virtual currency, not enough on IRA rules," or "Spent too much time on IRA rules, not enough on virtual currency" or, worse, "Spent too much time on anecdotes during the beginning and did not complete all subjects."

When purchasing material, just as when a provider creates and delivers their own material, a clear, timed agenda is needed well before the program delivery time, and preferably before getting program numbers and advertising the program. Having that clear, timed agenda, or syllabus, well in advance of the course date sets clear expectations: The presenter will have clear timeframes for covering the scheduled material and attendees will know what subject will be covered, when it will be covered, and for how long. The purchasing provider will be able to verify attendance accurately for the program, and courses, and hold the presenter accountable for meeting their time and subject matter coverage.

Another pro tip: When scheduling longer programs, especially over multiple days, consider getting different program numbers for each day. This can help with recordkeeping, especially attendance when attendees are absent, for some, or all, of a day.

So, the timed agenda lets everyone know what they are getting, and when they are getting it, as far as course material, but there are additional expectations the purchasing CE provider needs to make clear. If the presenter of the purchased material is also providing administrative support, like tracking the attendance and requesting evaluations, which are services often included for on-line delivered material, those requirements need to be clearly stated.

The purchasing provider needs to verify all the required attendance criteria are adhered to, such as log-in, log-out time tracking and polling question and answers. The purchasing provider needs to verify all the program numbered courses have their own evaluation. The purchasing provider needs to verify each evaluation is properly identified with the five (5) identifying elements which include: the name of the CE provider, program name, IRS program number, the date or date(s) of the program, and an attendee

name field where attendees may opt to include their own name. The purchasing provider needs to verify each evaluation has all eight (8) measures of rating mentioned before and has an appropriate grading scale with the N/A (non-applicable) option. Clarifying the administrative requirements and expectations well in advance of the program date to allow time for review of the attendance and evaluation framework should result in proper recordkeeping.

Summary

- Start with a well-defined program, or programs, with a clear, timed agenda, or syllabus.
- Review the program material to verify it is accurate and can be delivered within the scheduled times.
- Have required attendance and recordkeeping systems in place.
- If purchasing material, clearly communicate expectations to that provider.
- Get appropriate program numbers with specific descriptions of topics and material being covered, prior to delivery.
- During and after program delivery, make sure all criteria and schedules are being adhered to.
- Verify attendance, issue certificates of completion to all attendees with accurate continuing education credits.
- Upload CE credits accurately and timely, by the end of each of the first 3 quarters of the year, and within 10 business days of completion during the last quarter of the year.
- Verify evaluations have been made available to all attendees.
- Archive all material, including purchased material, for four years after last completion date.

By following these steps, and preparing for delivery of on-line or in person programs well in advance of advertising or getting program numbers, you will lay the foundation for a successful program.

Questions Received From You

We received a three-part question related to Stump the Speaker type programs.

1. **Q – How do some CE providers get approved CE for sessions such as "Stump the Tax Experts?"**

   A – All IRS-approved Continuing Education (CE) providers are afforded the opportunity to offer a discussion and answer style program subject to IRS guidelines. A stump the speaker or other types of panel discussions can be used as a change of pace, yet effective approach to teaching. The next part of the question says -

   Q – How do you know the answers given by the expert are correct and how do you know if the questions asked at the event even qualify for CE?

   A – First, the CE provider and discussion leader must determine whether the discussion topics will be predetermined or open-ended. Obviously, having someone that is a subject matter expert and well experienced as a tax professional and instructor is vital. The subject matter expert can table questions that require research.

   The IRS will know what was discussed because part of your four-year recordkeeping requirement is to maintain the questions and issues discussed (including any tabled or unanswered questions) either by detailed notes of the discussion, or a voice recording of the entire session.

Like all IRS CE programs, the program must enhance knowledge in federal tax, federal tax related matters, qualified retirement plans or federal tax ethics, and be consistent with the Internal Revenue Code. Therefore, the discussion leader must set ground rules for the discussion and keep the focus of the conversation related to federal tax. Questions regarding non-qualifying topics should not be considered.

The final part of the question asks -

Q – **What about topics, learning objectives, and written material?**

A – The discussion leader should have a planned agenda and topics to start the discussion and questions available to use in the event that questions are not received from the audience. There may or may not be written material, but the objectives of the program should be clear.

2. **Q** – **There are people in other countries that would like to pass AFTR by Zoom-Live meeting. What else do we need from them? How many attempts can candidates make to pass a test**?

   A – The Annual Federal Tax Refresher (AFTR) course can be offered in all three delivery methods, (self-study, in person, and on-line). A program offered virtually or through video conferencing, like Zoom, is okay for the 6-hour AFTR course, however the 3-hour timed exam can't be completed by Zoom. Paper tests can only be given if a proctor is physically monitoring the test in person. Since you have attendees in other countries, you can offer the exam through a computer portal that follows our test requirements.

   A – In answer to your second question, the size of the test bank is a contributing factor in determining the number of allowable test attempts. You will find our published test parameters helpful. In part, it says that every third test attempt requires that 50% of the questions differ from the previous test. For example, if your test bank is 100 questions, you can allow no more than two attempts to pass the exam. If your test bank is 150 questions and you meet all the test parameters as outlined, you could offer up to four test attempts.

3. **Q** – **Please clarify the statement, "Self-study programs requiring only the reading of general professional literature, IRS publications, or reference manuals, even if followed by a test, are not acceptable." (IRS Return Preparer Office Standards for Continuing Education Provider Approval, page 5). Would a self-study program requiring the agent to read literature that was specifically related to qualified retirement plans and answer a 5-question quiz per hour of CE be acceptable?**

   A – Thank you for your timely question. The topic has surfaced recently in some of our CE provider reviews too. Here is part of CE Provider Standard No. 7 to help with our discussion: "CE providers of self-study programs must use materials specifically developed for instructional use and employ learning methods that clearly define learning objectives, guide the participant through the learning process, and provide evidence of a participant's satisfactory completion of the program." Self-study programs requiring only the reading of general professional literature, IRS publications, or reference manuals, even if followed by a test, are not acceptable. However, the use of IRS publication and reference materials as **supplemental reference** to other instructional materials is allowed.

   We might add that our IRS guidance here follows the National Association of State Boards of Accountancy (or NASBA's) CPE standards almost exactly.

Our point is that giving someone an IRS publication or professional journal to read is okay for supplemental use, but is insufficient as the main component of self-study learning and insufficient for IRS CE credit. A participant does not have the benefit of a live instructor with self-study, so it is important that the material be developed to effectively teach. We want you to enhance learning with suitable **educational** materials, materials that are effectively developed with the self-study participant in mind. With any program, including self-study, there should be learning objectives and program development is certainly key. We've seen where someone issues an IRS publication, copies a publication, or compiles IRS news releases and offers a test and calls it self-study. Subject matter experts can typically hone in on a good lesson plan that increases professional competency and knowledge. We are hopeful that you can use a subject matter expert to creatively break down the tax law and convey their knowledge, experience, and expertise to the student. We hope that helps and thanks for your question!