



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

25.20.4

MARCH 13, 2024

## EFFECTIVE DATE

(03-13-2024)

## PURPOSE

(1) This transmits the creation of IRM 25.20.4 Continuing Education

## MATERIAL CHANGES

(1) none

## EFFECT ON OTHER DOCUMENTS

none

## AUDIENCE

These instructions are intended for employees of the Continuing Education (CE) department in the Return Preparer Office (RPO).

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25.20.4  
Continuing Education

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25.20.4.1  
(03-13-2024)  
**Program Scope and  
Objectives**

- (1) **Purpose** The Return Preparer Office (RPO) Continuing Education (CE) department is responsible for registering, renewing, and overseeing continuing education providers who offer educational programs to enrolled agents (EAs), enrolled retirement plan agents (ERPAs), and other tax return preparers.
- (2) EAs, ERPAs and tax professionals who voluntarily participate in the Internal Revenue Service (IRS) Annual Filing Season Program must annually complete required continuing education from an IRS-approved CE provider.
- (3) RPO CE develops and oversees standards and requirements for CE providers. It ensures tax professionals receive high-quality continuing education and that CE courses focus on federal tax, federal tax related matters, or ethics.
- (4) RPO CE supports the voluntary IRS Annual Filing Season Program, recognizing that continuing education is vital to effective tax administration. Continuing professional education enables tax return preparers to keep current with tax laws and expand their knowledge within their expertise.
- (5) **Audience-** These instructions are for employees of the CE department in RPO.
- (6) **Policy Owner** – The RPO Director is responsible for overseeing the continuing education provider application approval and renewal processes, completing compliance reviews for new and established CE programs, and facilitating the delivery of quality continuing education.
- (7) **Program Owner** - The Director, Competency and Standards (C&S), reports to the RPO Director and is responsible for overseeing the CE department, which is accountable for:
  - Administering the CE program, facilitating the delivery of quality continuing education through outreach to CE providers.
  - Overseeing the CE provider application approval and renewal processes and issuing provider program numbers.
  - Ensuring CE providers timely report course completions by tax professionals for IRS credit through preparer tax identification number (PTIN) data uploads to the CE system.
  - Completing compliance reviews for CE providers to assess compliance with IRS CE provider standards.
  - Developing the Annual Federal Tax Refresher (AFTR) course outline and test parameters and conducting reviews of CE provider courses.
  - Supporting the Annual Filing Season Program by promoting the program with IRS-approved CE providers and processing AFTR exemptions.
  - Conducting EA CE audits to evaluate whether they meet their continuing education requirements.
  - Administering the IRS' CE provider account for programs offered publicly by internal stakeholders.
- (8) **Primary Stakeholders:** RPO C&S CE department interact with the following to administer the CE program:
  - CE providers
  - Tax professional organizations
  - EnrolledAgents (EA)
  - Return preparers
  - CE provider complainants
  - Computer system vendors/contractors

- Wage and Investment (W&I)
- Small Business/Self-Employed (SB/SE)
- Stakeholder Partnerships, Education & and Communication (SPEC)
- Communications & Liaison (C&L)
- Large Business and International (LB&I)
- Other RPO departments

25.20.4.2  
(03-13-2024)  
**Background**

- (1) Individuals or entities seeking to advertise and offer IRS CE to EAs, ERPAs and other tax professionals must apply with RPO CE, pay a fee, and agree to comply with Circular 230 requirements for courses they offer.

25.20.4.3  
(03-13-2024)  
**Authority**

- (1) The RPO CE unit ensures that CE providers meets standards outlined in the following authorities and references:
- 26 CFR 601.601: Rules and regulations
  - 31 U.S.C. 330, 31 CFR 10.6, 31 CFR 10.9 - as published in Circular 230
  - *Revenue Procedure 2012-12*
  - *Revenue Procedure 2014-42*
  - *IRS CE Provider Standards*
- (2) Circular 230 § 10.9 States that a continuing education provider must —
- a. Be an accredited educational institution;
  - b. Be recognized for continuing education purposes by the licensing body of any State, territory, or possession of the United States, including a Commonwealth, or the District of Columbia;
  - c. Be recognized and approved by a qualifying organization as a provider of continuing education on subject matters within §10.6(f) of this part. The IRS may, at its discretion, identify a professional organization, society or business entity that maintains minimum education standards comparable to those outlined in this part as a qualifying organization for purposes of this part in appropriate forms, instructions, and other appropriate guidance; or
  - d. Be recognized by the IRS as a professional organization, society or business whose programs include offering continuing professional education opportunities in subject matters within §10.6(f) of this part. The IRS at its discretion, may require such professional organizations, societies, or businesses to file an agreement and obtain IRS approval of each program as a qualified CE program in appropriate forms, instructions, or other appropriate guidance.

25.20.4.4  
(03-13-2024)  
**Responsibilities**

- (1) The Competency & Standards Director administers and oversees the RPO CE program.
- (2) The CE group manager is responsible for the following:
- Overseeing all aspects of the IRS CE program
  - The day-to-day operation of the CE department and management of CE staff
  - Communicating with CE providers and tax professional organizations
  - Planning outreach with CE providers through public-facing communications, semi-annual CE provider newsletters and conference calls

- Conducting research and analysis of CE provider program data and trends
  - Planning, preparing, and coordinating CE support and responsibilities for the Annual Filing Season Program and the AFTR Course
  - Determining procedural changes and methods to improve guidance and efficiency
  - Coordinating with the C&S Director to define yearly workloads, trends, and required changes
  - Preparing executive reports concerning CE initiatives and projects
- (3) The management and program analysts are responsible for the following:
- Managing the registration and renewal for the IRS CE account and coordinating with internal stakeholders to provide IRS CE program numbers for the IRS Nationwide Tax Forums and other courses IRS offers for CE credit
  - Uploading PTIN CE data for tax professionals completing IRS programs
  - Answering CE provider inquiries received in the RPO CE organizational and CE Provider system mailboxes
  - Participating in EA CE audits in partnership with Enrolled Agent Policy & Management (EAP&M)
  - Managing the relationship between RPO CE and the system vendor through weekly meetings and day to day communications
  - Monitoring system issues and updates
  - Ensuring system functionality and adherence to contract requirements
  - Coordinating with IRS Publishing to develop and maintain RPO CE program letters
  - Coordinating with RPO Communication for publishing of information to CE providers and on IRS.gov
  - Working with internal and external stakeholders to obtain and process AFTR Course exemptions
- (4) The senior tax analyst operates as a team leader and is responsible for the following:
- Maintaining and updating tax analyst's internal desk guides and job aids
  - Serving as an on-the-job instructor and developing and maintaining tax analyst training material
  - Planning and leading tax analyst meetings
  - Conducting referral, formal, AFTR and follow-up CE provider reviews
  - Reviewing and approving CE provider applications
  - Assisting with C&S development of the AFTR Course Outline and Test Parameters
  - Developing technical guidance and FAQs for publishing to IRS.gov
  - Writing articles for the semi-annual CE provider newsletter
  - Creating content and presenting information for the semi-annual CE provider conference calls
  - Coordinating responses to inquiries received from internal and external stakeholders
  - Staying apprised of tax law changes and serving as a Subject Matter Expert (SME) of Form 1040 and related matters
- (5) The tax analyst is responsible for the following:
- Conducting referral, formal, AFTR, and follow-up CE provider reviews
  - Creating content for the semi-annual CE provider newsletter

- Creating content and presenting information for the semi-annual CE provider conference calls
- Reviewing and approving CE provider applications
- Developing technical guidance and FAQs for publishing to IRS.gov
- Staying apprised of tax law changes about Form 1040 and related matters
- Participating in EA CE audits in partnership with EAP&M
- Creating content for the IRS Knowledge Base

25.20.4.5  
(03-13-2024)

#### Program Controls

- (1) The management and program analyst identifies a selected list of continuing education providers. The analyst maintains a spreadsheet to coordinate the assignment of CE providers to be reviewed by the tax analysts. The tax analysts open and work their assigned provider review using the CE system. The provider reviews measure whether a CE provider meets IRS standards and continuing education requirements.
- (2) CE provider applications are received and processed electronically by the CE department in the CE system. Two tax analysts, serving as first and second-level reviewer process applications to determine whether they meet approval based on IRS Rev. Proc. 2012-12, Circular 230 Section 10.9 and the CE Provider Standards.
- (3) The EA CE audit selection process begins with the C&S and EAP&M Director's approval and their request that an RPO technical advisor generates a list of renewals for the past renewal cycle. EAP&M coordinates with Research, Applied Analytics & Statistics (RAAS) to determine the process for selecting the sample size. After the RPO Director approves the selection process and sample size, the audit commences by members of C&S and EAP&M.

25.20.4.6  
(03-13-2024)

#### Terms

- (1) Circular 230 - the term used for Treasury Department Circular No. 230, Regulations Governing Practice before the IRS.

25.20.4.7  
(03-13-2024)

#### Acronyms

(1)	AFTR	Annual Federal Tax Refresher
	APOC	Administrative Point of Contact
	CE	Continuing Education
	COC	Certificate of Completion
	CPA	Certified Public Accountant
	C&S	Competency & Standards
	EA	Enrolled Agent
	ERPA	Enrolled Retirement Plan Agent
	EAP&M	Enrolled Agent Policy & Management
	IRS	Internal Revenue Service
	NOD	Notice of Denial
	NOPD	Notice of Proposed Denial

PII	Personally Identifiable Information
PTIN	Preparer Tax Identification Number
RPO	Return Preparer Office
SEE	Special Enrollment Examination
SOF	Summary of Findings

25.20.4.8  
(03-13-2024)  
**Forms**

- (1) Form 8498 - Continuing Education Provider Application and Request for Provider Number.
- (2) A CE provider uses Form 8498 to:
  - Seek IRS approval to offer continuing education to EAs, ERPAs and other tax professionals.
  - Annually renew a provider status as an IRS-approved CE provider.
  - Add new programs to an existing IRS-approved provider CE account.
- (3) Form 14406 - Continuing Education Provider Program Material Request. The CE department uses the form to request program material and records from CE providers for review.
- (4) Form 14360 - Continuing Education Provider Complaint Referral. Tax return preparers and others use the form to submit a complaint referral concerning an IRS-approved CE provider.

25.20.4.9  
(03-13-2024)  
**Related Website**

- (1) [IRS.gov/taxpros/ce](https://www.irs.gov/taxpros/ce)

25.20.4.10  
(03-13-2024)  
**CE Provider Registration**

- (1) CE providers use Form 8498 - Continuing Education Provider Application and Request for Provider Number for the following:
  - Apply to register as a new provider of IRS CE
  - Annually renew an IRS-approved CE provider status
  - Add new programs to an existing IRS-approved provider account

25.20.4.11  
(03-13-2024)  
**CE Provider Eligibility**

- (1) Circular 230 § 10.9 States that a continuing education provider must —
  - a. Be an accredited educational institution;
  - b. Be recognized for continuing education purposes by the licensing body of any State, territory or possession of the United States, including a Commonwealth, or the District of Columbia;
  - c. Be recognized and approved by a qualifying organization as a provider of continuing education on subject matters within §10.6(f) of this part. The IRS may, at its discretion, identify a professional organization, society or business entity that maintains minimum education standards comparable to those set forth in this part as a qualifying organization for purposes of this part in appropriate forms, instructions, and other appropriate guidance; or

- d. Be recognized by the IRS as a professional organization, society or business whose programs include offering continuing professional education opportunities in subject matters within §10.6(f) of this part. The IRS, at its discretion, may require such professional organizations, societies, or businesses to file an agreement and obtain IRS approval of each program as a qualified CE program in appropriate forms, instructions, or other appropriate guidance.

25.20.4.12  
(03-13-2024)

#### **Application for Approval**

- (1) A CE provider applying under status (i), (ii), or (iii) as described in Circular 230 § 10.9, has a short pathway to becoming approved by the IRS to offer CE. The applicant must apply, present an accreditation letter for their status, and pay a fee. An applicant can submit Form 8498, Continuing Education Provider Application and Request for Provider Number, electronically through the CE provider system or by mail.
- (2) Form 8498 instructions require a status (iv) provider to apply, pay a fee and submit one program for each tax category offering to include: program material, program syllabus, instructor biography, program examination, evaluation form and sample certificate of completion.

25.20.4.13  
(03-13-2024)

#### **Application Review**

- (1) Two tax analysts serving as first and second-level reviewers use Circular 230 Section 10.9, Revenue Procedure 2012-12, the CE Provider Standards, and the Internal Revenue Code (IRC) in determining the approval of a CE provider application.
- (2) For a status (i), (ii), and (iii) application, the reviewers will verify the CE provider's accreditation letter. For a status (iv) application, the reviewers will assess the syllabus, program description, and program material to ensure the field of study covers one of the required IRS CE tax categories. (AFTR, EA special enrollment exam (SEE) test preparation, tax ethics, federal tax/federal tax-related matters, federal tax update or qualified retirement plan matters).
- (3) The reviewers consider whether the course is accurate and well-developed, with objectives that enhance knowledge of federal taxation. The reviewers consider the background, training, education and experience of the course developer and instructor to determine whether they have a suitable level of competency for the subject matter and the ability to communicate effectively.
- (4) Finally, the reviewers will evaluate the providers' course evaluation, certificate of completion, attendance processes and program delivery methods to ensure they meet the CE Provider Standards requirements and information shared on the IRS' CE webpage.
- (5) After the IRS approves a CE provider application, the applicant will receive their CE provider number and can decide whether they want to appear on the IRS public listing of approved CE providers.

25.20.4.14  
(03-13-2024)

#### **Program Numbers**

- (1) CE providers must develop programs, program descriptions and allotted hours, then obtain program numbers before advertising or offering their course.
- (2) CE providers can obtain a program number electronically through the CE system or by completing and submitting Form 8498 to the IRS.
- (3) CE providers must include their program numbers on the Certificate of Completion (COC) and use the number to report course completions.

- (4) Programs expire on December 31, three years from a program's approval date. AFTR program numbers are only available between April 1 through October 1 and expire annually on December 31.
- (5) CE providers should review their programs at least once annually. CE providers must obtain a new program number when program content changes. CE providers should remove a program that is beyond any EA's allowed completion date and is any of the following:
- Program was never offered or sold, and there is no plan to do so.
  - Program is no longer offered.
  - Program is three years old (or older), or no longer accurate with up-to-date tax law.
  - Program in the Update category (U) no longer qualifies as a tax law update program
- (6) Providers cannot use that program number once a program expires systemically or by a provider's early removal. They can, however, continue to report any CE credit that participants completed before a program's expiration date.

25.20.4.15  
(03-13-2024)  
**Program Number  
Sequencing**

(1)

Characters	XXXXX	X	XXXXX	XX	X
Description	<ul style="list-style-type: none"> <li>• Provider Number</li> <li>• IRS assigned alpha-numeric unique to each CE provider</li> </ul>	<ul style="list-style-type: none"> <li>• Program Category</li> <li>• E - ethics</li> <li>• T - federal tax law/related matters</li> <li>• U - federal tax update</li> <li>• Q - qualified retirement plan matters</li> <li>• P - special enrollment examination preparation</li> <li>• A - Annual Federal Tax Refresher</li> </ul>	Systemic program number assignment	Calendar year of approval	<ul style="list-style-type: none"> <li>• Program delivery method</li> <li>• S - self-study</li> <li>• I - in person</li> <li>• O - online</li> </ul>

25.20.4.16  
(03-13-2024)  
**Application for Renewal**

- (1) All CE provider statuses expire annually on December 31. CE Providers must review and update their programs before beginning the renewal process, and they must also renew their provider status annually and pay a fee.

25.20.4.17  
(03-13-2024)

**Reporting CE Credit**

- (1) CE providers must collect the PTIN during their program registration process for all attendees who want to receive IRS credit. If the attendee provides a PTIN, the CE provider must report the completed CE credits. Providers must upload the attendee's PTIN, first and last name, program number, number of credit hours earned and program completion date to the IRS CE provider system.
- (2) CE providers can submit participants' CE course completion information through their online CE provider account using Manual PTIN reporting to enter one participant at a time or the PTIN Upload Excel template to report multiple participants.
- (3) During the first nine months of the year, CE providers must report program completion information quarterly at a minimum (by March 31, June 30, and September 30) or within ten business days of the completion date, whichever is later. During the fourth quarter (October 1 – December 31), providers must report CE credits within ten business days of delivery of each program.
- (4) CE providers can only submit AFTR course completion information with June 1 through December 31 completion dates.
- (5) Programs/courses must be completed by midnight local time by the student on December 31 to count for current calendar year credit.
- (6) CE providers may report CE credits more frequently than the scheduled due dates. CE providers are encouraged to upload completions as soon as possible. They can submit records at any time and may do so after each program.
- (7) Twice each weekday, a CE vendor transfers CE completion records to the vendor of the PTIN system for processing. PTIN holders can view details of all CE course completions taken from an IRS-approved CE provider in their PTIN account. Preparers can determine whether they received the correct number of CE hours and whether CE providers reported course completions in the correct category. EAs, EARPs and Annual Filing Season Program participants can track their progress in meeting IRS CE requirements to maintain their status or credential. If a preparer has a discrepancy regarding their CE credits, they should contact their provider directly before engaging the CE department.
- (8) During provider reviews, the CE department reconciles data in the CE and PTIN systems and provider records to determine if a provider is timely reporting course completions. Failure to report CE completions can be grounds for the IRS to revoke a provider's approved status.

25.20.4.18  
(03-13-2024)

**CE Provider Reviews**

- (1) During provider reviews, the tax review analyst will communicate with the CE provider's point of contact to discuss their CE programs, request program material records and conduct interviews.
- (2) The CE department conducts reviews with the aid of the CE provider system. The tax analyst can issue electronic letters and secure emails to the CE provider concerning a provider review. The provider can reply and send files through the CE system in response. The provider may also submit information by mail if they choose. Generally, the provider must provide program material, records, access to online deliveries and other information for the tax analyst to conduct the review.

25.20.4.19  
(03-13-2024)

**Scope and Objectives**

- (1) The purpose of a CE Provider review by a Review Analyst is to verify that the provider is following guidance as provided by:
  - Rev. Proc. 2012-12
  - Rev. Proc. 2014-42
  - Circular 230
  - The CE Provider Standards
  - CE Frequently Asked Questions (FAQs)
  - Other directions can be found at *IRS.gov/taxpros/ce*
- (2) The CE Provider Standards cover the following elements, which tax analysts evaluate during a provider review:
  - General Standards
  - Program Development
  - Program Measurement
  - Program Presentation
  - Recordkeeping
  - Advertising
  - Provider Renewal

25.20.4.20  
(03-13-2024)

**Review Types**

- (1) Tax analysts are responsible for conducting four types of reviews:
  - Referral - Reviews resulting from a complaint filed against a provider by a student/preparer or another provider specific to the complaint.
  - Formal - Reviews of programs or a specific continuing education component that the CE department selects for a full-scope review.
  - Follow up - A follow-up review to determine whether a CE provider has made the necessary changes in their program or processes to comply with the CE Provider Standards.
  - AFTR Review - Reviews focusing on the AFTR program and advertisements concerning the IRS Annual Filing Season Program. CE providers can find guidance about the AFTR program in an annual information letter and test parameters published by C&S. In addition, the IRS shares information regarding the Annual Filing Season Program on IRS.gov and in Rev. Proc. 2014-42.

25.20.4.21  
(03-13-2024)

**Formal Review Process**

- (1) Upon assignment, the review analyst will perform research in preparation for the review. Steps 1 through 3 highlight the tax analyst's actions to begin the review and request information from the CE provider.
- (2) Step 1. Preliminary Research Before Review - The review analyst will conduct initial research on the CE Provider by reviewing any previous contacts with the CE Provider logged in the online provider system. In addition, the review analyst will do the following:
  - Review the Principal Point of Contact's (PPOC) information in the online CE provider system.
  - Review the IRS Qualification Letter - if status (i), (ii) or (iii). The provider submits this letter during the application process to become an IRS-approved CE Provider.
  - Review the website (if listed) to see if advertising complies with IRS restrictions on advertising.
  - Review the list of programs in the CE Provider's account in the online CE provider system. The review analyst will evaluate the following:

program name, program description, amount of credit hours, program category and the targeted audience (unenrolled tax preparers, EAs, ERPAs).

- (3) Step 2. Pre-Interview Contact - The review analyst will contact the PPOC by telephone to introduce themselves. The review analyst will explain to the PPOC the purpose of the review, inform the PPOC of the program the review analyst has selected for review and explain the review process to the PPOC. The review analyst will also describe the documentation the PPOC will need to submit and answer any questions the PPOC may have regarding any aspect of the review.
- (4) Step 3. Initial Contact Letter and Program Material Request (PMR) - After the review analyst's discussion with the PPOC, the analyst will complete Form 14406, Continuing Education Provider Program Material Request (PMR), to verify what is needed to review that program (such as program material, instructor's biography, COC, course evaluations, PTIN, upload documentation, etc.
- (5) The review analyst will send the PMR with a Continuing Education Initial Contact-Post Approval Review Letter 5000 to the provider's account within the online CE provider system. The PPOC has 21 days to respond and upload all materials and information requested.
- (6) After the CE provider has responded to the program material request, the review analyst must review the material, records and all information furnished by the CE provider. The information may be in electric or written form and may include access to the provider's CE portal or recorded content. The remaining steps illustrate a review analyst's actions to complete the review process.
- (7) Step 4. Once the PPOC provides program material and records, the review analyst will determine if the CE provider submitted all requested information. If any requested documentation is missing or additional documentation is needed, the analyst should contact the provider to request documentation to complete the review. The review analyst may send the Continuing Education Post Approval Review Additional Information Request Letter 5002 and a second PMR requesting the documentation. The analyst will review the program material to verify the material is well-written, correct and covers current tax law. When examining a self-study course, the analyst will ensure that the provider offers a final exam that meets the CE Provider Standards. The analyst will determine whether test questions are well written, follow the requirements outlined in Standard No. 7 and reconcile with the program material. During this time, the review analyst will note deficiencies in the CE Provider's program material, tests or other related CE processes. In addition, the analyst will review the CE Provider's processes for issuing certificates of completion and uploading the student's PTIN information.
- (8) A review analyst may occasionally want to expand the review to include an additional program. A reason to expand would be that based on the assessment of the initial program material submitted, there were many problems with the material content, tests or other issues identified during the review.
- (9) Step 5. Making an Appointment & Sending a Confirmation Letter - Once the review analyst completes their review of the documentation submitted, the

analyst should contact the provider to set up an appointment date for an interview and may send a Continuing Appointment Confirmation Letter 5013 to confirm the appointment.

- (10) Step 6. Conducting the Interview with the PPOC - The interview of the PPOC is one of the most important aspects of a review. It allows the review analyst to understand the provider's background, the development and administration of courses, CE data processes and record retention policies.
- (11) The interview also serves as a means of developing additional facts, determining and communicating areas of non-compliance by Providers, and ensuring that they follow the CE Provider Standards. The provider review is a learning experience for both the provider and the review analyst. The review analyst should address any Provider questions that may arise during the interview. During the interview, the review analyst should make suggestions to help a Provider improve the likelihood of future compliance.
- (12) Step 7. Preparation of Summary of Findings - The review analyst will prepare a Summary of Findings after reviewing all documentation submitted and interviewing the PPOC. The Summary of Findings is the provider's final report summarizing and supporting their determination concerning the provider's compliance. It contains a summary of notable items discussed during the review. It outlines any recommendations of areas needing correction for the provider to become compliant with the IRS CE Provider Standards.
- (13) The review analyst will consider the following to determine whether the provider meets the standards of compliance:
  - a. Determine whether the program time (credit hour increments) is appropriate for the program by examining the course material, syllabus, and agenda for in-person and online programs or (word count formula) for self-study programs.
  - b. Determine whether the program syllabus, program outline or similar documentation provides an overview of the topics discussed and verify that the fields of study include federal taxation, federal tax-related matters, federal tax law updates, qualified retirement plan matters or tax-related ethics.
  - c. Determine that all CE programs have been developed and written by individuals with expertise in federal tax-related matters or ethics.
  - d. Determine whether instructors are qualified to deliver the subject matter.
  - e. Determine that the material directly enhances the practitioner's understanding of federal tax laws, IRS rules, regulations, procedures or ethical/professional conduct in a federal tax setting.
  - f. Determine if the program exam (for self-study programs only) verifies each participant's successful completion with a minimum passing grade of 70% and that all test questions deal with applying the theory of the program material.
  - g. Assess whether the provider has a method for ensuring attendance during online or group internet programs utilizing polling questions throughout the program, monitoring online computer attendance, or similar processes.
  - h. Determine that the provider has offered participants an opportunity to provide feedback and ensure the evaluation form meets IRS CE Provider Standards.
  - i. Determine that each program participant is issued a COC and that it meets IRS CE Provider Standards.

- j. Ensure the provider is keeping all required records for four years following completion of the program.
  - k. Determine that the provider uploads each student's PTIN information to the online CE provider system on time.
  - l. Determine that the provider is not advertising CE programs before obtaining an IRS-approved Program Number (except for AFTR programs) and that each advertised program description accurately and truthfully describes the program offered.
  - m. Determine that IRS-approved CE Providers are annually renewing their IRS CE Provider status.
  - n. The review analyst will note deficiencies and outline any recommendations for correction in the Summary of Findings.
- (14) Closing a Formal Review - Upon conclusion of the review, the review analyst will fully document the reasons for the determination, issue the appropriate closing letter and attach a copy of the Summary of Findings. The determinations can be:
- a. Continuing Education Post Approval Review No Change (Letter 5003)
  - b. Continuing Education Post Approval Review Recommendation (Letter 5004)
  - c. Continuing Education Notice of Proposed Revocation (NOPR) (Letter 5014)
  - d. Continuing Education Notice of Revocation (NOR) (Letter 5015)

25.20.4.22  
(03-13-2024)  
**Annual Filing Season  
Program**

- (1) **Overview:** Basic competency for paid tax return preparers is essential to accurate return preparation, improved tax compliance, effective tax administration and public protection.
- (2) The IRS established the Annual Filing Season Program, a voluntary program that encourages uncredentialed tax return preparers to complete continuing education courses to improve their tax law knowledge.
- (3) The Annual Filing Season Program is designed for uncredentialed tax return preparers but credentialed attorneys, Certified Public Accountants (CPAs), EAs, enrolled actuaries and ERPAs are invited by the IRS to participate.
- (4) The CE department promotes and explains the Annual Filing Season Program and the benefits of the program to its CE providers. CE providers are encouraged to offer CE geared towards the program, including the AFTR course, and to explain the benefits to tax professionals, which include:
  - Gain valuable tax knowledge and are better equipped to prepare tax returns for the coming filing season.
  - More prepared to handle ethical situations related to tax preparation and representation before the IRS.
  - Receive an Annual Filing Season Program Record of Completion from the IRS that the preparer met all participation and continuing education requirements.
  - Included in the IRS Directory of Federal Tax Return Preparers on IRS.gov.
  - IRS provides uncredentialed return preparers limited rights to represent taxpayers.
  - IRS does not charge for registration and participation in the Annual Filing Season Program.

- Receive an Annual Filing Season Program Record of Completion to differentiate themselves from other preparers.

25.20.4.23  
(03-13-2024)  
**Annual Filing Season  
Program CE  
Requirements**

- (1) A tax professional's exempt or non-exempt status determines their CE requirements for the Annual Filing Season Program. See IRS Publication 5646 – Annual Filing Season Program Participants CE Requirements.
- (2) Non-exempt - Non-exempt return preparers do not have a credential recognized by the IRS for Annual Filing Season Program purposes, meaning they are not an attorney, CPA or in one of the IRS-enrolled programs, nor have they met one of the IRS, national or state competency exam/exemption requirements that the IRS acknowledges.
- (3) Non-exempt return preparers must complete the six-hour AFTR course and pass the AFTR test with a 70% grade or higher. Non-exempt preparers must also complete 10 CE hours in the federal tax law category and two CE hours of ethics for 18 hours of CE.
- (4) Exempt - An exempt tax return preparer (as described in the next Section 25.20.4.26) must complete at least three hours of CE in the tax law update category, 10 CE hours of federal tax law and two CE hours of ethics, a total of 15 CE hours compared to 18 hours of CE for non-exempt preparers. Exempt preparers are not required to complete the AFTR Course and Test.

25.20.4.24  
(03-13-2024)  
**AFTR Exemptions**

- (1) IRS recognizes the accomplishments of credentialed tax return preparers, return preparers who passed the Registered Tax Return Preparer (RTRP) test and preparers that passed specific other IRS or state competency exams/exemptions.
- (2) Three states (OR, CA, and MD) regulate tax return preparers who have a state exam. Preparers with active and valid credentials from these states can receive an exemption.
- (3) The IRS recognizes three of its competency exams for purposes of an AFTR exemption. Preparers that completed the RTRP test offered between November 28, 2011 and January 18, 2013, have an AFTR exemption. Preparers who passed part one of the SEE within the past three calendar years receive an AFTR exemption. IRS Volunteer Income Tax Assistance (VITA) participants who have active PTINs and pass the VITA exam receive an AFTR exemption.
- (4) Return preparers who are credentialed by the Accreditation Council for Accountancy and Taxation (ACAT) as an accredited Tax Preparer (ATP) or Accredited Business Accountant/Advisor (ABA) also receive an AFTR exemption.

**Note:** Except for exemptions related to the RTRP and SEE, all AFTR exemptions discussed thus far are for the current calendar year only.

- (5) Finally, five recognized credentialed preparers can participate in Annual Filing Season Program and are exempt from AFTR if they hold their credential. CPAs, attorneys, EAs, ERPAs and enrolled actuaries are all considered credentialed preparers.

- (6) Preparers with at least one verified professional credential will receive an AFTR course exemption and reduced Annual Filing Season Program CE requirements.

## 25.20.4.25

(03-13-2024)

**Processing AFTR  
Exemption Data**

- (1) The CE group, C&S department and Vendor Processes & Business Requirements Management (VPBRM) department with the RPO are responsible for processing Annual Filing Season Program exemption records.
- (2) The RPO CE group is responsible for obtaining electronic records of exempt individuals from the qualifying states and organizations. C&S is responsible for the electronic records of exempt individuals who took the RTRP test and obtaining electronic records from the contractor who administers the SEE. C&S transfers the files to VPBRM, who is responsible for uploading the exemption data to the Tax Professional PTIN System (TPPS). TPPS is the secure online platform accessed through ServiceNow which contains PTIN information and other information related to the tax preparer, including CE records and exemption records.
- (3) Each year before the PTIN open season for enrollment and renewal (mid-October - December), VPBRM deletes last year's exemption data from TPPS, except for the RTRP test data, as the exemption criteria are only valid for the current year. The CE group and C&S provide the current-year exemption records to VPBRM for upload to TPPS.

## 25.20.4.26

(03-13-2024)

**AFTR Course Outline  
and Test Parameters**

- (1) C&S SMEs review and update the AFTR Course Outline and Test Parameters each year. These documents are published and provide the basis for CE providers to develop course material and an AFTR test that non-exempt return preparers must complete to meet Annual Filing Season Program requirements.
- (2) For the AFTR Course Outline annual update, the SMEs must have a general knowledge of any tax law changes that may impact the course content for the upcoming year. Several SMEs review each document before final approval. Each line item in the AFTR Course Outline and the Test Parameters document are examined to determine if the item must be eliminated, revised, moved to another section, or changed based on new tax law and changes within the program.
- (3) Below are the general steps taken by RPO C&S to ensure the AFTR Course Outline is appropriately updated:
  - Develop an initial draft of the AFTR Course Outline with changes for the upcoming year.
  - Send draft version (in track changes) to other RPO C&S team members for review and comment.
  - Consolidate any RPO C&S changes and send a draft to the RPO C&E group for initial review and comment.
  - RPO C&S reviews CE group changes.
  - Conduct a joint conference call with CE group and RPO to review all changes.
  - Send revised version to CE group for comment based on joint conference call changes.
  - Obtain the final edited version from CE Group.
  - Send a draft of the outline to Counsel for review (only in years where there is a significant tax law change).
  - Review and consolidate Counsel changes (if any).

- Send final draft to RPO Communications Analyst for review & edit.
- Send final draft to Director of RPO C&S and Manager of CE Group.
- Director RPO C&S sends the final draft to RPO Executives for approval.
- Revise document based on RPO Executive's changes.
- Provide the final approved version to the Manager of the CE group, RPO C&S Director and RPO Communications Analyst to be posted to IRS.gov.
- CE group creates an Annual Filing Season Program Information Letter placed in each CE provider's online account.

25.20.4.26.1  
(03-13-2024)  
**Test Parameters**

- (1) The Test Parameters document undergoes a similar process but it is more straightforward because the document only deals with program changes pertaining to the design and delivery of the course test.

25.20.4.27  
(03-13-2024)  
**CE Provider AFTR  
Course Registration**

- (1) Non-exempt Annual Filing Season participants must take the AFTR course and all required CE from an IRS-approved CE provider.
- (2) All IRS-approved CE providers must have a program number for each program and delivery method.
- (3) Only IRS CE providers who have obtained an AFTR program number and have approval from the IRS can offer an AFTR course. IRS-approved CE providers can receive a program number by accessing their online account in the CE provider system used to register, approve, and review IRS-approved CE providers.
- (4) A provider can only obtain program numbers for AFTR courses from April 1 through October 1 each year. Approved CE providers can offer the AFTR course between June 1 and December 31.
- (5) A non-credentialed preparer must complete the AFTR course, test and required CE by December 31 each year.

25.20.4.28  
(03-13-2024)  
**AFTR Course Reviews**

- (1) The CE group of RPO will monitor the issuance of AFTR program numbers by the CE provider system. The CE department contacts all providers who receive an AFTR program number to discuss the providers' current year courses and processes.
- (2) The review analyst determines whether to conduct a limited-scope review based upon a discussion with the point of contact and a review of the Summary of Findings from the previous year, if available, and prior review documentation. If it is determined an AFTR provider will not be subject to a limited scope review, the review analyst will ensure the provider is aware of all current changes to the AFTR course and test and answer any questions the PPOC may have.
- (3) Depending on the facts, the tax analyst may decide to conduct a limited-scope review of the AFTR course material, test, and test site for compliance with the AFTR Course Outline domains and test parameters.
- (4) Some of the items that a limited-scope review will consider are:
  - Does the content of the AFTR course material justify 6 hours of CE credit?

- Does the content address each topic listed under the three domains in the AFTR Course Outline published by the IRS each year?
  - Is the course content accurate and current?
  - Does the AFTR test consist of 100 multiple choice questions with four potential answers and only one correct answer and does not include any true/false questions?
  - Are all topics in each of the three domains highlighted in the AFTR Course Outline document tested?
  - Does the test site limit the test taker to a maximum of three continuous hours?
  - Does the provider have an adequately sized test bank to ensure that every third test attempt will have a minimum of 50% of the test questions different from the prior test version?
  - Does the test taker receive evaluative feedback between failed attempts (which is prohibited)?
  - Is the minimum passing grade 70%?
  - Does the provider protect the integrity of the test by prohibiting the test taker from obtaining a copy of the completed exam?
- (5) The review analyst will communicate the results from the AFTR review to the provider by outlining recommendations and requirements for corrective actions in a Summary of Findings.
- (6) AFTR providers subject to a mandatory review are:
- a. All providers offering the AFTR course for the first time.
  - b. All providers selling AFTR material to other IRS-approved providers.
  - c. All providers issued a cease and desist order in the prior year due to critical deficiencies that the provider could not resolve.
  - d. Any AFTR provider from the preceding year identified as warranting a subsequent year review due to significant recommendations.

25.20.4.29  
(03-13-2024)  
**Enrolled Agent CE Audit**

- (1) **Overview** - All EAs must apply for renewal between November 1 and January 31 before credential expiration in every subsequent third year per the last number of their Social Security Number. Section 10.6 of Circular 230 provides IRS with authority to review an EA's CE records to ensure they have satisfied the requisite number of CE hours.

25.20.4.29.1  
(03-13-2024)  
**Enrolled Agent Audit Process**

- (1) EAP&M and CE work alongside the RPO Director's Technical Advisor to determine the process for selecting a sample size. Afterward, the Technical Advisor generates a random sample from the list of active enrolled agents.
- (2) EAP&M sends an Audit Selection letter, via first-class mail, to selected EAs for a review of their CE records. Upon receipt of their response, EAP&M analyzes the EA's certificates of completion to determine if they completed the qualifying hours needed to comply with the enrollment renewal requirements.
- (3) After EAP&M has determined the EA met their renewal requirement, CE uses the PTIN system to evaluate the EA's PTIN account and determine if the CE Provider(s) submitted PTIN records to the IRS and if the information matches the certificates of completion submitted by the EA.

25.20.4.29.2  
(03-13-2024)

**Response Letters**

- (1) EAP&M will issue one or more of the following letters based on the audit findings:
  - Audit Complete letter - the EA completed the required number of CE credit hours and submitted a certificate of completion for each course completed.
  - Follow-up letter - the EA failed to respond to the Audit Selection letter within 30 days from the date of the letter.
  - Additional Information letter - the EA responded to the Audit Selection letter, but IRS needs more information for the audit.
  - Notice of Non-compliance - the EA failed to respond to the Audit Selection, Follow-up or Additional Information letter, or they failed to complete the qualifying hours of CE credit needed to comply with the enrollment renewal requirements.
  - Notice of Renewal Denial - the EA failed to respond to the Notice of Non-compliance or did not complete the qualifying hours of CE credit needed to comply with the enrollment renewal requirements.

25.20.4.29.3  
(03-13-2024)

**Placement in Inactive Status**

- (1) EAP&M places the EA on the roster of inactive enrolled agents if they fail to respond to the Notice of Renewal Denial after the 30-day appeal period has expired.

25.20.4.30  
(03-13-2024)

**CE Provider Outreach**

- (1) RPO CE aims to have a strong CE provider community and ensure return preparers receive high-quality continuing education. To accomplish these goals, the CE department maintains regular communication and collaboration with the CE provider community regarding program developments and related issues.
- (2) RPO CE offers multiple types of outreaches to help its CE providers fully understand their roles and responsibilities, to communicate the latest information to increase awareness of IRS standards and offer support.
- (3) All CE providers receive invitations to the semi-annual CE provider conference calls, where the CE team presents helpful and timely information and provides answers to questions submitted by providers. The CE department posts all semi-annual conference call notes to *IRS.gov/taxpros/ce*, and CE providers are encouraged to review them if they missed the call. In addition, the CE team offers presentations to national and state chapter preparer organizations and orientation to new CE provider principal points of contact.
- (4) The CE team publishes two semi-annual CE provider newsletters to share news about the CE team, upcoming CE system enhancements, recent provider review trends and general recommendations and tips. In addition, information blasts and reminders are shared directly with CE providers through the CE system alerts and their secure mailbox accounts.
- (5) CE providers can ask questions through their CE system mailbox or email at **rpo.ce@irs.gov** anytime.

25.20.4.31  
(03-13-2024)

**Internal IRS CE Account**

- (1) The IRS provides CE to tax professionals, often without charge.

- (2) RPO has an electronic account for all internal IRS stakeholders wishing to offer CE for IRS credit.
- (3) The CE department is responsible for the following:
  - renewing the IRS CE account
  - managing and maintaining the IRS CE account
  - approving programs and obtaining program numbers
  - uploading PTIN CE records
  - ensuring that IRS stakeholders understand and follow the CE Provider Standards
  - conducting CE provider reviews of programs and processes
  - communicating important information to stakeholders
- (4) In carrying out the delivery of IRS CE and the administration of the IRS CE account, the CE department collaborates with points of contact from several other departments outside of RPO, including:
  - National Public Liaison (NPL)
  - Office of Professional Responsibility (OPR)
  - SBSE
  - SPEC
  - Tax Exempt and Government Entities (TE/GE)