



“Service to the Tax Profession”

Internal Revenue Service
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Subject: Notice 2011-61

NATIONAL SOCIETY OF TAX PROFESSIONALS COMMENTS ON CONTINUING EDUCATION PROVIDERS

Introduction

The National Society of Tax Professionals (NSTP) is a nonprofit organization made up of approximately 5000 certified public accountants, attorneys, enrolled agents, financial planners, and other tax professionals. About one-half of our members are unenrolled preparers. We offer numerous professionally-recognized continuing education programs on federal taxation to our members as well as other tax professionals. Thus, we believe we are uniquely qualified to offer our organization’s views on the approval process for continuing education providers under the Service’s preparer regulation program.

Summary of Recommendations

The new continuing education provider approval process should not be confusing or burdensome for education providers. The IRS and professional accrediting organizations have in place approval programs for professional education that have worked well for years. There is no reason to substantially revise these programs. Instead, the IRS has the opportunity to reaffirm proven standards while focusing its new efforts on creating and maintaining a publicly-available, easy-to-use list of IRS-approved accrediting organizations and continuing education providers.

Detailed Recommendations

The recommendations below address each point for which the IRS has requested comments, in the order presented in Notice 2011-61.

Continuing Education Providers

1. **Required Information:** The information that the applicant should submit for purposes of qualifying as an approved continuing education provider should include the name, address and professional status of the organization. For example, our organization is a nationally recognized membership group, the National Society of Tax Professionals (NSTP), which has been organized as a §501(c)(6) organization and is registered with the State Corporation Commission in the State of Washington.
2. **Circular 230 Requirements:** The IRS should use the same criteria it currently uses to evaluate whether an applicant to become a continuing education provider meets the requirements of Circular 230. If an organization already has been recognized under the Circular 230 rules, that organization should be designated an approved provider under the new procedures. In addition, if the National Association of State Boards of Accountancy (NASBA) recognizes an education provider, then the IRS should recognize the provider because the approval process for obtaining recognition by NASBA is stringent. The National Registry of CPE Sponsors is a program offered by the NASBA to recognize CPE program sponsors who provide continuing professional education (CPE) programs in accordance with nationally-recognized standards. Thus, the IRS should approve education providers on this registry without further requirements.

If an education provider is not NASBA-approved, then the IRS should require that the program plan submitted by the organization state that it meets the requirements of Circular 230.

3. **Circular 230 Continuing Education Standards:** For purposes of evaluating whether a continuing education provider's programs meet the Circular 230 standard, NASBA recognition, once again, shows that the provider's materials and instructors have passed the highest scrutiny. If an organization is not NASBA-approved, then the IRS should be guided by the NASBA *Standards for CPE Program Sponsors* in evaluating CPE programs. For example, the provider should be required to show that its course materials are current, convey substantive knowledge on federal taxation, and that the presenters are qualified to provide such instruction. CPE providers should certify to the IRS that the attendance sheets and rosters are maintained in the headquarters of the qualifying CPE organization and available for verification for at least three years.
4. **Status Renewal:** For purposes of renewal of a CPE provider's status, current approval and recognition by NASBA should be sufficient for Circular 230 purposes. An organization that has been approved by the IRS should be able to

continue to provide approved courses as long as it confirms in its renewal application that the topics being taught are in the area of Federal Taxation and that it has maintained the standards required for its initial approval.

5. **Renewal Timing:** The frequency and timing of renewal of the provider's status could be by:
 - (a) December 31 annually, as approved by NASBA, or
 - (b) 30 days after the anniversary date of approval by NASBA or the IRS.

Approved members of the NASBA's National Registry of CPE Sponsors must renew their membership annually by the first of the month of their initial approval date.

6. **Procedures for Program Changes:** For purposes of the level of detail that CPE providers must provide to the IRS concerning changes in a program of study, the IRS should accept the changes as provided to NASBA. Once the IRS approves a provider, the provider should not be required to submit materials to the IRS in advance of the offerings. The need to address a tax topic could arise very quickly, especially given last-minute legislative action by Congress, and having to wait for the IRS to approve a course in advance would be a burden and would not serve the IRS's goal of creating an informed preparer community. The IRS could periodically ask for a summary of the courses that are being planned or anticipated, but to have to ask for pre-approval for each class or each class revision would not be beneficial to the profession or to the IRS. Notably, NASBA does not require pre-approval of all courses.
7. **IRS List of Approved Preparers:** The IRS should provide a database on the IRS website, IRS.gov, which either shows the CPE provider is approved by NASBA or provides a link to NASBA Registry. If the CPE provider is not NASBA-recognized, then the IRS should report that the CPE provider has been recognized by the IRS or under another program, such as a specific state program which is acceptable under Circular 230. The database should be searchable by name and by state.
8. **Initial Approval Date:** CPE providers should receive approval from the IRS by October 31, 2011 to be able to offer continuing education programs by January 1, 2012. Allowing "waive-in," based on NASBA approval, would facilitate this process.

Accrediting Organizations

9. **Criteria to Evaluate Accrediting Organizations:** Accrediting organizations should be required to develop and maintain a comprehensive list of standards for approval of continuing education providers much like the *Standards for CPE*

Program Sponsors used by the NASBA. The accrediting organizations also should be required to submit an attestation that they have reviewed the Circular 230 requirements and that all phases of their accreditation program complies fully with Circular 230.

10. **Procedures for Accreditation:** Accrediting organizations should go through an application process which requires basic information on the organization as well as detailed information on their accreditation programs. In addition to having comprehensive standards for approval of education programs, accrediting organizations should have procedures in place for continuing oversight of education providers and should maintain adequate records on the approval process.
11. **Procedures and Reports of Accrediting Organizations:** Accrediting organizations should maintain and make available to the IRS (if requested) detailed records of the application, approval, and renewal process for each continuing education provider approved by the organization.
12. **Required Recordkeeping:** The records that the accrediting organization must maintain are its list of applicants, the action taken on each application, each provider's application file, and the current status of applicants. This information should be retained by the accrediting organization for five years after the initial application or a renewal of an application.
13. **IRS List of Approved Accrediting Organizations:** The IRS should provide a database on the IRS website, IRS.gov, which lists all IRS-approved accrediting organizations. The information for each organization should include the date of accreditation and the date of the organization's required renewal. The list should be searchable by name and by state.
14. **Additional Information:** If there is a fee imposed on approval as a continuing professional education provider, the fee should be waived for nonprofit organizations. Nonprofit professional organizations put substantial time and effort into providing their members with reasonably-priced continuing education programs, generally at a break-even level. The IRS should not impose additional fees on these organizations that are partnering with the IRS to raise the education level of tax professionals.

On behalf of the National Society of Tax Professionals Board, I want to thank you for the opportunity to comment on this important program of the preparer regulation plan. Please contact me at (703)536-6008 if you have any questions.

Respectfully submitted,

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NSTP Board of Directors

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