### PART 3 - REPRESENTATION, PRACTICE, AND PROCEDURES

#### Section 1: Practices and Procedures

<table>
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<th>1 Practice before the IRS</th>
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<tr>
<td>1. What constitutes practice before the IRS</td>
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<td>2. Categories of individuals who may practice and extent of practice privileges</td>
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<th>2 Requirements for Enrolled Agents</th>
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<td>1. Information to be furnished to the IRS</td>
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<td>2. Omission or error on return, document, or affidavit</td>
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<td>3. Rules for employing or accepting assistance from former IRS employees or disbarred/suspended persons</td>
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<td>4. Rules for restrictions on advertising, solicitation and fee information</td>
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<td>5. Fee rules (e.g., contingent, unconscionable)</td>
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<td>6. Due diligence requirements</td>
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<td>7. Conflict of interest</td>
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<td>8. Rules for refund check negotiation</td>
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<td>9. Standards for written advice, covered opinions, tax return positions and preparing returns</td>
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<td>10. CPE requirements</td>
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<td>11. Tax shelters</td>
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<td>12. Enrollment cycle and renewal</td>
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<td>13. Rules for prompt disposition of matters before the IRS</td>
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<td>14. Rules for returning a client's records and documents</td>
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<td>15. PTIN requirements</td>
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<td>16. Practitioner supervisory responsibilities (Circular 230 Section 10.36)</td>
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#### Section 2: Representation before the IRS

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<td>2. Sanctions imposed by OPR</td>
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<td>3. Frivolous submissions (returns and documents)</td>
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<td>4. Fraudulent transactions (e.g., badges of fraud)</td>
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<td>2. Types of penalties (e.g., negligence, substantial understatement, overvaluation)</td>
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<td>3. Furnishing a copy of a return to a taxpayer</td>
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<td>4. Signing returns and furnishing identifying numbers</td>
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<td>5. Keeping copies or lists of returns prepared</td>
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<td>6. Employees engaged or employed during a return period (e.g., Section 6060)</td>
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<td>7. Preparer penalty involving the earned income credit</td>
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<th>1 Power of attorney</th>
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<td>1. Purpose of power of attorney</td>
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<td>2. Signature authority (e.g., extension of assessment period, closing agreement)</td>
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<td>3. Authority granted by taxpayer</td>
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<td>4. Prohibition for negotiating taxpayer refund check (e.g., cannot cash or deposit)</td>
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<td>5. Limitations on signing tax returns on behalf of taxpayer</td>
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</table>
6 Proper completion of power of attorney (Form 2848)
7 Alternate forms of power of attorney (durable)
8 Rules for client privacy and consent to disclose
   Distinctions between power of attorney (Form 2848) and tax information authorization
   (Form 8821)
9 Requirements to be met when changing or dropping representatives or withdrawal of
   representative
10 Purpose of a Centralized Authorization File number
11 Conference and practice requirements (Pub 216)

2 Building the taxpayer’s case—Preliminary work
   1 Tax issue(s) identification with supporting details
   2 Potential for criminal aspects
   3 Competence, expertise and time to handle issue
   4 Conflict of interest
   5 Transcripts from IRS

3 Taxpayer financial situation
   1 Taxpayer’s ability to pay the tax (e.g., installment agreements, offer in compromise)
      General financial health (e.g., filed for bankruptcy, lawsuits, garnishments, cash flow and
      assets)
      Third-party research (e.g., property assessment for municipal taxes, asset values, state
      and local tax information)
   4 Discharge of the tax liability in bankruptcy
   5 IRS Collection Financial Standards

4 Supporting documentation
   Financial documents (e.g., cancelled checks or equivalent, bank statements, credit card
   statements, receipts, brokerage records)
   2 Legal documents (e.g., birth certificate, divorce decrees, lawsuit settlements)
   3 Prior and subsequent tax returns
   4 Other substantive and contemporaneous documentation (e.g., corporate minutes)
   5 Employment reimbursement policies
   6 Business entity supporting documents (e.g., partnership agreement, corporate bylaws)
   7 Expense records (e.g., deductible, allowable, personal, mileage log)

5 Legal authority and references
   1 Internal Revenue Code
   2 Treasury regulations
   3 Revenue rulings
   4 Revenue procedures
   5 IRS notices
   6 Case law
   7 IRS publications
   8 Private letter rulings
   9 Forms and instructions
   10 Internal Revenue Manual
   11 Authoritative versus non-authoritative source material
6 Related issues
1 Statute of limitations
2 Post-filing correspondence (e.g., math error notices, under reporting notices)
3 Deadlines and timeliness requirements
4 Third-party correspondence (e.g., witness communications, employment records)
5 Freedom of Information Act requests
6 Tax avoidance vs. tax evasion
7 Tax return disclosure statements
8 Taxpayer Advocate Service (e.g., criteria for requisition assistance)
9 Identity Theft
   Higher levels of representation beyond the scope of EA representation (e.g., tax court,
   U.S. District Courts and U.S. Claims Court, U.S. Courts of Appeals and U.S. Supreme
10 Court)

Section 3: Specific Types of Representation 30%

1 Representing a taxpayer in the collection process
   1 Extension of time to pay (e.g., Form 1127-A)
   2 Installment agreements
   3 Offer in compromise (e.g., doubt as to liability, collectability or effective tax administration)
   4 Collection appeals program (e.g., denial of installment agreements, discharge applications)
   5 Collection appeals and due process (e.g., lien and levy)
   6 Adjustments to the taxpayer's account (e.g., abatements)
   7 Requesting an audit reconsideration (e.g., documents and forms)
   8 Decedent Issues
   9 Collection notice and Notice of Federal Tax Lien
10 Levy and seizure of taxpayer’s property
11 Case being reported Currently Not Collectable (e.g., reasons and reactivation)
12 IRS Collection Summons (e.g., purposes)
13 Collections statute of limitations
14 Trust fund recovery penalty

2 Penalties and/or interest abatement
   1 Penalties subject to abatement
   2 Basis for having penalties abated or refunded
   3 Reasonable cause
   4 Basis for having interest abated or refunded
   5 Interest recalculation

3 Representing a taxpayer in audits/examinations
   1 IRS authority to investigate
   2 Verification and substantiation of entries on the return
   3 IRS authority to fix time and place of investigation
   4 Steps in the process (e.g., initial meeting, submission of IRS requested information)
   5 Innocent spouse
   6 Interpretation of revenue agent report (RAR) (e.g., 30-day letter)
   7 Explanations of taxpayer options (e.g., agree or appeal)
8 Special procedures for partnership audits (e.g., unified audit procedures for TEFRA)

4 Representing a taxpayer before appeals
1 Right to appeal revenue agent findings
2 Request for appeals consideration (e.g., preparation, elements contained)
3 Enrolled Agent appearance at appeals conference
4 Settlement function of the appeals process
5 Issuance of 90-day letter

Section 4: Completion of the Filing Process 5%

1 Accuracy
1 Use of software (e.g., review of results)
2 Inconsistencies within the source data
3 Miscalculations
4 Recognition of duplicate entries

2 Information shared with taxpayer
1 Record-keeping requirements
2 Significance of signature (e.g., joint and several liability, penalty of perjury)
3 Consequences of dishonesty

3 Record maintenance
1 Length of time to retain returns and records
2 List of returns prepared (e.g., name, social security number, and type of return)
3 EITC due diligence requirements

4 Electronic filing
1 Application process to be an e-file provider (e.g., e-services, EFIN)
2 E-file mandate
3 Advertising standards
4 Definition and responsibilities of an ERO
5 Levels of infractions
   Compliance requirements to continue in program (e.g., timely filing, timely payment, and
6 absence of infractions)
7 Appeal process
8 E-file authorization and supporting documentation (e.g., Forms 8879 and 8453)
9 Rejected returns and resolution (e.g., client notification)