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Sequence Number: 09-23-21
Notice ID(s): 3372
File Date: 9/29/2021

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee State Board of Accountancy
Division:	Department of Commerce and Insurance Regulatory Boards Division
Contact Person:	Maria P. Bush
Address:	500 James Robertson Parkway, Nashville, TN
Zip:	37243
Phone:	615-741-3072
Email:	maria.p.bush@tn.gov

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Don Coleman
Address:	500 James Robertson Parkway, Nashville, TN 37243
Phone:	615-741-6500
Email:	Don.Coleman@tn.gov

Hearing Location

Address 1:	500 James Robertson Parkway		
Address 2:	Conference Room 1A		
City:	Nashville, TN		
Zip:	37243		
Hearing Date:	Tuesday, January 25, 2022		
Hearing Time:	9:00 a.m.	<input checked="" type="checkbox"/> CST/CDT	<input type="checkbox"/> EST/EDT

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0020-02	Educational and Experience Requirements
Rule Number	Rule Title
0020-02-.01	Recognized Colleges and Universities
0020-02-.02	Education

Rules of the Tennessee State Board of Accountancy
Chapter 0020-02
General Rules

Amendment

0020-02-.01 RECOGNIZED COLLEGES AND UNIVERSITIES is amended by adding the following language so that, as amended, paragraphs (2)-(6) of the rule shall read:

- (2) For purposes of evaluating the education qualifications of applicants for certificates under Tenn. Code Ann. § 62-1-106, the Board will recognize those junior colleges, colleges and universities accredited at the time the applicant's degree was received by virtue of membership in one of the following accrediting agencies:
 - (a) Southern Association of Colleges and Schools Commission on Colleges;
 - (b) Middle States Commission on Higher Education;
 - (c) New England Commission of Higher Education;
 - (d) Northwest Commission on Colleges and Universities;
 - (e) Western Association of Schools and Colleges Senior College and University Commission;
 - (f) Higher Learning Commission;
 - (g) Association to Advance Collegiate Schools of Business-International; or
 - (h) Accreditation Council for Business Schools and Programs
- (3) An applicant whose degree was received from a non-accredited college or university may qualify under the provisions of paragraphs (4), (6) or (7) of this rule.
- (4) If an institution was not accredited at the time an applicant's degree was received but was accredited at the time the applicant's application was filed with the Board, the institution will be recognized as acceptable to the Board for the purposes of Tenn. Code Ann. § 62-1-106, provided the institution:
 - (a) Certifies that the applicant's total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited; and
 - (b) Furnishes the Board satisfactory proof, including college catalogue course numbers and descriptions, that the pre-accrediting courses used to qualify the applicant as an accounting major can be matched with substantially equivalent post-accredited courses.
- (5) If an applicant's degree was received at an accredited college or university as defined in paragraphs 2, 3, and 4 of this rule, but the education program used to qualify the applicant included courses taken at either a two-year or non-accredited institution before or after graduation, such courses will be deemed to have been taken at the accredited institution from which the applicant's baccalaureate degree was received; provided, however, that the courses were either accepted by virtue of inclusion in an official transcript or by certification to the Board.
- (6) A graduate of a four-year degree-granting institution which was not accredited at the time the applicant's degree was received or at the time of filing the application will be recognized by the Board as a graduate of a four-year accredited college or university, provided:
 - (a) A credential evaluation service approved by the Board certifies that the applicant's degree is equivalent to a degree from an accredited educational institution; or
 - (b)
 1. An accredited educational institution, as defined in paragraphs 2 and 3 of this rule, accepts the applicant's non-accredited baccalaureate degree for admission to a degree program;

2. The applicant satisfactorily completes at least fifteen (15) semester or twenty-two (22) quarter hours in post-baccalaureate education at the accredited educational institution, of which at least nine (9) semester or thirteen (13) quarter hours shall be in accounting; and
3. The accredited college or university certifies that the applicant is in good standing for continuation in the graduate program or has maintained a grade point average in these courses that is necessary for graduation.

Authority: T.C.A. §§ 58-308, 62-1-105, 62-1-106, and 62-1-111

0020-02-.02 EDUCATION is amended by adding the following language so that, as amended, paragraphs (1)-(3) of the rule shall read:

- (1) An applicant will be deemed to have met the educational requirement for the purpose of being eligible to receive a certificate pursuant to § 62-1-106(c)(1) if the applicant has earned a baccalaureate or higher degree from an accredited educational institution and obtained the minimum number of hours required by Tenn. Code Ann. § 62-1-106(c) which includes:
 - (a) At least thirty (30) semester or forty-five (45) quarter hours of accounting education including the elementary level. The following subject matter content areas qualify as accounting education:
 1. Principles or introductory accounting
 2. Financial accounting and reporting for business organizations
 3. Financial statement auditing
 4. Taxation
 5. Accounting information systems
 6. Financial accounting and reporting for government and not-for profit entities
 7. Attestation engagements
 8. Managerial or cost accounting
 9. Mergers and acquisitions
 10. Tax and financial planning
 11. Fraud examination
 12. Internal controls and risk assessment
 13. Financial statement analysis
 14. Accounting research analysis
 15. Tax research and analysis
 16. Data analytics, data interrogation techniques, and/or digital acumen in an accounting context, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs
 17. Ethics (accounting course)
 18. Other accounting-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.

- (b) For courses that do not qualify as Board-approved subject matter areas as listed above in 0020-02-.02(1)(a) and require further Board review, approval will be granted if the course qualifies toward an accounting degree and provides a foundation in accounting subject matter content. The Board will consider the following factors in determining whether a course will qualify. The course should:
1. Develop the skills required to apply the knowledge attained (including skills in communications, critical thinking, research and analysis);
 2. Include and emphasize ethical behavior, professional skepticism and judgment, and professional responsibility; and
 3. Provide quality instruction in subjects that clearly contribute to the knowledge, skills and abilities necessary to meet the public's expectations of a CPA.
- (c) Not more than six (6) semester or eight (8) quarter hours may be internship programs which may be applied to the thirty (30) semester or forty-five (45) quarter hours in accounting; and,
- (d) At least twenty-four (24) semester or thirty-six (36) quarter hours in general business education in one (1) or more of the following:
1. Algebra, Calculus, Statistics, Probability
 2. Business Communication
 3. Business Law
 4. Economics
 5. Ethics (business course)
 6. Finance
 7. Management
 8. Technology/Information Systems
 9. Marketing
 10. Data analytics, data interrogation techniques, and/or digital acumen, whether taken in the business school or in another college or university program, such as the engineering, computer science or math programs.
 11. Other business-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.
- (2) For purposes of this rule, accounting hours, other than elementary courses, above the minimum requirement may be substituted for general business education.
- (3) For purposes of this rule, candidates must have at least twenty-four (24) semester or thirty-six (36) quarter hours of accounting courses at the upper division level, junior level courses or higher. Lower division level courses, including those completed at junior college, that transfer to a four-year degree granting institution as upper division level may be counted as upper division level provided the transferred credits are listed on an official transcript from the four-year degree granting institution.

Authority: T.C.A. §§ 62-1-105 and 62-1-106

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: September 29, 2021

Signature: *Maria P. Bush*

Name of Officer: Maria P. Bush

Title of Officer: Associate General Counsel

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Filed with the Department of State on: 9/29/2021

Tre Hargett

Tre Hargett
Secretary of State

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SEP 29 2021

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 - ~~(d)~~ ~~North Central Association of Colleges and Schools~~;
 - ~~(e)~~(d) Northwest Commission on Colleges and Universities ~~Association of Schools and Colleges~~; ~~or~~
 - ~~(d)~~(e) Western Association of Schools and Colleges Senior College and University Commission;
 - ~~(e)~~(f) Higher Learning Commission;
 - ~~(f)~~(g) Association to Advance Collegiate Schools of Business-International; ~~or~~
 - ~~(g)~~(h) Accreditation Council for Business Schools and Programs
- (3) ~~A listing of accredited colleges and universities recognized by the Board is contained in the "Accredited Institutions of Post-Secondary Education," published by the American Council on Education for the Council on Post-Secondary Accreditation.~~ An applicant whose degree was received from a non-accredited college or university may qualify under the provisions of paragraphs (4), (6) or (7) of this rule.
- (4) If an institution was not accredited at the time an applicant's degree was received but was accredited at the time the applicant's ~~his~~ application was filed with the Board, the institution will be recognized as acceptable to the Board for the purposes of Tenn. Code Ann. § 62-1-106, provided the institution:
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1. [Principles or introductory accounting](#)
2. [Financial accounting and reporting for business organizations](#)
3. [Financial statement auditing](#)
4. [Taxation](#)
5. [Accounting information systems](#)
6. [Financial accounting and reporting for government and not-for profit entities](#)
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8. [Managerial or cost accounting](#)
9. [Mergers and acquisitions](#)
10. [Tax and financial planning](#)
11. [Fraud examination](#)
12. [Internal controls and risk assessment](#)
13. [Financial statement analysis](#)
14. [Accounting research analysis](#)
15. [Tax research and analysis](#)
16. [Data analytics, data interrogation techniques, and/or digital acumen in an accounting context, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs](#)

17. [Ethics \(accounting course\)](#)
 18. [Other accounting-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.](#)
- (b) [For courses that do not qualify as Board-approved subject matter areas as listed above in 0020-02-.02\(1\)\(a\) and require further Board review, approval will be granted if the course qualifies toward an accounting degree and provides a foundation in accounting subject matter content. The Board will consider the following factors in determining whether a course will qualify. The course should:](#)
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 4. Economics
 5. Ethics [\(business course\)](#)
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Authority: T.C.A. §§ 62-1-105 and 62-1-106

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: _____

Signature: _____

Name of Officer: Maria P. Bush

Title of Officer: Associate General Counsel

Department of State Use Only

Filed with the Department of State on: _____

Tre Hargett
Secretary of State