



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE STATE BOARD OF ACCOUNTANCY
500 James Robertson Parkway
Davy Crockett Tower
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Program Website:
<https://www.tn.gov/commerce/section/accountancy>

A meeting of the Tennessee State Board of Accountancy was held on Tuesday, May 6, 2025,
at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1A

MEMBERS PRESENT

Greg Gilbert, Chair
John Griesbeck, Vice-Chair
Pamela Church, Secretary
Sam Bennett
Andy Bonner
Brad Buchanan
David Crenshaw
Brad Floyd
Kevin Monroe
Robert Vance

LEGAL COUNSEL

Lee Lott, Associate General Counsel, Regulatory Boards
Kyle Johnson, Associate General Counsel, Regulatory Boards
Chris Russell, Legal Assistant

STAFF

Reid Witcher, Assistant Commissioner
Gin Binkley, Executive Director
Duke Speed, Board Investigator
Karen Condon, Board staff

OTHERS ATTENDING

Kara Fitzgerald, President/CEO, TSCPA
Katie Cheek, Chief Operating Officer, TSCPA
Dr. Perry Moore, CPA

CALL TO ORDER – Chairman Greg Gilbert

Chairman Gilbert called the meeting to order at 8:30 am.

Public Disclaimer and Roll-call

The meeting was properly noticed and the agenda posted on the Board's website on April 29, 2025.

Individuals wishing to make a public comment may sign in on the sheet provided or indicate their desire through the chat feature online.

Members made their presence known through roll call and a quorum was established.

Announcements

- This is the last meeting for Dr. Church and Mr. Monroe, as their terms are concluding at the end of June. A replacement for former member Mike Parton is pending.
- NASBA is seeking members for the 2025-2026 Committee cycle and an invitation to apply has been sent via email from NASBA.
- Members were reminded to activate microphones before speaking.

REVIEW AND ADOPT AGENDA

Motion and second to adopt the agenda as presented. Motion unanimously passed.

APPROVAL OF MEETING MINUTES

February 4, 2025 – Regular Meeting

Motion and second to approve the minutes as presented. Motion unanimously passed.

EXECUTIVE DIRECTOR'S REPORT – Gin Binkley, Executive Director

Director Binkley presented a report of Board and staff activities, upcoming NASBA meetings, licensing and exam statistics, and performance metrics.

Dr. Church has requested the pass rate percentage for individuals who passed the exam on the first attempt. Director Binkley is working with NASBA to gather that information for the Board's review and will include that information in future reports.

Motion and second to approve the proposed meeting date of Tuesday May 5, 2026. Motion unanimously passed.

LEGISLATIVE UPDATE

Mr. Lott detailed the Less is More Act of 2025, which contains three significant changes for CPA licenses:

- Initial license applicants will have a second pathway to licensure. In addition to completing the exam, candidates must have either 150 hours of education, to include a baccalaureate degree, and one year of experience OR 120 hours of education, to include a baccalaureate degree, and two years of experience.
- Those applying through reciprocity will be required to show that they have a valid license in good standing in another state and that they had passed the CPA exam at the time of licensure. The applicant will no longer have to show that their home state's qualifications are substantially equivalent to qualifications in Tennessee.
- Out of state licensees practicing through mobility must have a valid license in good standing in their home state, to include passage of the CPA exam at the time of licensure, in order to practice in Tennessee under mobility.

Mr. Lott noted that the Board's Peer Review rule making packet has progressed to the Attorney General's office for review.

Discussion included the following:

- The new statute will still require a baccalaureate degree for licensure; the first pathway will not change from current requirements. The second pathway will require 120 hours, to include a baccalaureate degree, two years of experience and successful passage of the CPA exam.
- Applicants may apply for the exam before earning a baccalaureate degree but must have completed the degree before sitting for the exam—this will not change.
- Any licensed CPA in good standing may sign an experience verification affidavit for a license application. This can be a CPA from another state as well as one from Tennessee.
- The peer review requirement for a firm operating under mobility and serving a Tennessee client will not change. Also, revisions to the mobility statute will not change the fact that anyone practicing in Tennessee under mobility are still subject to our jurisdiction.
- Revisions to the Uniform Accountancy Act (“UAA”) are underway and will provide for more detail that should be considered in the future. The NASBA UAA committee will be voting on this matter this week.
- Florida has proposed legislation that will radically change the requirements for CPAs, such as eliminating CPE requirements and calling for a study on education requirements needed to sit for the exam.

BOARD COMMITTEE REPORTS

Committees meet one day prior to the Board meeting to discuss agenda items, and to decide on recommendations to make to the full Board.

Licensing—Pam Church, Committee Chair

Credit Extension – M. Montgomery

Candidate has requested an extension of REG and BEC scores, from an expiration date of 6/30/2025 to 12/31/2025 for both sections. Mr. Montgomery was furloughed from an anticipated CPA firm job due to COVID. He then accepted a role that would not qualify for the CPA experience requirements. He has since taken a job that would qualify him for the experience requirement for CPA licensure. The Committee voted to recommend approval of this request.

Credit Extension – G. Brin

Candidate has requested a two-month extension of his REG and AUD scores, from an expiration date of 6/30/2025 to 8/31/2025 for both sections. Mr. Brin is under treatment for a medical condition consistent with extensions granted in the past. The Committee voted to recommend approval of this request.

Credit Extension – S. Laws

Candidate has requested an extension of his REG score, from an expiration date of 8/6/2025 to 12/31/2025. Mr. Laws suffered from a medical condition that required surgery in recent years, which prevented him from being able to appropriately prepare for the exam. The Committee voted to recommend approval of this request.

Foreign Education Evaluation Service – S. Ziriga

Candidate has requested that the Board consider acceptance of his foreign transcription evaluation completed by World Education Services (WES) as a qualification for licensure in Tennessee. Though the

Board no longer accepts reports from this entity, the candidate's evaluation had been completed before WES's approval was rescinded. The Committee voted to recommend approval of this request.

Committee motion to approve all four items on the Licensing agenda. Motion unanimously passed.

Law and Rules—John Griesbeck, Committee Chair

Update from February 2025 meeting

Mr. Griesbeck provided the Board with a report from the meeting of the Law and Rules Committee held on Monday, May 5, 2025. The Committee discussed the Board's discipline matrix, which was last revised in 2023. Specifically, the Committee had requested that board staff and legal counsel consider penalties assessed for peer review violations, how those penalties are imputed and whether changes to the discipline matrix were necessary. Mr. Lott detailed the recommended discipline for various violations noted within the matrix and clarified that the Board is not limited by those recommendations. The committee discussed the possibility of assigning legal and administrative costs for cases and the Board will continue to consider those assessments on a case-by case basis. Board counsel and the Executive Director will continue to review the matrix for possible necessary revisions.

Discussion included the following:

- Mr. Bonner offered that, when a case is presented with proposed discipline, the State does allow the Board to allocate the costs of providing investigative and legal services. Those costs should be the burden of those in violation, rather than the CPA population as a whole.
- The Board has continued to incur rising legal costs. Some of those costs could be allocated to those in violation of the law and rules, in accordance with provisions of the department.
- Legal was asked to provide guidance for what investigative and legal services charges may be appropriate for individual cases.
- Legal will explore the possibility of detailing the collection and fee process within the consent order. Mr. Bonner specifically asked that legal report back about whether the board can require that collection costs be paid by those in violation. Legal will also report back on efforts by the Contractors Licensing Board to reduce the number of inappropriate accounting reports filed with that body.

Enforcement –Kevin Monroe, Committee Chair

Case and Complaint Report

Legal Report

Consent Agenda

This agenda details cases in which Legal has not recommended formal discipline. Recommendations may include closure, a letter of warning, or a letter of instruction.

1. 2025007271
2. 2025006911
3. 2025001811
4. 2024061331
5. 2024066501

The Committee amended item 5 to recommend a civil penalty of \$750, based on violation of peer review rules, thereby imposing similar discipline for an out-of-state firm operating under mobility that would have been assessed for a Tennessee licensee.

6. 2024061341
7. 2024055331
8. 2024059581
9. 2024068271
10. 2024063701
11. 2024067851

Committee motion to approve the recommendations for items 1-4 and 6-11 of the consent agenda as presented. Motion unanimously passed.

Discussion of case #5 (2024066501) included the following:

- Original recommendation was to close with a letter of warning.
- The respondent firm, located out of state, issued a review report on a Tennessee-based entity. There is no question regarding whether a violation occurred. Mr. Monroe detailed the considerations made by the Enforcement Committee regarding disciplinary treatment of an out-of-state firm vs a Tennessee firm for a similar violation.
- Under mobility, when CPAs come into Tennessee to practice, they are within the jurisdiction of the Tennessee State Board of Accountancy, per statute and Board Rule.

Committee motion to approve the revised recommendation for item 5. Motion unanimously passed.

Proposed Discipline

This agenda details cases in which discipline has been recommended.

12. 2024063591
13. 2024066491

In addition to assessing a civil penalty of \$5,000, the Committee amended the proposed discipline to:

- Direct counsel to refer the matter to the Attorney General and/or appropriate law enforcement;
- Require the Respondent to complete all conditions for reinstatement noted in Board Rule 0020-01-.10 in addition to normal requirements for reinstatement (including, but not limited to, CPE penalty hours), and
- Require completion of the three-part NASBA ethics course as a condition of reinstatement, should the Respondent ever seek reinstatement of their CPA license.

14. 2024067991
15. 2024066511
16. 2024068001
17. 2025008681
18. 2025010061
19. 2025020811
20. 2025008671

Discussion of case #13 (2024066491) included the following:

- Respondent's license has been expired since 2013.
- Respondent was the subject of a prior case as recently as 2024 for issuing a review report without a firm permit or being enrolled in peer review. In that case, the Board authorized a

settlement agreement with the respondent that included paying a civil penalty of \$5,000. Respondent signed the consent order.

- In the case on the current legal report, the Respondent is alleged to again have committed the same violation, and at the time of the meeting, the Respondent had not paid the outstanding civil penalty from the prior case.

Committee motion to approve the recommended discipline for case 13 as amended. Motion unanimously passed.

Committee motion to approve the recommendations for items 12 and 14-20 as presented. Chairman Gilbert noted that the Respondent in item 14 was found to have completed the state ethics course but was still unaware of the requirements for providing attest services. This topic is covered in that course. Motion unanimously passed.

Executive – Chairman Gilbert

Travel

Travel costs for the third quarter of the fiscal year included expenses associated with the Executive Director and Board Investigator's attendance at the NASBA Executive Directors and Legal Conference in March, as well as the Board Investigator's travel to Nashville for the February Board meeting.

FY25 Financial Results

The Board heard an overview of FY25 financial results to date.

NASBA/AICPA Updates

NASBA Board of Directors – Andy Bonner

Mr. Bonner provided an update on ongoing NASBA initiatives, including major IT projects such as the ALD update; internal licensing system updates; and a mobile app for exam candidates. Mr. Bonner reported that NASBA is seeing a pick-up in exam attempts, likely due to the June 30, 2025, expiration of exam credits for many candidates.

Mr. Bonner shared information with the Board from NASBA regarding legislative changes to mobility and pathways to licensure from other states. Mr. Bonner also provided an update on the status of UAA model act changes in process with the AICPA and NASBA.

NASBA Committee Updates

Education Committee – Dr. Pam Church

Dr. Church provided an update regarding recent activities of the NASBA Education Committee, including approvals granted for funding of education research projects.

Communications Committee – John Griesbeck

No significant updates to report. The NASBA Communications Committee plans to host an event at the upcoming NASBA Regional meetings.

NASBA/AICPA Joint UAA Committee – Kevin Monroe

Mr. Monroe provided context on the purpose of the UAA as a model act that is available for states in considering changes to statutes and rules.

Enforcement Resources Committee – Greg Gilbert

The NASBA Enforcement Committee recently heard an update from its NASBA staff liaison regarding case studies shared by attorneys in defense of licensees in cases with Boards of Accountancies.

AICPA Committee Updates

Professional Ethics Executive Committee (PEEC) – Andy Bonner

Mr. Bonner provided an update on the activities of the AICPA's PEEC, noting that PEEC has an ongoing project with respect to further understanding alternative practice structures in accounting firms.

TSCPA UPDATE – Kara Fitzgerald, TSCPA President and CEO

Ms. Fitzgerald provided an update of Society activities, including a brief update on peer review statistics and ethics course attendance.

Ms. Fitzgerald noted that one of the main focuses of the TSCPA continues to be outreach to CPAs of future generations. The TSCPA scholarship program awarded \$280,000 to just over 100 students last year. This year, the TSCPA has allocated \$255,000 for student scholarships.

Ms. Fitzgerald provided an update on the TSCPA's monitoring of recent legislation. She reported an uptick in calls to the TSCPA office regarding the new pathway to initial licensure. The Society intends to host two town hall events for students and educators regarding the recently passed legislation.

Ms. Fitzgerald made mention of the recent pending legislation in Florida that would take steps to further deregulate many professions, including accountancy.

A delegation of TN CPAs will be in Washington D.C. in the coming weeks to meet with federal legislators to discuss a variety of topics related to the accounting profession.

The TSCPA responded to the recent exposure draft issued by the AICPA and NASBA in support of the proposed changes to the UAA.

In closing, Ms. Fitzgerald reminded the Board of the upcoming 94th annual meeting and convention that will take place June 10 – 12 in Chattanooga.

NEW BUSINESS

Chairman Gilbert reminded the Board that this is the last official meeting for Dr. Church and Mr. Monroe. Board members expressed appreciation for their contributions to the Board and to the profession. Each was presented with a commemorative plaque in honor of their service to the Board.

The Board wishes to issue resolutions in honor of Larry Elmore and Doug Warren, who previously served as Board members and contributed greatly to the profession, and who had recently passed. Both men

are greatly missed by their colleagues and friends. Chairman Gilbert read both resolutions into the record.

Motion and second to approve these resolutions. Motion unanimously passed.

PUBLIC COMMENT

Dr. Perry Moore addressed the Board to request that the Board consider revisiting the requirement for a CPA candidate to have a bachelor's degree in order to sit for the CPA exam. In addition, he requested that the Board revisit the upper division accounting education required to sit for the exam, lowering the requirement from 18 to 15 semester hours of upper division accounting courses.

Director Binkley noted that changing the requirement to sit for the exam to remove the requirement to have a bachelor's degree would likely require a legislative change. The Board thanked Dr. Moore for his suggestions and for his work with the state ethics course.

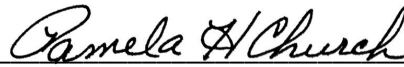
ADJOURN

The meeting was adjourned at 11:23.

Chair

Handwritten signature of Gregory Gilbert in black ink, written over a horizontal line.

Secretary

Handwritten signature of Pamela A. Church in black ink, written over a horizontal line.