

THE Balance SHEET

Tennessee State Board of Accountancy

Volume 2 / Issue 1

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Fall 2007

Good Luck, Linda!



We would like to wish Linda Biek luck as she heads off to be the Director of Governmental, Professional, and International Relations for NASBA. Her last day with the Board of Accountancy will be Friday, September 28. She has been a great Executive Director and will be greatly missed. There is no doubt that she will be a valuable asset for NASBA.

Caring for the Future of Licensees

By Dan Syriac

CPAs are up against three wide-spread career killers: substance abuse, depression and stress. A conservative estimate indicates that at least ten percent of the population endures these easily identifiable and treatable illnesses. The Tennessee State Board of Accountancy is working to provide an avenue of recovery to those affected by alcohol, drug dependency or mental health issues. The Board has been investigating several assistance programs.

Texas is one of the few states with a peer assistance program designed to help CPAs who are experiencing physical, mental or emotional problems. Most of the mentors in the program are CPAs who have learned to manage one or more of these issues and have volunteered to help their fellow CPAs. The Texas program utilizes a wide range of outside resources.

All program communication and records are confidential by law. The program staff and volunteers are prohibited from releasing or reporting confidential information to the Board in disciplinary matter without the CPA's permission. Additionally, referrals to the program are also kept confidential and are protected by law.

While most CPAs never experience substance abuse or depression, they will have a colleague or client who does. All of us find ourselves facing stress throughout our lives, and stress that is not addressed can grow to the point of paralyzing distress or debilitating burnout.

The Tennessee State Board has decided to develop its assistance program based on the Texas peer assistance program. Over the next year the Board will continue to design, develop and implement the program to assist Tennessee CPAs with the hope that this will eventually become a nationwide program.

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WELCOME Mark Crocker

Mark H. Crocker, CPA has been appointed Interim Executive Director of the Tennessee State Board of Accountancy, effective October 1, 2007. He has served as Investigator for the Board since August of 2003. Prior to joining the Board staff, Mr. Crocker was employed as an auditor in the Division of Municipal Audit, in public accounting, as the Chief Financial Officer of a multi-million dollar travel firm, and as the Vice-President of Finance and Chief Operating Officer of a nonprofit agency. He also has worked as a Revenue Agent with the Internal Revenue Service and has served as an adjunct professor of accounting at MTSU since 1993.

Mark has been married for "a long time!" to Debbie, and lives in Murfreesboro. He has three daughters, three sons-in-law, and two grandchildren (the third is on his way and will join us shortly!). He and his family are active in First Baptist Church in Murfreesboro. He enjoys music, reading and tennis.

Linda L. Biek, CPA, the former Executive Director, has joined the team at NASBA as Director of Governmental and International Relations.

It's Audit Season at the Board Office *By Gail York*

When I arrived in the Accountancy Board on June 18, 2007, CPE audits were in full swing. I was presented with an audit list and it became my responsibility to verify the continuing education for the CPAs on my list. Verifying documentation is exactly what I did on the audits we had this year.

When the computer picks a CPA for an audit, we must verify that the individual has obtained the 80 hours of continuing education that is required by the Accountancy laws and rules. I conducted 62 audits and was surprised at the number of questions we received about the continuing education requirements.

Some of the questions I heard most dealt with which courses are A&A, and how many hours can be carried forward to the next renewal period. The answers are on the Accountancy Board's website at www.state.tn.us/commerce/boards/tnsba. If you would like immediate gratification, the answers are: you may carry forward 24 hours of continuing education and approved continuing education is found on our web site.

Another question was from a CPA who wanted to claim all of his CPE for teaching a 90 hour course. Licensees can count a total of only half of the required hours for teaching a course. In this case, the CPA was allowed credit for 40 of the 80 required hours. He was able to carry forward 24 hours to the next renewal cycle.

The biggest problem I had with audits resulted from return mail. Of the 62 that I conducted, nine were returned because the licensee had moved and failed to notify our office. It is critical to notify

the Board within 30 days of a change in address. The change of address form is found on the website under "forms," or you may e-mail a member of the staff. We will be more than happy to change your address.

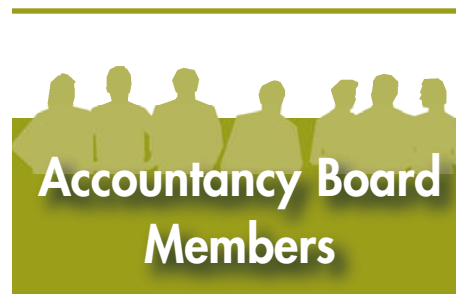
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Brenda.Demastus@state.tn.us

Patricia.A.Turner@state.tn.us

Mary.Flagg@state.tn.us



The Board staff would like to express our appreciation for the service of board members Joseph F. Buffler, CPA (inactive) and Max Haught whose terms expired on June 30, 2007. They were instrumental in several positive changes and will be greatly missed. We also want to welcome new board members William F. Blaufuss, Jr., CPA and Doris A. Medlin.

The officers of the Board for 2007-08 are as follows:

- Chairman - Kenneth Cozart, CPA
- Vice Chair - Vic L. Alexander, CPA
- Secretary - William C. Underwood, CPA

The remaining board members are:

- Alfred Creswell, CPA
- Teresa Jeter-McAvoy, CPA
- Doris A. Medlin
- Shannone E. Raybon, Esq.
- Stanley Bernard Sawyer, CPA
- Lisa Mays Stickel, CPA
- Douglas E. Warren, CPA

Focus on CUSTOMER Service

By Mary Flagg

Each of us "is" the organization in a client's eyes. Appreciate your clientele; they do us a favor by using our resources. They are not interruptions in our work, but rather the reason for it—even with limited resources! In tight budget times, be creative about providing continuing customer service while letting clientele know that there might be restrictions, delays, lapses or days when the office is not open.

Consideration and communication are two wise strategies to keep in mind while deciding on high and low priority services. Remember that good customer service centers on treating clients the way you would like to be treated yourself.

Give clients what they want and a little more. Let them know you appreciate them. Make good on all your mistakes, and don't make excuses—apologize. Stand behind everything you do. "Satisfaction guaranteed" will make all the difference.

Worry about being better...think one customer at a time and take care of each one the best way you can.

Clients will know you value them when you practice the "Cs" of customer service:

- Consideration
- Commitment
- Caring
- Communication

The bottom line in customer service is that it's only as good as the customer says it is. When employees start focusing on how to better meet the needs of their customers, they become more sensitive to the processes they perform and how to improve and/or change them to achieve the results the customer desires.

We are focused on you so you can focus on your clientele!

Tennessee State Board of Accountancy



Cover Tennessee: Health Care for Tennessee's Uninsured

Governor Phil Bredesen's multi-pronged effort, **Cover Tennessee**, extends health insurance to uninsured individuals in Tennessee through three insurance programs and a pharmacy assistance program.

CoverTN is an affordable and portable health insurance initiative for working Tennesseans who are uninsured. Comprehensive coverage for children is provided through **CoverKids**, and chronically ill adults are eligible for **AccessTN**. **CoverRx** is a statewide pharmacy assistance program designed to assist those who have no pharmacy coverage, but have a critical need for medication.

Cover Tennessee provides health insurance coverage that is affordable to participants and affordable to the state.

More information on all **Cover Tennessee** programs is available at www.CoverTN.gov or by calling **1-866-COVERTN**.

Overview of Programs

CoverTN

CoverTN is a partnership between the state, small businesses and self-employed individuals to provide coverage for the most needed medical services. CoverTN is a voluntary

initiative for uninsured Tennesseans to obtain private insurance. The individual owns the plan, not the state or the company. To promote personal responsibility, premiums are based on weight, tobacco use and age, with an average monthly premium of \$50 for each payer.

CoverTN is affordable. The program features no deductibles and pricing is simple and straight-forward: \$20 copayment for a doctor's office visit and \$10 for most prescription drugs. There is also coverage for hospitalization and other medical needs.

Enrollment is a two-step process. Once a business is confirmed as eligible, BlueCross BlueShield of Tennessee, the program's insurer, sends out enrollment materials, and individuals have 90 days to make a decision.

CoverKids

CoverKids offers free comprehensive health insurance coverage to qualifying uninsured children 18 years old and younger, and maternity coverage for pregnant women with household incomes below 250 percent of the federal poverty level. Families above the income limit, who wish to purchase coverage for their child, can "buy in" to the program by paying monthly premiums. The program emphasizes

preventive care and services most needed by children, including vaccinations, well-child visits, healthy babies program, and developmental screenings. In addition, there are no pre-existing condition exclusions. The coverage is similar to the benefits offered to dependents of state employees. BlueCross BlueShield of Tennessee administers the program.

AccessTN

AccessTN provides comprehensive health insurance options to uninsurable Tennesseans. AccessTN, a high-risk pool, was created for persons with one of 55 specified medical conditions, or those who are unable to get insurance in the commercial market because of their health status. BlueCross BlueShield of Tennessee administers the program.

CoverRx

CoverRx is a statewide pharmacy assistance program designed to assist those who have no pharmacy coverage, but have a critical need for medication. CoverRx is not health insurance. It provides up to five prescriptions per month. Insulin and diabetic supplies will not count against the monthly limit. Express Scripts administers the program.

www.covertn.gov

1-866-COVERTN

Frequently Asked Questions

by Brenda Demastus

When do I report Continuing Professional Education (CPE)?

Licensees who maintain a license as ACTIVE are required to complete a total of 80 CPE hours for the two-year renewal period with a minimum of twenty (20) hours of CPE in each year; forty (40) hours of technical areas (auditing, accounting, tax, management advisory or financial planning); and four (4) hours are to be in ethics with three (3) general and one (1) state specific.

You maintain your CPE records for at least five (5) years in the event you are audited.

When Do I Renew My License?

If the last digit of your license number is an odd number, you will renew every two (2) years in odd years only. If the last digit of your license number is an even number, you will renew in even years only.

What CPE Is Accepted?

Your CPE must be from an approved sponsor: NASBA, QAS, a government entity, an accredited institution or in-house-in-firm.

How do I change my license status with the Board?

If you are changing your status from ACTIVE to INACTIVE, go to our website: www.state.tn.us/commerce/boards/tnsba. Scroll down the center of the page and under the 3rd heading, "LICENSING RESOURCES," click on FORMS & APPLICATIONS; then click on CPE exempt/INACTIVE status; complete and have signed by a notary and mail to our office.

To change from INACTIVE to ACTIVE, the licensee must complete eighty (80) technical hours of CPE in twenty-four (24) months or less; make copies of the CPE documents; and mail to our office with a letter stating

that you wish to change your status from INACTIVE to ACTIVE. The documents will be reviewed and if approved, you will be issued a new license with the status change.

To change from RETIRED to ACTIVE, the licensee must complete eighty (80) technical hours of CPE in twenty-four (24) months or less; make copies of the CPE documents; and mail to our office with a letter stating that you wish to change your status from RETIRED to ACTIVE. The documents will be reviewed and if approved, you will be issued a new license with the status change.

To change from CLOSED to ACTIVE, please call our office at either 1-888-453-6150 or 615-741-2550 for the current renewal fee. You will complete eighty (80) technical hours of CPE in a twenty-four (24) month period or less; make copies of the CPE; send in with a letter stating that you wish to change from CLOSED to ACTIVE and enclose the current renewal fee. If documents are approved you will be issued a new license with the status change.

Notification of Deceased

Please send in either a copy of the death notice or a copy of the death certificate.

Notification of Name Change

Please send a CERTIFIED copy of either your divorce decree or your marriage certificate. Tell us how you want your name to appear on your license. The change will be made in our system and you will be issued a new license with the name change. If you wish to order a new wall certificate, please include a check made to: Tennessee State Board of Accountancy, for twenty-five dollars \$25.00. If you need a replacement, please send \$25.00 fee with a letter stating the reason you are requesting a replacement to Tennessee State Board of Accountancy.

— DISCIPLINARY REPORT - FY07 —

(by month)

July, 2006

Respondent: Burbank, Jerilyn
 Violation: Unlicensed Practice
 Action: Consent Order with \$250 Civil Penalty

Respondent: Carter, Rhonda
 Violation: Lack of Due Professional Care
 Action: Consent Order with \$350 Civil Penalty

Respondent: Choat, Ernest E.
 Violation: Conduct Unbecoming a Professional
 Action: Consent Order to place Respondent's license in a probationary status for two years with \$1000 Civil Penalty

Respondent: Clark & Knies, CPAs
 Violation: Lack of Due Professional Care
 Action: Consent Order with civil penalty of \$250

Respondent: Gaines, John G.
 Violation: Unlicensed Practice
 Action: Consent Order with \$1000 Penalty

Respondent: Haire, James B.
 Violation: Unlicensed Practice
 Action: Consent Order with \$500 Civil Penalty

Respondent: Leuty & Heath
 Violation: Failure to comply with Peer Review requirements
 Action: Consent Order requiring a peer review on or before October 15, 2006 with Civil Penalty of \$4500

Respondent: Ray, J. O
 Violation: Failure to comply with Peer Review requirements
 Action: Consent Order with Civil Penalty of \$1000, Prohibited from performing Attest Services, Proof of CPE Documentation, Completion of Peer Review

October, 2006

Respondent: Bacon, Howard & Co.,
 Violation: Conduct Unbecoming a Professional
 Action: Consent Order with \$500 Civil Penalty

Respondent: Barnes Tax & Financial Services
 Violation: Unlicensed Practice
 Action: Consent Order with \$500 Civil Penalty

Respondent: Garlock, Joel
 Violation: Unlicensed Practice
 Action: Consent Order with \$1200 Civil Penalty

Respondent: Hendrixson, Terry
 Violation: Unlicensed Practice and Conduct Unbecoming a Professional
 Action: Consent Order with \$4840 Civil Penalty

Respondent: Melton, Glen
 Violation: Conduct Unbecoming a Professional
 Action: Consent Order with \$1000 Civil Penalty

Respondent: Shelby, Hope
 Violation: Failure to comply with Peer Review
 Action: Consent Order with \$250 Civil Penalty

January, 2007

Respondent: Darrell, Robert
 Violation: Conduct Unbecoming a Professional
 Action: Consent Order with \$750 Civil Penalty

Respondent: Gentry, Steven
 Violation: Unlicensed practice and improper use of CPA designation
 Action: Consent Order with \$1700 Civil Penalty

Respondent: Hamblen, John
 Violation: Lack of Due Professional Care
 Action: Consent Order with \$1025 Civil Penalty

cont. next page

— DISCIPLINARY REPORT - FY07 —

(by month)

- Respondent: Hamblen, John
- Violation: Failure to comply with Peer Review requirements
- Action: Consent Order with \$1525 Penalty

- Respondent: Johnson, Thomas
- Violation: Unlicensed Practice
- Action: Consent Order with \$500 Civil Penalty

- Respondent: Moore, Ron
- Violation: Failure to comply with Peer Review requirements
- Action: Consent Order with \$1600 Civil Penalty

CPA Executive Director

The Tennessee State Board of Accountancy, located in Nashville, is searching for a qualified Certified Public Accountant to fill the position of Executive Director. Job responsibilities include staff management; assistance with the development of accountancy rules and policies; and ability to provide technical assistance to staff and licensees regarding applicability of laws and rules pertaining to various accounting situations. The Executive Director will also represent the Board at various professional meetings and conferences. The successful candidate will possess an active Tennessee CPA license, at least 5 years of management and public accounting experience, and excellent communication skills. Interested individuals should submit their resume to the following address as soon as possible. Salary range is between \$75,000-\$90,000 DOE

Tennessee State Board of Accountancy
 Attn: Search Committee
 500 James Robertson Pkwy., 2nd floor
 Nashville, TN 37243-1141



TENNESSEE.GOV

Department of Commerce & Insurance
 Leslie A. Newman, Commissioner

The Official Web Site of the State of Tennessee



When Was The Last Time You Checked Your License Status?

Visit our website at

www.state.tn.us/commerce/boards/tnsba

to see if your CPA or Firm license

is on the Delinquent Status list.



**Tennessee State
Board of Accountancy**

Contact information

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License No. 16001-20000+

gail.york@state.tn.us

Firms

daniel.syriac@state.tn.us

**2007 CPA and Firm Renewal Notice
Deadline: 12/31/07**

The Board successfully implemented online renewals in 2006 and will continue to offer this convenience in 2007. This is the only reminder that will be sent to advise CPAs whose numbers end in an odd digit and CPA firms that it is time to renew their license. Renewal payment may be done online at the following address: <http://www.tennesseeanyttime.org/cirens>. You will be prompted from there regarding the steps to renew your license. In order to receive your license you must have met all requirements and allow time for staff processing of renewal information.

If you would like to receive a paper renewal form, please call (866) 283-6191. When you request your paper renewal, you will need to provide the number that is above your name on the front of this postcard. Please allow 2-3 weeks to process your request for a paper form.



Tennessee Department of Commerce and Insurance.
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Tennessee Department of Commerce and Insurance
Tennessee State Board of Accountancy
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500 James Robertson Parkway
Nashville, Tennessee 37243-1141

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CPA Renewals

All odd number licenses must be renewed by December 31, 2007.