

THE BALANCE SHEET

Board News

Governor Haslam Appoints Judy Wetherbee

Judy Wetherbee was appointed to the Tennessee State Board of Accountancy in October 2015 as the public member. Judy is the Owner and CFO of Trafalgar Enterprises, Inc. in Nashville, TN. She has over 25 years of experience in the accounting and finance fields with an extensive background in mergers & acquisitions. Judy is a graduate of the University of North Alabama.



William Blaufuss Completes Eight Years

The Tennessee State Board of Accountancy thanks William "Bill" Blaufuss for his 8 years of service on the Board. During his tenure, Bill served as Chairman of the Board and Chairman of the Executive Committee. He was also instrumental in leading a search committee to find a new Executive Director. Bill's commitment and expertise will be missed and we wish him the best in future endeavors.



Professional Privilege Tax and Renewal

Tennessee CPAs with Active status are subject to Professional Privilege Tax (PPT). The tax is assessed by the Department of Revenue depending on the license status as of June 1st of each year. Initial notifications from Revenue are typically sent by email. Please make sure that Revenue has your current contact information.

If you are considering changing the status of your license to Inactive, Closed, or Retired-Over 65, you must do so before June 1st in order to avoid the PPT liability. Affidavits for changing your license status are available in the [Forms and Downloads](#) section of the Board's website.

Public Chapter 763 requires professional privilege taxpayers that are 90 days or more delinquent to pay their professional privilege tax before they may renew their professional license. This law does not apply in situations where delinquent taxpayers have entered into a payment plan agreement with the Department of Revenue, have requested an informal review conference or have filed suit.

Please contact the Department of Revenue, Tax Payer Services at 615-253-0600 or 1-800-342-1003 if you have any questions about this tax.

You may file your annual Professional Privilege tax return at <https://apps.tn.gov/privtx/>.

CPE Audit

Active licensees are asked to affirm that Continuing Professional Education (CPE) requirements have been met at the time of renewal. Each Spring, some of those licensees are asked to provide evidence of their CPE credits to the Board. The lucky ten percent chosen at random for a CPE audit will receive a letter with instructions and a deadline for submission. If chosen, you must respond to the audit by the due date even if you did not meet the CPE requirement for 2014-2015. After a review of your submission, you will be advised of any penalty hours due and given the time frame in which the hours must be completed and submitted to the Board.

Those chosen for audit may submit documentation by mail, email, or by entering credits in the online tracker, tn.cpetracking.com. This service will allow you to track your credits and store your certificates online. Each credit must have a corresponding certificate of completion attached to the entry.

A User Guide to the CPE tracking tool can be accessed by choosing "Help" after you have logged in. You will also find a video tour to familiarize



yourself with the site. If you have not yet used the tracking site, please contact Denise Hickerson at 615-253-1679 to obtain your password.

If responding to the audit by mail or email, your submission must include:

- Completed CPE reporting form
 - » This form is included with the audit notification
 - » You may substitute a list of credits in an Excel spreadsheet, providing it contains the same information requested on the form.
- Copies of certificates of completion for each credit earned. Original certificates will not be returned to you. Please note that course agendas and receipts of purchase are not acceptable as confirmation of

completion of the course

- If you are applying carryover credits to your CPE audit, you must include all certificates from the 2012-2013 reporting period for review.

CPE Sponsor Requirements

The Tennessee Board requires all non-exempt CPE Sponsors to have registered with NASBA's National Registry. Verify a sponsor's status and search for CPE courses by visiting <http://www.learningmarket.org/>.

Exempt sponsors include state societies (such as TSCPA), professional accounting organizations (such as AICPA), universities, government entities, and firms offering in-house training. If you have questions about a sponsor's status, please contact Denise Hickerson at denise.hickerson@tn.gov.



Interstate Practice—Mobility and Reciprocity

Your Tennessee CPA license will allow you to practice in other states. Mobility laws adopted by most jurisdictions will let you serve a client in another state without gaining a license in that state, provided you don't have a residence or primary business there. Visit CPAMobility.org to find out more.

If you are licensed in another jurisdiction and have moved to Tennessee, you will need to apply for a license here. The application for a Tennessee CPA license via reciprocity, including instructions and requirements, is available on the [Board's website](#).

CPE Requirements

Continuing Professional Education

All Active CPA certificate holders are required to obtain CPE. The Accountancy Act of 1998 exempts inactive certificate holders from CPE. Your CPE reporting period is the two years immediately preceding the expiration of your license. Those licensees due to renew on December 31, 2016 are required to have earned the following in 2015-2016:

- 80 approved hours every two (2) years with a minimum of 20 hours in each year.
- Of those 80 hours, at least 40 hours must be in technical subjects (Tax, A&A, Management Advisory Services, Ethics), and must include at least two hours of state-specific ethics.
- If performing attest services (including compilations), at least 20 of the 40 technical hours must be in the "A&A" category.
- If providing expert witness testimony, at least 20 hours must be in the general area in which the court deems you an expert, such as tax, auditing, etc.



Please note:

- A maximum of 16 hours of your 80-hour requirement may be obtained through the magazine reading program such as reading TSCPA journals and returning those questions for a score.
- No more than half of your required hours may be earned through instructing a course.
- The Board may extend the time up to six (6) months within which license holders must comply with the requirements for reasons of poor health, military service, foreign residence or other good cause. Requests must be made in writing prior to the license expiration date.

CPE Carryover Hours

Each year, we receive questions about the application of carryover hours. Accountancy Rule 0020-05-.03 allows for the use of carryover hours, but there are limitations.

- Limited to 24 Hours
- Carries over as "Other" hours (non-technical)
- Cannot be used to meet 20-hour yearly minimum
- Must have actually completed more than 80 hours in the preceding reporting period
- Carryover hours will never increase your total to more than 80 hours.

Example of Carryover CPE

Reporting Year 1	Reporting Year 2	Reporting Year 3
Year 1: earned 30 hours Year 2: earned 60 hours Total of 90 hours earned in the reporting period 10 extra hours earned	Year 1: earned 20 hours Year 2: earned 52 hours Total of 72 hours earned in the reporting period <i>Carry forward 8 hours from Period 1 to make up the deficiency</i>	No carryover available because no extra hours earned in Period 2

Delinquent Renewals

The following individuals did not renew their Tennessee CPA licenses prior to December 31, 2015. These licenses are considered expired but may be renewed by paying the license fee and late fee prior to December 31, 2016. After that date, expired licenses must go through the reinstatement process in order to be in good standing again.

Board staff attempts to reach each delinquent licensee using the most current contact information in the license file. It's important to update the Board when your mailing or email address changes.

If a licensee does not wish to renew a Tennessee CPA license, the license should be properly closed to avoid disciplinary action taken against the license by completing the surrender/close affidavit found on our [website](#).

License	Name	License	Name	License	Name
16427	ADAMS JASPER LOUIS	23029	DAVIS JAMES CONLEE	22625	HODGES WILLIAM J.
7429	ALTOM JUDY L	13011	DIXON CHERYL ELAINE	11851	HOOVER DEBORAH H
12257	ANDERSON DAN	16255	DIXON PATRICIA A.	21137	HUBBARD STEFAN REX
9865	ARROTT REED TENNEY	24251	DONELSON JENNIFER A.	14913	HUBLER MICHAEL K
23889	AUSTIN BENJAMIN KYLE	19053	DORRILL JOHN EDWARD	18843	HULIN HEATHER RAE
21923	BEASLEY-TRAVIS BARBARA D	12149	DORTCH PHILIP BRIAN	22483	HULSEY KASEY OWENS
8057	BELL CLARKE C	23943	DOWD DAMON V.	16625	HUTTO JR. HAROLD SAMUEL
14705	BERENTHAL SCOTT ALAN	23827	EISCHEID BRIAN R.	15163	INGALLS WENDY S.
7435	BINGHAM RHONDA M	20003	ENG ALEX CHUN-FUNG	22469	JALLOW ABDOULIE ADAM
21979	BLACK EVAN	18579	EWING CALI G	10983	JARNIGAN GARY L
16425	BLOUIN HELAYNE D.	6917	FANNING TOBY S	5153	JENKINS DAVID A
22695	BOECKMANN EMILY S.	3817	FELTS JOHN C	21967	JENSEN THOMAS EDWARD
18669	BOLGER TRACY LYNN	16115	FERGUSON KEVIN WAYNE	13123	JOHNSON AMY KATHLEEN
12487	BOLIN DEBRA LYNNE	3821	FITZGERALD LARRY L	19661	JOHNSON AUDREY DEE
12432	BORJA-TALLEY ROSALINA	14295	FRANKS LARRY K.	17207	JONES AMY CHRISTINE
22591	BRADEN STEPHANIE DELTINA	17067	FRAZER PRESTON BENNETT	19001	KEELING TANDI LEE
22911	BRENNAN JAMES E.	21475	FUQUA MATTHEW QUENTIN	17689	KENDRICK CYNTHIA A.
23463	BRITT MALLORY ALYSE	21092	GARCIA EDNA M	9511	KENNUM PATRICIA D
4595	BROICH WILLIAM J JR	22965	GEARY WILLIAM ARNOT JR.	14413	KUYKENDALL PATRICIA G.
13219	BROOKS JOHN DAVID	7261	GENTRY MALCOLM E	21512	KWON HEATHER
12639	BRUMMETT JANIE LYNN	21711	GLENN CHRISTOPHER MICHAEL	7133	LABONTE JOSEPH H
8269	BURNS RONALD	23699	GLENN JUSTIN S.	16287	LATTANZI JAMES R.
21395	BURRIDGE CHARLES MARSHALL	16141	GONZALES RANDALL B.	7103	LAY BARBARA C
21933	BURTON VIRGINIA SHAW	19401	GREER ERIC B	20989	LEACH JOHN W
22099	CAMPION KEVIN J	6507	HAMLETT MARY M	16725	LIPSCOMB J. ANDREW
13931	CATLETT CASSANDRA LEAH	21831	HARMER GREGORY RUSSELL	11327	LISSON JAMIE S
7689	CLARK ROGER WILBURN	19465	HARRISON ASHLEY C	23075	LIU JIAFENG
11488	COLE NELLIE WARD	6011	HARRISON RICK N	14953	LOVORN MELISSA R.
21006	CONN JAMES CHRISTOPHER	23103	HASSETT CHARLES	10845	LOWE BARBARA A
8419	CONNER MARILYN M	9001	HAYES ARTHUR A JR	19533	LUTTRELL KENNETH CHARLES
20441	COULEAS AMBER NICOLE	22247	HEARD RASHIDA J.	19303	LYONS NATHAN WAYNE
23207	CRANE ANDREW THOMAS	6841	HERRIN GLENN A	4497	MAIER JAMES E
15315	CROSS JAMES B.	21675	HILL ANDRE R	8525	MAJOR GEORGE WILSON
8523	DALTON DAVID JR.	19917	HILL JASON M	7071	MARBURY FRANCES R
9699	DANIEL ISSAC BENJAMIN	13593	HILL RICHARD BRADLEY	22251	MARION ANDREW CHARLES
21619	D'ANTONI LAURA ASHLEY	9539	HISSAM ROBERT C	15523	MASSIE JASON MICHAEL

Delinquent Renewals

License	Name	License	Name	License	Name
18679	MATHEWS CHRISTINE MARY	3713	RAFFETY MARY N	12373	SWEENEY RICHARD DENIS JR.
17187	MCCALL JOSEPH L.	14297	REA JAMES W.	15997	TAYLOR KEVIN B.
12431	MCDANIEL JOHN WILLIAM JR.	5181	REED JOSEPH W	4769	TAYLOR TYLER P
3479	MCGIVERN WILLIAM H JR	13479	RICH BARRY W.	24409	TIAN SHANSHAN
6019	MCKENZIE JUDY	23583	RICHARDSON MARIA	14121	TRAVIS MELVIN
8805	MCNABB VICKI E	7165	ROBERSON EDWIN S	9807	TURBEVILLE LOUIS F
5221	MEDLIN JANET L	22327	ROBNETT NATHAN E.	15624	TURNBOW NEVA CAROLINE
8023	MENCL JANET L	15819	RODGERS RICHARD WAGGAMAN	7539	TURNER KAROL
21577	MEREDITH LEIGH ANNE	6883	ROONEY CYNTHIA J	6425	VANDERVEER CHARLES C
9627	MERRITT CHARLES KENT	4773	ROPER J RANDALL	4281	VAUGHAN DENNY A
12223	MIKLAS CARL ANTHONY	13127	ROTH JEFFREY MICHAEL	10549	VESTAL TAMARA C.
23555	MILES RACHEL DIANNE	13095	ROTHMAN MARY CATHERINE	15675	WALKER MICHAEL BLAKE
18591	MILLER TRACY SHAWN	10431	RUFO LYNN NEELEY	13565	WALLIN JENNIFER DAVIS
22627	MOORE RICHARD A. JR.	20209	RUSS ROBERT WILLIAM	3661	WALTERS CLYDE D
7183	MOORE RICHARD S	12539	SALMON RONALD W	5223	WARD BENJAMIN B
21399	MORRAN ROXANNA GISELA	17589	SAXON JR. JAMES M.	21703	WARE JEREMY J
19675	MORRIS KENNETH E	4935	SCHNEIDER GEORGE J	23481	WARFORD JASON RYAN
9989	MORRIS PRISCILLA BALL	22279	SHAW MICHAEL	15307	WEBB RANDY ALLEN
14067	MULLEN RAEDENE LEE	13613	SHOEMAKER MARIE B	8801	WELLER SHIRLEY M
11589	MURCHISON MARY GAYLE	22851	SIMS CHRISTINE MARIE	20791	WHEELER JOSH N
22861	NELLER SETH	21213	SKELLEY TARA L	8433	WHEELER MARTHA E
13093	NEWTON KEITH O	12939	SMITH RUSSELL STEVE	22203	WHITE GEORGE EDWARD II
15107	NICLOSI MICHAEL R.	21385	SNEED CRAIG HEPPEL	7301	WILKINS SCOTTY H.
10571	NOEL EILEEN	22525	SOLOMON DAVID L. JR.	5087	WOMBACHER DELBERT F JR
12197	NWAUWA UGOCHUKWU W	13687	SPANN VIRGINIA FREEMAN	8921	WOODALL ROBERT PEYTON JR
21753	PARK KWONSIK	10087	SPAULDING BILLY B	16503	WOODLIEF DANIEL R. JR.
22767	PEARSON CHRISTOPHER CALLAWAY	10279	STANFILL TIMOTHY NEWTON	24193	WOODS ANDREW MAXIMILLIAN
18005	PEREZ FRANK	13481	STANFORD CHARLES EDWARD	8847	WREDLING DAVID PATRICK
20929	PHAN PHUOC VINH	22593	STANLEY TORY	21435	WRIGHT JONATHAN C
2069	PIPKIN RAYMOND P	19923	STEEN LLOYD WHITMAN	17375	WYATT CHRIS
18689	PITTMAN JOHN T III	21231	STEPHENS JAMES MICHAEL	10569	YANN SARAH BEE
15413	POENITSKE DELINIA D.	19253	STRICKLEN TODD ERIC	21135	ZIEGLER MICHAEL DAVID
4215	PRYOR BRENDA R	15157	SUMMERS MORRISA W.		

Did You Know?

You can gain additional Continuing Education credits for serving as the instructor of a CPE course. Instructors will earn three times the number of credits earned by attendees. Remember that you may earn no more than half of your required CPE hours through instructing, and you'll receive credit only for the first presentation of the course.

You may miss important information from the Board

if your address is not current. Renewal reminders, audit notifications, and other important notices are sent by mail and email. You're required to inform the Board of your new address.

Licensees may sign up to receive important updates regarding Accountancy Rules, fee changes, and other changes that may impact your license. Visit our [website](#) for instructions to sign up for email notifications.



Tennessee Department of Commerce & Insurance

Tennessee Board of Accountancy | 500 James Robertson Parkway | Nashville, TN, 37243-1141

Tel: 615-741-2550 | Fax: 615-532-8800 | tn.gov/commerce/section/accountancy

License Renewals

A license to practice public accountancy in the State of Tennessee is issued for a two-year period. In order to facilitate the processing of renewals, half of the licenses are renewed each year.

Even-numbered licenses will renew in 2016. Renewals are due to be completed by December 31st, with the renewal process beginning on November 2nd. A late fee of \$100.00 will be assessed on January 31, 2017 for all renewals that have not been received by that date. The late fee applies to both individual licenses and firm permits.

Near the beginning of November, you will receive a letter from the Department of Commerce and Insurance regarding our new online licensing system: <http://core.tn.gov>. If your address has changed since the last renewal, be sure to let our staff know so that the letter reaches you.

Firm permits expire December 31st of each year—don't forget to complete your firm permit renewal as well.

Our staff is standing by to help with any questions you may have about renewals and the online system.

Firm Ownership Form—Why Do We Ask?

At each renewal, firms are asked to complete and submit a firm ownership form. Accountancy Rule 0020-01-.11 requires firms to provide certain information each year, including ownership and peer review status. The firm ownership form is included with paper renewals, and may also be accessed on the Board's website. During online renewal, you are given the option to upload the completed form. If your firm submits a renewal without attaching the form, whether online or by mail, you will be contacted to submit the form so that the renewal may be completed.

Be an Early Bird

License renewal season begins on November 2nd, but you can create your online account now to beat the rush.

Visit <http://core.tn.gov/> and choose "Register a new account". You'll receive a temporary password by email that will allow you to log in and change to a password of your choosing. You may then select "Add Licenses To Registration" to add the license you'd like to renew.

Quick Start Menu
To start choose an option and you will return to this Quick Start menu after you have finished.

Additional Activities

Add Licenses To Registration Select

Welcome to INDCI OnlineQuickStart
What kind of a license did you hold, or did you apply for the past?

Step 1
Which board manages your license type? Selecting from this list narrows the available License Type drop-down list.

* INDCI Board: Accountancy How do I know?

* License Type: Accountancy - CPA How do I know?

Option A allows you to enter the license number, Zip Code, and the last four digits of your SSN.

Option B asks for the license number, Zip Code, and entity number. This is the number assigned to you in our database. Your entity number is included in the notification letter sent prior to renewal, or you may call the Board office to obtain it.

Step 2
Please provide your credentials
Required Information

Option A OR **Option B**

License Type: Accountancy - CPA

* License Number: How do I know?

* SSN: Last 4 Digits of SSN

* SSN (confirm): Last 4 Digits of SSN

* Zip Code:

License Type: Accountancy - CPA

* License Number:

* Indiv/Org Number ("entity" number):

* Zip Code:

When renewals are available in November, you can simply log in and select your license to renew.

Changes to Tennessee Accountancy Law

Governor Haslam recently signed legislation making changes to the Tennessee Accountancy Law. All changes were effective upon becoming law and are summarized as follows.

Executive Director Qualifications

The requirement that the board of accountancy's executive director be a certified public accountant has been eliminated. The law still allows the board to set the qualifications for the position.

Applicants for the CPA Exam

Allows applicants to sit for the exam once they have achieved a baccalaureate or higher degree conferred by a college or university acceptable to the board, with the total educational program to include an accounting concentration or equivalent as determined by board rule to be appropriate.



Peer Review

Gives the board authority to create rules that shall require licensees to remit certain peer review documents to the board to show compliance with the peer review requirement.

Also clarifies how the board will oversee entities administering a peer review program.

The legislation as filed can be found [here](#).

Audit Quality Employee Benefit Plans

A recent assessment of the quality of audit work performed by CPAs with respect to employee benefit plans covered under the Employee Retirement Income Security Act of 1974 (ERISA) found that nearly 40% of plan audits failed to comply with generally accepted auditing standards (GAAS), and that

- Firms with the smallest benefit plan audit practices had a 76% deficiency rate in complying with GAAS
- Audit areas that are unique to

employee benefit plans such as contributions, benefit payments, participant data and party-in-interest/prohibited transactions, were the most frequent areas containing audit deficiencies.

- The accounting profession's peer review and practice monitoring efforts have had limited success in identifying substandard benefit plan audit work.

What this means for Tennessee...

In Tennessee, there are 240 CPA firms, auditing 1,413 employee benefit

plans, covering 2,700,351 participants and \$107.048 in plan assets.

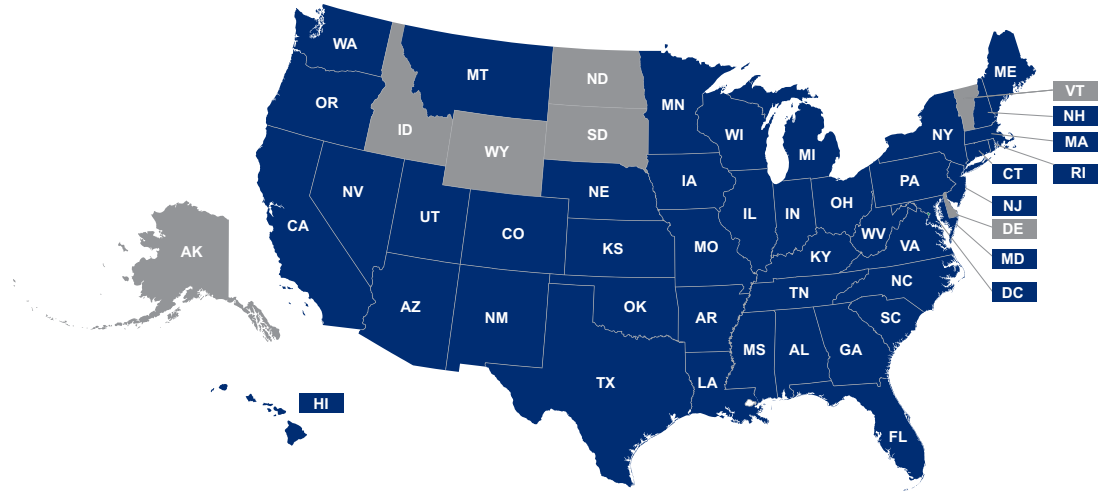
Quality financial statement audits are at the core of the CPA profession. Those CPAs who provide audits of employee benefits plans and other high risk industries should ensure they possess the unique technical expertise to do so. Substandard audit work may subject your clients to civil penalties and put your license at risk.

Read the full report at <http://www.dol.gov/ebsa/pdf/2014AuditReport.pdf>.

CPAs by Region

Tennessee's 10,573 Active licensees are based in 45 states and 10 foreign countries.

Alabama	86	Missouri	25	New Mexico	3	Other Country	14	Utah	1
Arizona	7	Montana	1	New York	31	Pennsylvania	23	Virginia	57
Arkansas	54	Nebraska	3	North Carolina	81	Rhode Island	2	Washington	11
California	48	Nevada	5	Ohio	30	South Carolina	40	West Virginia	3
Colorado	24	New Hampshire	3	Oklahoma	11	Tennessee	8951	Wisconsin	4
Connecticut	9	New Jersey	12	Oregon	5	Texas	176		
D.C.	10								
Florida	141								
Georgia	291								
Hawaii	2								
Illinois	30								
Indiana	16								
Iowa	7								
Kansas	4								
Kentucky	43								
Louisiana	17								
Maine	2								
Maryland	13								
Massachusetts	14								
Michigan	9								
Minnesota	4								
Mississippi	243								



Board Members and Meetings

The Tennessee State Board of Accountancy consists of nine CPAs, three from each grand division; a public member; and an attorney member. Members of the Board are appointed by the governor of Tennessee for terms of three years, expiring June 30, and may serve up to three terms.

- Don Royston, CPA, Chair – Kingsport
- Casey Stuart, CPA, Secretary – Chattanooga
- Janet Booker-Davis, CPA –

Franklin

- Stephen Eldridge, CPA – Jackson
- Larry Elmore, CPA-Knoxville
- Gay Moon, CPA – Nashville
- John Roberts, Attorney-at-Law – Nashville, Attorney Member
- Charlene Spiceland, CPA – Memphis
- Trey Watkins, CPA– Memphis
- Judy Wetherbee—Nashville, Public Member

The Board of Accountancy meets four times a year to discuss issues important to the profession.

Licensees and members of the public are always welcome to attend the meetings—and a CPA's attendance is eligible for one hour of CPE credit for state-specific ethics. Before planning to attend a meeting, be certain the meeting is being held as originally scheduled. Please contact our office for directions and parking information.

Meetings are currently scheduled to be held in 2016 on May 6th, July 15th, and October 21st.

Contact Information

Mailing Address:

State Board of Accountancy
500 James Robertson Pkwy
Nashville, TN 37243-1141

Telephone:

Phone: 615-741-2550
Toll Free: 888-453-6150
Fax: 615-532-8800
Email: Accountancy.Board@TN.Gov

Office Hours:

M-F 8:00am-4:30pm
CLOSED on all State Holidays