

**RULES
OF
THE DEPARTMENT OF COMMERCE AND INSURANCE
DIVISION OF REGULATORY BOARDS
TENNESSEE STATE BOARD OF ACCOUNTANCY**

**CHAPTER 0020-02
EDUCATIONAL AND EXPERIENCE REQUIREMENTS**

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0020-02-.01 RECOGNIZED COLLEGES AND UNIVERSITIES.

- (1) As used in this chapter, a “semester hour” means the conventional college semester hour. Quarter hours may be converted to semester hours by multiplying them by two-thirds. Semester hours received from a class for which dual credit is given may only be applied once towards an applicant’s required semester hours.
- (2) For purposes of evaluating the education qualifications of applicants for certificates under T.C.A. § 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 T.C.A. § 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

(Rule 0020-02-.01, continued)

- (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.
- (7) Notwithstanding the foregoing provisions of this rule, the Board may recognize, after thorough evaluation, any junior college, college or university holding membership in the Association of Independent Colleges and Schools for purposes of evaluating the educational qualifications of applicants pursuant to Tenn. Code Ann. § 62-1-106. Provided, however, the Board may impose such reasonable limitations as it deems necessary on the scope of recognition to be given any individual institution pursuant to this paragraph.

Authority: T.C.A. §§ 58-308, 62-1-105, 62-1-106, and 62-1-111. **Administrative History:** Original rule filed May 28, 1987; effective August 27, 1987. Amendment filed August 5, 1991; effective September 19, 1991. Amendment filed February 8, 1993; effective March 25, 1993. Amendment filed April 20, 1994; effective July 4, 1994. Repeal and new rule filed June 10, 1999; effective August 24, 1999. Amendment filed October 17, 2003; effective December 31, 2003. Amendment filed August 15, 2006; effective October 29, 2006. Amendments filed August 12, 2016; effective November 10, 2016. Amendments filed March 17, 2022; effective June 15, 2022.

0020-02-.02 EDUCATION.

- (1) An applicant will be deemed to have met the educational requirement for the purpose of being eligible to receive a certificate pursuant to T.C.A. § 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 T.C.A. § 62-1-106(c) which includes:

(Rule 0020-02-.02, continued)

- (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

(Rule 0020-02-.02, continued)

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 nine (9) semester or equivalent quarter hours may be internship programs. Of these nine (9) semester hours or equivalent quarter hours, a maximum of six (6) semester hours or equivalent quarter hours 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.
- (4) An applicant for CPA examination shall be deemed to have met the educational requirement solely for the purpose of being admitted to take the CPA examination pursuant to T.C.A. § 62-1-106(c)(2) if the applicant has earned a baccalaureate or higher degree from an accredited educational institution and obtained at least eighteen (18) semester or twenty-seven (27) quarter hours of accounting education at the upper division level, junior level courses or higher. Semester or quarter hours from internship programs may not be applied to the eighteen (18) semester or twenty-seven (27) quarter hours in accounting required by this paragraph.

(Rule 0020-02-.02, continued)

- (a) An application to sit for examination may be filed, processed and approved prior to the completion of a baccalaureate or higher degree so long as the applicant submits materials with the application that demonstrate that, at the time of the first examination, the applicant will have a baccalaureate or higher degree with the hours of accounting education required by paragraph (4).
- (b) A certificate of enrollment and certified transcript from the educational institution demonstrating that the applicant will have the required degree prior to the first examination shall be sufficient documentation to demonstrate that the applicant will have a baccalaureate or higher degree with the hours of accounting education required by paragraph (4) at the time of the first examination; provided, however, that the Board or its designee may accept such other reasonable documentation as an applicant may provide properly demonstrating that the applicant will have met the requirements of this paragraph prior to examination.
- (c) No credit will be given to an applicant for an examination if that applicant fails to successfully obtain a baccalaureate or higher degree with the hours of accounting education required by paragraph (4) prior to the time the applicant took the examination.

Authority: T.C.A. §§ 62-1-105 and 62-1-106. **Administrative History:** Original rule filed June 10, 1999; effective August 24, 1999. Amendment filed October 15, 2003; effective December 29, 2003. Amendment filed October 17, 2003; effective December 31, 2003. Amendment filed August 15, 2006; effective October 29, 2006. Repeal and new rule filed April 6, 2011; effective July 5, 2011. Amendment filed March 26, 2012; effective June 24, 2012. Amendments filed August 12, 2016; effective November 10, 2016. Amendments filed October 28, 2016; effective January 26, 2017. Amendments filed March 17, 2022; effective June 15, 2022. Amendments filed February 28, 2024; effective May 28, 2024.

0020-02-.03 EXPERIENCE.

- (1) The experience required to be demonstrated for issuance of an initial certificate pursuant to Tenn. Code Ann. § 62-1-106(j) shall meet the requirements of this rule.
 - (a) Experience may consist of providing any type of services or advice using accounting, attest, management advisory, financial advisory, tax or consulting skills.
 - (b) The applicant shall have his or her experience verified to the Board by a licensee as defined in the Act or a licensee from another state. Acceptable experience shall include employment in industry, government, academia or public practice. In evaluating experience, the Board shall consider such factors as the complexity and diversity of the work.
 - (c) One (1) year of experience shall consist of full- or part-time employment that extends over a period of no less than one (1) year and no more than three (3) years and includes no fewer than two thousand (2,000) hours of performance of services described in subparagraph (1)(a) above.
 - (d) In accordance with Tenn. Code Ann. § 62-1-108(c)(2) any individual licensee who is responsible for supervising attest services and signs or authorizes another person to sign the accountant's report on the financial statements on behalf of the firm, shall meet professional competency requirements and shall have no less than two (2) years of experience satisfactory to the Board in the preparation of financial statements or reports on financial statements.
 - (e) Experience must be earned within the ten (10) year period immediately preceding the latest application for a certificate under the Act.

(Rule 0020-02-.03, continued)

(2) Evidence of Applicant's Experience.

- (a) Any licensee who has been requested by an applicant to submit to the Board evidence of the applicant's experience and has refused to do so shall, upon request by the Board, explain in writing or in person the basis for such refusal.
- (b) The Board may require any licensee who has furnished evidence of an applicant's experience to substantiate the information.
- (c) Any applicant may be required to appear before the Board or its representative to supplement or verify evidence of experience.
- (d) The Board may inspect documentation relating to an applicant's claimed experience.

Authority: T.C.A. §§ 62-1-105, 62-1-106, 62-1-107, and 62-1-108. **Administrative History:** Original rule filed June 10, 1999; effective August 24, 1999. Amendment filed October 15, 2003; effective December 29, 2003. Amendment filed August 15, 2006; effective October 29, 2006.