STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE BOARD OF ACCOUNTANCY
500 James Robertson Parkway
Davy Crockett Tower
Nashville, TN 37243-1141
615-741-2550 or 888-453-6150
Program Website: https://www.tn.gov/commerce/section/accountancy

This meeting of the Tennessee State Board of Accountancy was held on Tuesday, February 9, 2016 at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1-A.

MEMBERS PRESENT:	Don Royston, Chair Larry Elmore Gay Moon Gabe Roberts Judy Wetherbee, arriving at 1:13pm
MEMBERS PRESENT BY PHONE:	Casey Stuart, Secretary Janet Booker-Davis Stephen Eldridge Charlene Spiceland Trey Watkins
STAFF PRESENT:	Wendy Garvin, Acting Director Don Mills, Investigator Ray Butler, Investigator Karen Condon, Board staff
LEGAL COUNSEL	Michael Driver, Deputy General Counsel, Regulatory Boards & Consumer Affairs Anthony Glandorf, Chief Counsel Benjamin Glover, Assistant General Counsel
MEMBERS OF THE PUBLIC PRESENT:	Brad Floyd, TSCPA Mark D. Gregory Warren Pennington

CALL TO ORDER
Mr. Royston called the meeting to order. Board members present identified themselves by roll call.

Mr. Royston read a Statement of Necessity, explaining the need for the rescheduled meeting.

MOTION and second to approve the Statement of Necessity. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye		

MOTION and second to adopt Robert's Rules of Order. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye		

MOTION and second to approve the minutes for meetings held on July 17, 2015 and Oct 16, 2015. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye		

DIRECTOR'S REPORT – Wendy Garvin, Acting Director

Ms. Garvin presented the report and requested approval for two new meeting dates: October 16, 2016 and January 17, 2017.

MOTION and second to approve the proposed meeting dates. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

Mr. Royston welcomed Judy Wetherbee to the Board.

APPLICANT INTERVIEW – Mark D. Gregory

Mr. Gregory answered questions from the Board in support of his CPA license application. The original application had been denied due to Mr. Gregory's felony conviction.

MOTION and second to approve the application. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

REINSTATEMENT REQUEST – Warren Pennington

Mr. Pennington was present via telephone and answered questions from the Board in support of his application to reinstate a revoked CPA license. Mr. Pennington had traveled from Texas for the cancelled meeting on January 22, and received permission to attend this meeting telephonically.

MOTION and second to approve Mr. Pennington's application. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

REINSTATEMENT REQUEST – Tracy Wright
Ms. Wright did not appear in support of her application to reactivate a revoked CPA license. Ms. Wright was notified of the rescheduled meeting date.

MOTION and second to deny the application due to applicant's failure to appear before the Board as required. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	recused	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

The meeting was recessed for 10 minutes, reconvening at 2:10pm. Members present identified themselves by roll call.

Mr. Glover read to the Board a faxed letter received from Tracy Wright during the meeting. Ms. Wright believes she fulfilled her obligation to appear before the Board at the meeting on July 17, 2015.

MOTION and second to stand by the Board's prior decision regarding this application.

MOTION and second to amend the prior motion to allow Ms. Wright to attend the meeting in May 2016 rather than to deny the application at this meeting. The motion was passed by majority vote as follows:

Janet Booker-Davis	aye	Don Royston	nay
Stephen Eldridge	nay	Charlene Spiceland	nay
Larry Elmore	recused	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	nay

MOTION and second to approve the amended motion. The motion was passed by majority vote as follows:

Janet Booker-Davis	aye	Don Royston	nay
Stephen Eldridge	nay	Charlene Spiceland	nay
Larry Elmore	recused	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	nay

EXECUTIVE COMMITTEE – Don Royston, Committee Chair
Mr. Royston noted that all Committee members were present during the meeting on January 21, 2016.

Ms. Garvin had recommended to the Committee the elimination of one Investigator position, which the Committee was in favor of. Ms. Garvin asked that this request be considered in conjunction with the revised budget proposal.

MOTION and second to approve the revised budget, to allow the Director to review criteria and determine necessary staffing changes, and for the Board to accept Ms. Garvin's recommendation. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

LICENSING COMMITTEE – Stephen Eldridge, Committee Chair

Firm Name Request – Eddy & Company, CPA, PC

MOTION and second to approve the Committee's recommendation to deny the request based on Board Policy Statement III (1). The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	aye
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

Firm Name Request – 1 Hot CPA

MOTION and second to approve the Committee's recommendation to deny the request with reference to Board Policy Statement III (2). The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

Firm Name Request – OPIS Financial Services

MOTION and second to approve the Committee's recommendation to approve the request. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	nay
Stephen Eldridge	nay	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

Firm Ownership – ESOP, Corporations
The Committee was asked to consider whether an employee stock ownership plan (ESOP) or an incorporated individual may be a minority owner in a firm.

The Board tabled discussion of this issue pending more information from Legal, which will be presented at the next meeting.

Request to Approve ASPPA Exams for CPE Credit
The Board was asked to clarify a prior ruling regarding ASPPA exams.

MOTION and second to approve the ASPPA exams RPF1, RPF2, and DC1 for CPE credit. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

Payroll Accounting Course
The Committee was asked if the Payroll Accounting course offered by Pellissippi State would qualify as an upper division course.

MOTION and second to approve the Committee's recommendation to deny the request.
The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	no vote	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

MBA Accounting Course
The Committee was asked if the course "Fundamentals of Financial Accounting", offered as part of a Master's of Management program at Trevecca Nazarene University, would qualify for upper division credit.

MOTION and second to allow the Executive Director to make decisions regarding such requests. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

Mr. Royston raised the topic of the information regarding felony convictions asked of applicants. Currently, applications ask if the applicant has been convicted of a felony within the previous 5 (five) years.

MOTION and second to remove the reference to the five-year time frame and to request the applicant to provide the date and nature of the felony. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote

Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

MOTION and second to amend the application question regarding felonies to ask if the applicant has been charged with, or convicted of, a felony. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

LAW AND RULES COMMITTEE—Trey Watkins, Committee Chair

Follow-up on rule changes from October 2015 meeting

The Board tabled discussion of the activities allowed to Inactive licensees.

Consider rule – Instructors receiving credit for presenting and attending

The Committee recommended that Legal draft language that would prohibit this activity.

ENFORCEMENT COMMITTEE—Casey Stuart, Committee Chair

Mr. Stuart referred to the Legal Report as revised following the Committee meeting.

MOTION and second to recommend approval of the recommendation for item 17. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	recused	Judy Wetherbee	aye

MOTION and second to recommend approval of the recommendations in items 1-16 and 18-27. The motion was unanimously passed by roll call vote as follows:

Janet Booker-Davis	aye	Don Royston	aye
Stephen Eldridge	aye	Charlene Spiceland	no vote
Larry Elmore	aye	Casey Stuart	aye
Gay Moon	aye	Trey Watkins	aye
Gabe Roberts	aye	Judy Wetherbee	aye

OLD BUSINESS

House Bill 1893 has passed the Senate vote and a vote in the House Committee is pending.

The Sunset Bill, extending the Board of Accountancy through June 30, 2020, has passed the Senate floor and House Committee. The bill will go before the House floor next week. Ms. Garvin will write an action report detailing the manner in which the Board has addressed issues noted in the recent audit.

TN Department of Commerce & Insurance

NEW BUSINESS

Mr. Roberts noted that the materials submitted to the Board regarding the firm permit application for 1HotCPA contained a business card for the enterprise received by Board staff from an anonymous source. Mr. Glover clarified that a complaint would be opened if the applicant does not comply with the Board ruling within 60 days.

Regarding fictitious firm names, Mr. Roberts asked whether Board staff reviews the Secretary of State's listing of fictitious name filings. The staff does not currently do so.

Ms. Wetherbee asked if CPA exam candidates are subject to background checks. Ms. Garvin will check with CPA Examination Services for the answer.

ADJOURN

With no further business before the Board, the meeting was adjourned at 4:04pm.

C. Don Boyatzis
Chair

Casey M. Stuart
Secretary

Attachments:

Statement of Necessity

Director's Report

FY17 Budget Information

Legal Report