

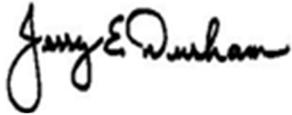


JASON E. MUMPOWER
Comptroller

July 29, 2021

Memorandum

To: All Municipal Mayors, Board Members, and Financial Officers

From: Jerry E. Durham, CPA, CGFM, CFE, Assistant Director
Division of Local Government Audit 

Subject: Public Chapter No. 533 - Amendments to the Municipal Finance Officer Certification and Education Act of 2007

Tennessee Code Annotated, Title 6, Chapter 56, Part 4, relative to the Municipal Finance Officer Certification and Education Act of 2007 was amended by the General Assembly and became a law on May 25, 2021. We would like to inform you the following changes.

	New	Old
Annual Continuing Professional Education (CPE) Requirement	16 Hours	24 Hours
Carry-over Hours	No carry-over hours allowed	Maximum of 24 hours to the next calendar year
TCA 6-56-406(d) added	May contract with a CPA to perform the duties of a CMFO. The contracted CMFO shall devote a minimum of 16 hours per month to financial oversight on behalf of the municipality.	

Public Chapter No. 533 and Frequently Asked Questions are enclosed for your reference.

If you have any questions or need further assistance, please call 615.747.8851 or email Mark.Fawver@cot.tn.gov.

Frequently Asked Questions and Answers for the New CPE Requirements

- 1. The CPE annual requirement for all CMFOs and CPE only cities has changed and is effective for the 2021 calendar year. What does this mean to you?**

It means that you will be required to obtain a minimum of 16 hours of CPE for 2021 and subsequent years rather than the 24 hours of CPE that was previously required. However, all 16 hours are required to be “financial” in nature and must be completed on or before December 31st. Previously, CMFOs were allowed to obtain 8 hours of “other nonfinancial CPE”. CPE must be reported in the CMFOA system no later than by the end of February to receive credit.

- 2. I took CPE in 2020 and was not required to. Will these hours carryover?**

Yes, if you took CPE on or before December 31, 2020, and submitted the hours before the end of February 2021, these hours will be permitted to carryover to 2021 and count toward your 16-hour requirement.

- 3. Why are my carryover hours from 2019 not counted toward the 2021 requirement?**

Carryover hours have never been recognized beyond one year because the hours become outdated. It is important to stay current with the latest events and changes affecting local governments.

- 4. How will carryover hours be counted in the future?**

Carryover hours will no longer be allowed going forward as part of the amendment to TCA 6-56-404 effective on May 25, 2021.

- 5. Can I take advantage of the CPE offered by the Comptroller’s Office in the fall?**

If you are a CMFO, you will have the opportunity to participate in the CPE offering that will take place at different locations across the state. If you are current and active in our CMFOA system, you will be notified of the details for the upcoming events via the personal email you have on file in the system. However, we encourage you to take CPE when you have the opportunity and not to wait for the event. Be sure to keep your contact information current in our CMFOA system.

- 6. I completed the CMFO program this year (for example, 2021). Will I be required to obtain 16 hours of CPE during 2021?**

Although not required to take the 16 hours of CPE the initial year of passing the CMFO program, the Comptroller’s office strongly encourages you to take CPE whenever possible to strengthen your skills, knowledge, and education.

- 7. When will I receive my CMFO certificate?**

Certificates are typically mailed two times during the year - March and December. When your application for the certificate is approved, the confirmation email with the completion date serves as your notification of being officially certified and active even though the certificate is mailed later. Additionally, you may use the CMFO designation on your business cards and your correspondence when you have received the confirmation email from our office.

8. Why are my LinkedIn classes disallowed?

Many CMFOs and CPE only individuals are uploading CPE certificates received from LinkedIn Learning courses and finding that their submissions are disallowed. Only specific LinkedIn Learning classes approved by the National Association of State Boards of Accountancy (NASBA) are accepted by our office. The list of acceptable LinkedIn classes can be found on the NASBA class sponsor registry, but don't forget that it must be "financial" in nature to qualify. Many of the LinkedIn Learning curriculum are "other nonfinancial" type hours and will not count toward your required 16 financial hours. For approved LinkedIn Learning courses, search the NASBA website at:

<https://www.nasbaregistry.org/course-library?&searchTerm=LinkedIn&searchgroup=00000001-course-library> .

9. Who can I contact to find out more information about the CMFO requirements and CPE?

You can contact Mark Fawver at Mark.Fawver@cot.tn.gov .

Contracted CMFOs

There are several CMFO certified individuals that do not serve as the Chief Financial Officer of a municipality but provide oversight services as a contracted CMFO to municipalities that are having difficulty finding someone to serve as CMFO. It is not permissible to be the Chief Financial Officer of a municipality and act as a contracted CMFO with another municipality. However, if you are certified, either as a CMFO that is not the Chief Financial Officer or an exempt individual such as a CPA, CGFM, or CPFO, you are permitted to provide oversight services if you are able to devote a minimum of 16 hours per month to financial oversight on behalf of the municipality as required by TCA, 6-56-406(d). Contracted CMFOs are required to discuss your intentions to contract with more than one municipality with our office before entering into an agreement with that municipality to determine if the workload makes sense.



State of Tennessee

PUBLIC CHAPTER NO. 533

HOUSE BILL NO. 656

By Representatives Moon, Camper

Substituted for: Senate Bill No. 538

By Senators Stevens, Roberts

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 56, Part 4, relative to the Municipal Finance Officer Certification and Education Act of 2007.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 6-56-404(a), is amended by deleting the subsection and substituting the following:

(a) To maintain certification, a certified municipal finance officer (CMFO) must earn at least sixteen (16) hours of continuing professional education (CPE) of financial education each calendar year after receiving the designation. CPE hours in excess of sixteen (16) hours are not carried over to the next calendar year. CPE hours must be filed with and maintained by the comptroller of the treasury's office, which must keep individual records on CMFOs and CMFO candidates. The comptroller may allow exceptions to the continuing education requirement for good cause shown.

SECTION 2. Tennessee Code Annotated, Section 6-56-406, is amended by deleting the section and substituting the following:

(a) If it becomes necessary for a municipality to hire an individual in a position in which the CMFO designation is required by § 6-56-402, then the individual hired shall either be exempt as provided in § 6-56-405 or become certified within two (2) years of the hiring date.

(b) If the CMFO or exempt municipal finance officer leaves employment with the municipality, then the municipality has two (2) years from the date of the departing municipal finance officer's last day of employment to comply with § 6-56-402.

(c) For municipalities that have been subject to § 6-56-402(b), and circumstances change that would make them subject to § 6-56-402(a), the municipality is required to comply with § 6-56-402(a) within two (2) years from the earlier of:

(1) The submission date of the financial report used to determine that the municipality is subject to § 6-56-402(a); or

(2) Six (6) months following the fiscal year end of the financial report used to make the determination.

(d) Notwithstanding this section, a municipality may contract with a certified public accountant to perform the duties of a CMFO. The contracted CMFO shall devote a minimum of sixteen (16) hours per month to financial oversight on behalf of the municipality.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

