

SENATE BILL 2288

By Yager

AN ACT to amend Tennessee Code Annotated, Title 5, to enact the County Finance Officer Certification and Education Act of 2012.

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

SECTION 1. Tennessee Code Annotated, Title 5, is amended by adding Sections 2 through 9 of this act as new, appropriated designed chapter:

SECTION 2. This act shall be known and may be cited as the County Finance Officer Certification and Education Act of 2012.

SECTION 3.

(a) To ensure competence in the handling of county funds and the protection of public moneys:

(1) Each county with a central finance department that administers the finances of the county for all funds of the various departments, agencies, boards, and component units that are handled by the county trustee; or

(2) Individually, each county mayor/executive's office, highway department, and school department with noncentralized accounting systems, shall have in its employ, except as provided in section (b) and (c) below, at least one (1) certified county finance officer (CCFO) or an exempt individual as director of finance or other official or employee who has oversight responsibilities for funds of the department or office that are handled by the county trustee.

(b) Each county with a central finance department that administers the finances of the county for all funds of the various departments, agencies, boards, and component units that are handled by the county trustee or individually, each county mayor/executive's office, highway department, and school department with

noncentralized accounting systems with an aggregate of fifty million dollars (\$50,000,000) or more in gross revenues for all funds handled by the county trustee may, instead of employing a CCFO(s) or an exempt individual, contract with a CCFO(s) or a qualified individual(s) who is exempt from CCFO certification for financial oversight.

(c) Each county with a central finance department that administers the finances of the county for all funds of the various departments, agencies, boards, and component units that are handled by the county trustee or individually, each county mayor/executive's office, highway department, and school department with noncentralized accounting systems with an aggregate of gross revenues below fifty million dollars (\$50,000,000) for all funds handled by the county trustee may, instead of employing a CCFO(s) or an exempt individual, or contracting with a CCFO(s) or a qualified individual(s) who is exempt from CCFO certification for financial oversight, shall be required to have in their employment an individual who has met the CEU requirements of Section 5.

(d) Any central finance department that administers the finances of the county for all funds of the various departments, agencies, boards, and component units that are handled by the trustee or individually, each county mayor/executive's office, highway department, and school department with noncentralized accounting systems that have a negative change in net assets for a period of three (3) consecutive years, or is in default on any indebtedness, shall be deemed financially distressed and shall be required to employ a CCFO(s) or an exempt individual, or contract with a CCFO(s) or a qualified individual(s) who is exempt from CCFO certification for financial oversight.

#### SECTION 4.

(a) The county technical assistance service (CTAS) of the University of Tennessee's institute for public service, with the approval of the state comptroller's

office, shall develop a curriculum, including testing, leading to the designation certified county finance officer (CCFO). The program shall include at least eighty (80) combined hours of course and lab work, including the following topics:

- (1) Governmental environment;
- (2) Auditing and internal controls;
- (3) Governmental accounting and grants administration;
- (4) Financial reporting;
- (5) Budgeting;
- (6) Debt administration;
- (7) Cash and investment management;
- (8) Strategic planning and capital improvement plans;
- (9) Pensions and benefits administration and risk management; and
- (10) Procurement and enterprise resource planning systems.

(b) A candidate for the CCFO designation shall be at least eighteen (18) years of age and must be a high school graduate or the equivalent.

(c) To achieve the CCFO designation, a candidate shall demonstrate proficiency in the subject matter by passing a series of examinations on the course materials. A CCFO candidate, however, may choose to take an examination on the subject matter before taking a course, except for the course covering governmental environment, which is mandatory for all candidates. If the candidate makes a passing grade on the examination, the candidate shall receive credit toward the CCFO designation without attending the training class in which the particular subject matter is covered. A candidate who passes all the examinations covering the ten (10) topics listed in subsection (a) shall be eligible to receive the CCFO designation, and shall receive that

designation upon application to and certification by the comptroller of the treasury's office.

(d) Training will be provided and examinations administered by the staff of the CTAS or by individuals or contractors approved by the comptroller of the treasury.

SECTION 5. To maintain certification, a certified county finance officer (CCFO) shall earn at least twenty-four (24) hours of continuing education units (CEUs) of financial education each calendar year after receiving the designation. A CCFO wishing to maintain certification who earns more than the minimum CEUs during any calendar year may carry over to the next calendar year a maximum of twelve (12) CEUs. CEUs shall be filed with and maintained by the county technical assistance service (CTAS) of the University of Tennessee's institute for public service, which shall keep individual records on CCFOs, CCFO candidates, and other individuals required to meet the CEU requirements of this section.

#### SECTION 6.

(a) The following individuals with financial oversight responsibility employed as a finance officer by a central finance department, county mayor/executive's office, highway department, or school department and who would otherwise be required to have the certified county finance officer (CCFO) designation are exempt from the educational requirements leading to the CCFO designation, but shall comply with the continuing educational requirements of Section 5:

(1) An individual designated as a certified government finance manager (CGFM) by the association of government accountants;

(2) An individual designated as a certified public finance officer (CPFO) by the government finance officers association;

(3) An individual licensed as a certified public accountant (CPA) by the state board of accountancy and in active status who has a minimum of five (5) years of primarily governmental experience.

(b) An individual employed as a county finance officer with financial oversight responsibility who would otherwise be required to have the CCFO designation but who is claiming exemption shall send proof of exemption to the comptroller of the treasury and to the county technical assistance service (CTAS) of the University of Tennessee's institute for public service. The comptroller shall acknowledge an exemption in an appropriate manner determined by the comptroller. CTAS shall keep a record of exempted individuals and their continuing education units earned.

#### SECTION 7.

(a) Each county with a central finance department that administers the finances of the county for all funds of the various departments, agencies, boards, and component units that are handled by the county trustee or individually, each county mayor/executive's office, highway department, and school department with noncentralized accounting systems shall comply with the requirements of Section 3, based on the following schedule determined by the aggregate gross revenues for all funds handled by the county trustee, during the July 1, 2010, to June 30, 2011, fiscal year:

Gross Revenues	Compliance Date
\$50 million or more	January 1, 2017
Less than \$50 million	January 1, 2018

(b) After the compliance date applicable to a central finance department or individually, each county mayor/executive's office, highway department, or school department has passed and it later becomes necessary for the central finance

department or individually, each county mayor/executive's office, highway department, or school department to hire or contract with an individual in a position in which the CCFO designation is required, the individual hired shall either be exempt as provided in Section 6 or shall become certified within two (2) years of the hiring date.

(c) If a central finance department or individually, each county mayor/executive's office, highway department, or school department is in compliance before the applicable mandatory compliance date in subsection (a) and the CCFO or exempt finance officer leaves employment with the central finance department, county mayor/executive's office, highway department, or school department within two (2) years before the applicable mandatory compliance date, leaving the central finance department, county mayor/executive's office, highway department, or school department in noncompliance, the central finance office, county mayor/executive's office, highway department, or school department shall have two (2) years from the date of the departing finance officer's last day of employment to comply.

SECTION 8. Any central finance department, county mayor/executive's office, highway department, or school department determined by the comptroller of the treasury to be in violation of Section 3 is subject to a civil penalty to be levied by the comptroller of up to fifty dollars (\$50.00) per day during the entire time the violation continues.

SECTION 9. The comptroller of the treasury may issue any rules necessary to implement this part.

SECTION 10. This act shall take effect on July 1, 2012, the public welfare requiring it.