

BACKGROUND

In 2007, the General Assembly enacted legislation that required each municipality to employ at least one certified municipal finance officer (CMFO), or individual with equivalent education qualifications.

The following individuals are exempt from the requirements leading to the CMFO designation, but must comply with continuing professional education (CPE) requirements:

- An individual designated as a certified government finance manager (CGFM) by the Association of Government Accountants;
- A certified public finance officer (CPFO) by the Government Finance Officers Association;
- Or a certified public accountant (CPA) by the state board of accountancy and in active status who has a minimum of five years of primarily governmental experience with at least three of those years in Tennessee.

The Municipal Technical Advisory Service (MTAS), in conjunction with the State Comptroller of the Treasury, develops the curriculum and provides the training and testing leading to the CMFO designation. To maintain certification, a CMFO must earn at least 24 CPE hours per year, at least 16 must be classified as financial per CMFO categories.

A municipality that does not comply with the requirement is subject to a penalty of up to a 15 percent reduction in annual state sales tax revenue. The penalty will be refunded once the city or town comes into compliance.

Certified County Finance Officer Program

The Comptroller of the Treasury and the Tennessee County Technical Assistance Service (CTAS) have developed a similar program that provides Tennessee's county financial officers an opportunity to learn about accounting and financial reporting principles. CTAS administers the educational program and testing required to achieve the Certified County Finance Officer (CCFO) designation. The Comptroller's Office has been designated as the certification authority. This certification is voluntary and not mandated by state statute.

To maintain the CCFO certification in an active status, CCFOs are required to complete at least 16 hours of continuing professional education (CPEs) per year in financial related subjects.

Qualified county employees who complete the initial CCFO training program are eligible for a one-time educational stipend of \$1,000 paid from the Comptroller's Office. In addition, the employer may apply for and be reimbursed by the Comptroller for travel expenses incurred by an employee attending these initial training classes.

CMFO and CCFO Training Requirements

Both certifications require completion of an 11-Course curriculum designed to ensure competence in the handling of municipal or county funds and the protection of public moneys. Courses include Internal Control and Audit, Government Accounting, and Payroll, Benefits, and Pensions. The 11 courses are completed in sequence, with an exam after each course. After completing the curriculum and achieving a passing grade on each exam, candidates are eligible to receive CMFO or CCFO certification.

PROBLEM

The problem is an equity issue. While the CMFO and CCFO programs are similar, there are some notable differences. The CCFO program, which is voluntary, contains a \$1,000 stipend and reimbursement component for course fees and travel-related expenses. There is no reimbursement or stipend available to municipalities for the CMFO program, which is mandatory.

REMEDY

Develop a reimbursement program for municipal officials that provides an annual \$1,000 stipend to certified CMFOs and reimbursement for course fees and travel-related expenses to offset the cost of compliance with this mandate.

