

## STATE AUTHORIZATION FLOWCHART

### Is the entity a postsecondary educational institution ("PEI")?

Per [TCA 49-7-2003\(15\)](#), there are four questions to answer:

1. Is the entity a school, college, university, or other type of entity?
2. offering educational credentials, instruction, educational services, or other activities as described in § 49-7-2007?
3. Are the offerings primarily to persons who have completed or terminated their secondary education, or who are beyond the age of compulsory high school attendance?
4. Are the offerings for the attainment of educational, professional, or vocational objectives?

Yes

No

Authorization to operate pursuant to the THEAA is not required. An exemption might be available. **End of analysis.**

### Does your PEI participate in State Authorization Reciprocity Agreement ("SARA")?

SARA is an interstate reciprocity agreement that allows out-of-state institutions offering distance education to engage in certain activities in Tennessee if the institution is approved by its Home State for participation in SARA. Tennessee became a SARA member in 2015. More information on SARA is available at the [website for the National Council of SARA](#), the SARA national administrative

Yes

No

Are the PEI's activities in Tennessee limited to those listed in Section 5.10 of the [SARA Policy Manual](#)?

Yes

No

The institution's Home State approval to participate in SARA is recognized and direct authorization in Tennessee is not required. [See TCA Title 49, Chapter 7, Part 15.](#) **End of analysis.**

### Is your PEI creating a physical presence in Tennessee?

Per [Rule 1540-01-02-.03\(40\)](#), Physical Presence includes but is not limited to:

1. Operating a location within the state;
2. Offering instruction within or originating from Tennessee designed to impart knowledge with response utilizing teachers, trainers, counselors or computer resources, computer linking, or any form of electronic means;
3. Granting an educational credential from a location within the state;
4. Using an agent, recruiter, institution, or business that solicits for enrollment or credits or for the award of an educational credential; or
5. Advertising, disseminating promotional material or conducting public solicitation in any form that targets Tennessee residents or uses local advertising markets in the state for institutions seeking, holding, or required to be authorized by the Commission.

See [Distance Education Authorization in Tennessee](#) for answers to commonly asked about distance education physical presence.

Yes

No

### Is your PEI Exempt?

Together TCA 49-7-2004 and Rule 1540-01-02-.05, list 23 exemptions. A summary of exemption authorities is available [HERE](#). Examples include:

- Preschool through twelfth grades
- Eleemosynary institutions, organizations, or agencies and the education is not advertised or promoted as leading toward educational credentials
- Postsecondary educational institutions that are established, operated, and governed by Tennessee or its political subdivisions
- The "20 Year Exemptions" – primary campus domiciled in the same state for 20 consecutive years, is accredited for 20 consecutive years, is chartered as a not-for-profit for 20 consecutive years, meets acceptable financial standards, and does not engage in supervised field experiences in Tennessee without a physical location in Tennessee
- Education maintained or given by or on behalf of an employer or group of employers on a no fee basis and offered to employees or to persons they anticipate employing (Note that Pursuant to Rule 1540-01-02-.05(b): "Any tuition charges, other fee charges, payroll deductions, minimum employment periods as a result of a company's investment in the employee, fees levied if an individual leaves that employment, or similar practices shall constitute a fee to the individual, except that the employer may accept funds provided through a state or federal program that provides adequate institutional and/or programmatic review as determined by Commission staff.")
- Education is financed or subsidized by public funds to students on a no fee basis and the enrollment is closed.

Yes

No

Authorization is required in Tennessee. [See TCA Title 49, Chapter 7, Part 20.](#) A comparison chart of authorization options is available [HERE](#). **End of analysis.**

Authorization to operate pursuant to the THEAA is not required. Institutions may request a formal exemption determination, but are not required to do so to meet the statutory or regulatory requirements for exemption. However, THEC does offer this service as third parties may request the institution provide a formal determination.

The Exemption Determination Request form is available [HERE](#).

The Exemption Authority Citations are available [HERE](#).

**End of analysis.**