



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Financial Management

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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Financial Management

Private Acts of 2018 Chapter 47

SECTION 1. This act shall be known and may be cited as the "Maury County Financial Management System of 2018".

SECTION 2. It is the purpose of this chapter to provide Maury County with a modern and efficient system for the management of county finances, including, but not limited to, accounting, budgeting, purchasing, debt management, grant management, payroll, and cash management.

SECTION 3.

(a) This chapter shall become effective in Maury County upon a two-thirds (2/3) majority vote of the county legislative body adopting this chapter.

SECTION 4. As used in this chapter, unless the context otherwise requires:

(1) "Agency" means any entity of the county government, including, but not limited to, boards, commissions, departments and offices headed by employees or officers of the county whose funds are maintained by the county trustee;

(2) "Capital asset" means land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period;

(3) "Chief administrative officer" has the same meaning as defined in § 54-7-103;

(4) "County mayor" means county executive or county mayor;

(5) "Purchase" means the purchase, lease, lease-purchase, or contract for procurement of real and personal property or services or any combination thereof; and

(6) "Special committee" means any of the following: budget committee, purchasing committee, investment committee, or debt management committee.

SECTION 5.

(a) There is created a finance department to administer the finances for all funds of the county maintained by the county trustee.

(b) The finance department shall be responsible for accounting; budgeting; purchasing, unless a separate central purchasing department is created as provided in Section 9(e)(2); debt management; grant management; payroll; and cash management for all agencies of the county as provided in this chapter. The finance director, with the approval of the Financial Management Board, shall develop a system in conformity with generally accepted governmental accounting principles and practices prescribed by the comptroller of the treasury.

(c) The operating budget of the finance department and central purchasing department, if created, shall be allocated between the county general fund, county highway fund and county general purpose school fund. Each fund's allocation shall be based upon the percentage of expenditures budgeted from the fund in the last adopted operating budget of the county for a fiscal year as compared to the total expenditures budgeted from these three (3) funds. The county legislative body may elect to permanently reallocate revenues and expenditures from these three (3) funds and fund the budget of the finance department and central purchasing department, if created, solely in the county general fund without affecting maintenance of effort in the highway fund and county general purpose school fund.

(d) The county legislative body shall provide adequate office space and shall appropriate adequate funds for equipment and supplies necessary for the efficient operation of the finance department and central purchasing department, if created.

(e) All employees performing the functions of accounting, budgeting, purchasing, debt management, grant management, payroll, and cash management for the various agencies of the county shall be transferred to the finance department or central purchasing department and shall function under the supervision of the finance director or purchasing agent, except for the following: any employees the finance director or purchasing agent does not require and the head of the agency agrees to retain, and employees of any officer enumerated in Tennessee Code Annotated, Section 8-22-101, needed to perform the duties of such office as determined by such county officer. Notwithstanding any other law to the contrary, all employees transferred to the finance department or central purchasing department and the salaries, benefits, and

expenses relating to such personnel shall be budgeted under the finance department or central purchasing department. Officers enumerated in Tennessee Code Annotated, Section 8-22-101, may continue to have employees to perform duties regarding receipt and disbursement of funds, and accounting for same, which are directly related to the duties of their respective offices; provided, that all other accounting, budgeting, purchasing, debt management, grant management, payroll and cash management functions shall be performed by the finance department or central purchasing department, except as otherwise specified in this chapter.

(f) All fees and commissions allowed, collected or in any manner received by any county officer enumerated in Tennessee Code Annotated, Section 8-22-101, as a fee or commission of the office shall be transferred to the county trustee monthly and deposited in the county general fund. The county legislative body shall make the necessary appropriations from the county general fund and pay to any officer enumerated in Tennessee Code Annotated, Section 8-22-101, the salary as fixed by Tennessee Code Annotated, Section 8-24-102, and the authorized expenses fixed by law for the operation of the office, including the salaries and related expenses of all deputies and assistants as authorized by Tennessee Code Annotated, title 8, chapter 20, irrespective of the fees earned or collected by the officers. The number and salary of deputies and assistants of the officers listed in Tennessee Code Annotated, Section 8-22-101, shall continue to be set pursuant to Tennessee Code Annotated, title 8, chapter 20.

(g) Any county officer enumerated in Tennessee Code Annotated, Section 8-22-101, shall continue to maintain an official bank account as provided in Tennessee Code Annotated, Section 5-8-207.

(h)

(1) Notwithstanding subsections (a)-(g), the county legislative body, by resolution adopted by a two-thirds (2/3) majority vote, may exclude from this chapter any facility that is owned or operated by the county and utilizes an enterprise fund, including, but not limited to, any nursing home, long-term care facility, or assisted living facility. If any of these facilities are excluded, the county legislative body may establish, by resolution, after allowing the Maury county Financial Management Board to submit recommendations, financial procedures and reporting requirements for these excluded facilities, including:

(A) Monthly financial reports;

(B) Annual audits by persons or entities approved by the Maury County Financial Management Board and the comptroller of the treasury;

(C) Inspection of records, bank statements, and other financial records; and

(D) Approval of the annual budget by the county legislative body after receiving the recommendation of the budget committee.

(2) If the funds of a facility are excluded from the provisions of this chapter pursuant to this subsection (h), the funds of the facility may be included for the next succeeding fiscal year and each succeeding fiscal year upon adoption of a resolution of the county legislative body by a two-thirds (2/3) majority vote.

(i) Notwithstanding (a)-(g), the Maury County Hospital DBA Maury Regional Medical Center (Hospital) or any other joint venture owned in whole or in part by the Hospital or its subsidiaries, and the Maury County Water System shall not be subject to this Private Act.

SECTION 6.

(a) A Maury County Financial Management Board is created.

(b) The Maury County Financial Management Board shall consist of seven (7) members as follows: the county mayor; county trustee; chairperson of the county board of education; and four (4) members of the county legislative body (no more than one (1) commissioner per district) elected by the county legislative body.

(c) The Maury County Financial Management Board at its first meeting after September 1 of each year shall elect a chairperson for a term of one (1) year and shall annually elect a vice-chairperson who shall serve as chair of the Maury County Financial Management Board during the absence of the chairperson.

(d) The Maury County Financial Management Board shall meet quarterly. Also, an additional meeting(s) can be at the call of the chairperson or a majority of the members as necessary and prudent for the discharge of its duties

(e) The finance director shall be secretary to the Maury County Financial Management Board and shall be responsible for keeping records of the actions of the Maury County Financial Management Board. The finance director may speak at meetings of the Maury County Financial Management Board as the Maury

County Financial Management Board may deem proper; provided, that the finance director shall not vote on any matter before the Maury County Financial Management Board.

(f) The Maury County Financial Management Board shall establish and approve policies, procedures, and regulations in addition to the specific provisions of this chapter, for implementing a sound and efficient financial system for administering the funds of the county. The financial system shall include accounting, budgeting, purchasing, debt management, grant management, payroll and cash management; provided, that the Maury County Financial Management Board shall not usurp the powers and duties of the special committees that may be established pursuant to this chapter.

(g) The Maury County personnel policies apply to the finance department not in conflict with Tennessee Code Annotated, title 5, chapter 23.

(h) The Maury County Financial Management Board shall adopt policies, procedures, and forms that shall be used to account for capital assets in accordance with generally accepted governmental accounting principles. All county officials, department heads and employees shall, upon request, supply to the finance director information necessary to establish and maintain records of capital assets.

SECTION 7.

(a) The county legislative body shall establish an audit committee in accordance with Tennessee Code Annotated, Section 9-3-405(b), unless a county legislative body has previously established an audit committee pursuant to Tennessee Code Annotated, Section 9-3-405(a). All meetings of the audit committee shall be governed by Tennessee Code Annotated, Section 9-3-405(c)-(i).

(b) The county legislative body may, by resolution, create and constitute any or all of the separate special committees as provided in subdivisions (2)-(4) of this subdivision (b). Maury County shall have a budget committee in accordance with subdivision (b)(1). If any of the special committees are not created, the budget committee shall assume the duties of the special committees; however, if the budget committee assumes the duties of the investment committee, the county trustee shall be consulted on all investment decisions. The special committees are as follows:

(1) A budget committee, which shall consist of seven (7) members, must all be members of the county legislative body elected by the county legislative body.

(2) A purchasing committee, which shall consist of five (5) members of the county legislative body.

(3) An investment committee, which shall consist of five (5) members of the county legislative body.

(4) A debt management committee, which shall consist of five (5) members of the county legislative body.

(c)

(1) Appointive or elective members of any special committee created pursuant to this chapter shall be appointed or elected annually to serve for a term of one (1) year and shall be appointed so as to be confirmed by the county legislative body or after September 1 of each year. Each special committee shall annually elect a vice-chairperson to serve in the absence of the chairperson.

(2) The finance director or the finance director/s designee shall be secretary to each special committee established pursuant to this chapter and shall be responsible for keeping records of the actions of the special committee; provided, however, that if a person other than the finance director is designated as the county purchasing agent, the county purchasing agent shall serve as secretary to the purchasing committee, if created. The secretary may speak at meetings of the special committee as the special committee may deem proper; provided, that the secretary shall not vote on any matter before the special committee.

(3) The county legislative body shall, by resolution, set the compensation, if any, for the members of the various committees required or authorized by this chapter.

(4) The county legislative body's rules shall apply to any special committees created under this section.

SECTION 8.

(a)

(1) The Maury County Financial Management Board shall appoint, subject to a majority approval of the county legislative body, a finance director.

(2) The Maury County Financial Management Board may dismiss the finance director. The Maury County Financial Management Board shall be responsible for ensuring the finance director complies with the various provisions of this chapter.

(b) The finance director shall for all purposes be an employee of the county, function as a department head, and shall be supervised by the Maury County Financial Management Board and report administratively to the Maury County Financial Management Board and the Budget Committee.

(c) The finance director shall have as a minimum qualification a bachelor's degree from an accredited college or university with at least twelve (12) semester hours of accounting or finance, or both, plus at least three (3) years of experience in an accounting or finance position. During the selection process, the Maury County Financial Management Board and county legislative body shall consider not only the candidate's education and experience, but also professional certifications from nationally recognized professional organizations in the field of accounting and finance, and other criteria as established by the county legislative body. The finance director shall annually obtain at least twenty-four (24) hours of continuing professional education (CPE) in the field of governmental accounting and finance. If the finance director has achieved a professional certification from a nationally recognized professional organization in the field of accounting or finance, the finance director shall obtain the required number of CPE hours to maintain the professional certification, which hours may be counted toward meeting the twenty-four (24) minimum hours required by this subsection (c). Notwithstanding any of the provisions of this section, any person serving as a director of finance pursuant to the County Financial Management System of 1981, compiled in Tennessee Code Annotated, title 5, chapter 21, director of accounts and budgets pursuant to the County Fiscal Procedure Law of 1957, compiled in Tennessee Code Annotated, title 5, chapter 13, or any similar private act on the date this chapter becomes effective in any county, shall be eligible for appointment as the finance director and shall be required to fulfill the twenty-four (24) minimum hours of CPE annually.

(d) The compensation of the finance director shall be determined by the Maury County Financial Management Board within the limitations of the budget; provided, that the compensation shall not be less than the salary paid to the county trustee, and in addition to the salary, the county shall appropriate sufficient funds to pay for applicable professional organization dues, professional certifications, the costs of obtaining the required twenty-four (24) hours of CPE credit, and the costs of obtaining CPE credit to maintain any professional certifications.

SECTION 9.

(a) The finance director shall be the head of the finance department and oversee its operations. The finance director has authority to hire, promote, demote, discipline, and dismiss employees of the finance department consistent with the personnel policies applicable to Maury County Government. The finance director shall determine compensation of employees of the finance department within the budget and in accordance with Maury County Government policy.

(b) The finance director shall be responsible for implementation of the policies and decisions of the budget committee and the Maury County Financial Management Board and any special committee established pursuant to this chapter.

(c) The finance director shall implement and maintain an accounting, budgeting, purchasing, debt management, grant management, payroll and cash management system for the county and may assist other county officers, the chairperson of the Budget Committee, the chairperson of the Maury County Financial Management Board, and department heads as requested to achieve an efficient financial management system for the county. The finance director shall establish and maintain records of capital assets of the county in accordance with generally accepted governmental accounting principles. The finance director shall annually develop long-range plans for addressing any long-term liabilities and present these plans to the Maury County Financial Management Board for its consideration.

(d) The finance director shall appoint a deputy finance director. The deputy finance director shall be an employee of the finance department and shall perform those duties and responsibilities as are assigned by the finance director. In the absence of the finance director, other than a vacancy in the position, the deputy finance director shall perform the duties of the finance director necessary to the continued operation of the finance department. In the event of a vacancy in the position of finance director, the deputy finance director shall perform the duties of the finance director necessary to the continued operation of the finance department until a finance director is appointed by the Maury County Financial Management Board with the approval of the county legislative body.

(e)

(1) The finance director may serve as purchasing agent; however, the finance director may delegate duties as purchasing agent to the deputy finance director or other employee

of the finance department upon notification of this action to the Maury county Financial Management Board. Similarly, any change in the person designated as purchasing agent by the finance director shall be made to the Maury County Financial Management Board.

(2)

(A) As an alternative to subdivision (e)(1), the county legislative body may elect by a two-thirds (2/3) majority approval of the county legislative body, to establish a central purchasing department separate and apart from the central finance department. In that instance, a purchasing committee is required, and the Maury county Financial Management Board shall appoint, subject to a majority approval of the county legislative body, a purchasing agent.

(B) The Maury County Financial Management Board may dismiss the purchasing agent subject to majority approval of the purchasing committee. The Maury county Financial Management Board shall be responsible for ensuring the purchasing agent complies with the purchasing policies and procedures adopted by the purchasing committee if created. The purchasing committee shall establish minimum qualifications, if any, for the purchasing agent. The purchasing agent shall for all purposes be an employee of the county, function as a department head, and shall be supervised by and report administratively to the Maury county Financial Management Board. The compensation of the purchasing agent shall be determined by the Maury county Financial Management Board within the applicable personnel policies of Maury County Government within the limitation of the budget. The purchasing agent shall be the head of the purchasing department and oversee its operations. The purchasing agent has authority to hire, promote, demote, discipline, and dismiss employees of the purchasing department consistent with the personnel policies applicable to the purchasing department. The purchasing agent shall determine compensation of employees of the purchasing department within the budget and in accordance with Maury County personnel policies.

(C) The purchasing agent shall appoint the deputy purchasing agent. The deputy purchasing agent shall be an employee of the purchasing department and shall perform those duties and responsibilities as are assigned by the purchasing agent. In the absence of the purchasing agent, other than a vacancy in the position, the deputy purchasing agent shall perform the duties of the purchasing agent necessary to the continued operation of the purchasing department. In the event of a vacancy in the position of purchasing agent, the deputy purchasing agent shall perform the duties of the purchasing agent necessary to the continued operation of the purchasing department until a purchasing agent is appointed by the Maury county Financial Management Board with the approval of the county legislative body.

(D) The purchasing department shall be open for business during hours established by county policies and as needed for emergencies or disasters. Notwithstanding the provisions of this subdivision (e)(2), any person serving as a purchasing agent pursuant to county legislative action on the day this chapter becomes effective in the county shall be eligible for appointment as the purchasing agent.

SECTION 10.

(a) The finance director shall execute a surety bond in an amount not less than one hundred thousand dollars (\$100,000), for the faithful performance of the finance director's duties in accordance with the general law on county officials' bonds. The bond shall be prepared in accordance with the provisions of Tennessee Code Annotated, title 8, chapter 19, approved by the county legislative body, filed with the county clerk for safekeeping, and recorded in the office of the register of deeds.

(b) The cost of the bond shall be paid from funds appropriated to the finance department for this purpose.

(c) The amount of the bond may be increased by the Maury County Financial Management Board subject to additional appropriations for the cost of such additional bond amount.

(d) If a purchasing agent is designated other than the finance director, then the purchasing agent shall execute a surety bond in the same amount and manner as the finance director.

SECTION 11

(a) No later than February 1, the director shall deliver forms for all budget requests to all departments, commissions, institutions, boards, offices, and agencies.

(b) No later than March 1, all departments, commissions, institutions, boards, offices, or agencies, except the local board of education, shall deliver the appropriate estimates and budget request to the finance director.

(c)

(1) No later than April 1, the county budget committee shall vote upon the proposed budget and the finance director shall notify the department, commission, institution, board, office, or agency whether the county budget committee approves or rejects the proposed budget.

(2) If approved, the finance director shall immediately forward the proposed budget to the county legislative body for consideration; or

(3) If rejected, the department, commission, institution, board, office, or agency shall submit a revised budget proposal to the finance director within ten (10) business days after receipt of notice that the budget proposal was rejected.

(d) No later than May 1, each local education agency (LEA) shall submit a proposed budget to the finance director; provided that, the LEA may amend the proposed budget after May 1.

(e)

(1) No later than June 1, the county budget committee shall vote upon the proposed budget and the finance director shall notify the LEA whether the county budget committee approves or rejects the LEA's proposed budget;

(2) If approved, the finance director shall immediately forward the proposed budget to the county legislative body for consideration; or

(3) If rejected, the LEA shall submit a revised budget proposal to the finance director within ten (10) business days after receipt of notice that the budget proposal was rejected.

(f) If the county budget committee of the local governing body rejects the first and second budget proposals from any department, commission, institution, board, office, or agency, then the third and any subsequent proposals shall be delivered directly to the county legislative body which shall approve or reject the proposal within ten (10) business days of the body's receipt of the amended proposal; and

(g) If rejected, the department, commission, institution, board, office, or agency shall submit a revised budget proposal to the county legislative body within ten (10) business days after receipt of notice that the budget proposal was rejected.

(h) The timeline and budgetary process pursuant to this section may be waived or altered, if agreed upon by the county legislative body and the respective department, commission, institution, board, office, or agency.

SECTION 12.

(a) If the county legislative body and the county school board fail to agree upon a budget for the county department of education by August 31 of any year, then, by operation of law, the budget for the county department of education shall be equal to the minimum budget required to comply with the local match and maintenance of effort provisions of the Tennessee basic education program (BEP). However, if for three (3) consecutive years, the county legislative body and school board fail to agree upon a budget and the department of education receives the minimum required funding for that fiscal year by operation of law, then, the budget in the third year shall include a mandatory increase that is equivalent to three percent (3%) of the required funding from local sources for schools; provided however, this increase shall not be required if during any of those three (3) years the school board failed to submit its budget proposals in accordance with the budget calendar provided for in this act.

(b) If the county legislative body fails to adopt a budget, property tax resolution, and appropriation resolution by August 31 of any year, then by operation of law, the operating budget for the ensuing fiscal year, other than the portion for the county department of education, shall be the consolidated budget with proposed amendment submitted by the county mayor or the budget committee.

SECTION 13.

(a) The personnel budget for the sheriff's office shall not be decreased from that of the current fiscal year without the consent of the sheriff pursuant to Tennessee Code Annotated, Section 8-20-120.

(b) The budget for the county election commission shall conform to the requirements of Tennessee code Annotated, Sections 2-12-109 and 2-12-209.

(c) The budget committee's proposals shall conform to the requirements of Tennessee Code Annotated, title 8, chapter 20.

(d) The budget committee shall also present to the county legislative body a proposed budget appropriation resolution and proposed tax levy resolution when the proposed operating budget is presented.

(e) At the time of the submission of the proposed operating budget by the budget committee to the county legislative body, the finance director shall report to the county legislative body as to whether any portion of the proposed operating budget would likely cause either a reduction of state funds or the county receiving an amount less than what the county could otherwise be eligible to receive.

(f) The setting of a property tax rate, by adoption of a resolution by the county legislative body or by operation of law, constitutes a valid tax levy for collection purposes.

SECTION 14.

(a) Amendments to the final adopted operating budget of the county shall be made as follows:

(1) Amendments to line items and major categories that do not increase the grand total of appropriations in the original adopted budget of the county department of education shall be proposed by the Chairman of the School Board and approved by the county board of education, except for line items affecting personnel, which shall be submitted to the budget committee for its recommendation to the county legislative body for their approval. Amendments to line items and major categories that increase the total revenues or appropriations, or both, of the original adopted budget shall be approved by the county board of education and submitted by the Chairman of the School Board to the budget committee for its recommendation to the county legislative body for their approval, except as provided by Tennessee Code Annotated, Section 49-2-203(b)(15). The Chairman of the School Board shall report the amendments to the finance director within fourteen (14) days of proposing the amendments.

(2) Amendments to major categories of the budget other than the county department of education may be proposed by the county mayor, chief administrative officer of the county highway department, and the head of any other agency of the county whose budget is to be amended. The amendments to the major categories of the budget proposed under this subdivision (a)(2) shall be submitted to the budget committee for its recommendation to the county legislative body for their approval to be effective; provided, that the county legislative body may modify any amendments prior to approval, and provided, further, that the budget of the county highway department shall not be amended without the approval of the chief administrative officer of such department. If the budget committee does not act upon an amendment to a major category of the operating budget proposed by the county mayor or chief administrative officer of the county highway department by the next regularly scheduled meeting of the county legislative body or thirty (30) days, whichever comes first, after being submitted to the budget committee, then the county legislative body may consider and act upon the proposed amendment without a recommendation from the budget committee.

(3) Amendments to line items within major categories of the budgets of all agencies of the county and other organizations of the county other than the county board of education, proposed by the head of the county agency or other organization shall be subject to the approval of the county mayor, except that any amendment of line items affecting the compensation of personnel shall also have the approval of the county legislative body after receiving the recommendation of the budget committee concerning the proposed amendment. The budget committee shall make its recommendation within fourteen (14) days after receiving the proposed line item amendment affecting the compensation of personnel, and if not made within that time, the county legislative body may consider and act upon the proposed amendment. If the county mayor does not approve the amendment to the line item proposed by the head of the county agency or other organization within seven (7) days after being submitted, the proposal shall be considered by the budget committee and shall be effective if approved by the budget committee so long as the amendment does not affect compensation of personnel, whereupon approval of the county legislative body is also required. Any amendment to a line item within a major category approved by the county mayor shall be reported to the finance director and budget

committee. Any amendment to a line item within a major category approved by the budget committee shall be reported to the finance director. However, any line item amendments within major categories of the budget of a county highway department may be made by the department's chief administrative officer and reported to the finance director and budget committee.

(4) The county mayor may propose line item amendments within major categories of the final operating budget other than those of the county department of education, county highway department, the county election commission, the sheriff, and the general officers listed in Tennessee Code Annotated, Section 8-24-102(a). Such proposed amendments are subject to the approval of the budget committee, and also of the county legislative body if the proposed amendment affects compensation of personnel. The budget committee shall make its recommendation within fourteen (14) days after receiving the proposed line item amendment affecting the compensation of personnel, and if not made within that time, the county legislative body may consider and act upon the proposed amendment without the recommendation of the budget committee.

(b)

(1) Notwithstanding subsection (a), amendments shall be made to comply with any court order entered pursuant to Tennessee Code Annotated, title 8, chapter 20.

(2) All budget amendments shall be on forms developed by the finance director and approved by the budget committee.

SECTION 15.

(a) The appropriations made in the appropriation resolution, or any amendments thereto, shall constitute the limit to expenditures for the various purposes and from the several funds of the county for the fiscal year covered by the resolution, and no expenditure shall be made or obligation created in excess of that limitation.

(b) Any resolution presented to the county legislative body in any fiscal year, after the original appropriation resolution has been adopted and the property tax rate for the year has been set, which provides for an expenditure in addition to those made in the original budget appropriation, shall specifically provide the source of revenue or designate the source of funds necessary to meet expenditures to be made in consequence of the additional appropriation.

(c) The appropriations made by the county legislative body shall constitute authorization for the expenditures contained therein unless otherwise limited by the county legislative body, subject to the impoundment authority granted to the Maury County Financial Management Board, county legislative body, and county board of education pursuant to Section 16.

(d) The expenditures and encumbrances against the amounts appropriated shall be made only upon an order or authorization issued by the Budget department.

(e) No expenditures made or obligations created in any manner shall be valid or binding against the county except as provided by this chapter.

SECTION 16. If at any time the finance director determines that the revenues or other resources are, with respect to any fund, less than was anticipated in the adopted operating budget, or if unanticipated expenditures arise which will likely create a budget deficit, the finance director, upon certification to each member of the county legislative body for non-school funds and to the county board of education for school funds, may impound the appropriations as may be necessary to prevent deficit operation. The impoundment may be overridden by a majority vote of the county legislative body for non-school funds and the county board of education for school funds. If the county legislative body or county board of education overrides an impoundment, the county legislative body or the county board of education shall make those amendments to the operating budget as may be necessary to prevent deficit operation. The necessary amendments require a majority vote of the county legislative body or the county board of education. However, no impoundment of funds shall affect expenditures mandated by state statute or court order that have been appropriated to the offices as enumerated in Tennessee Code Annotated, Section 8-22-101.

SECTION 17.

(a) On or before May 1 of each year, the county mayor, chairman of the school board, and chief administrative officer of the county highway department shall submit to the finance director, on forms developed by the finance director and approved by the Maury County Financial Management Board, a five (5) year plan for capital outlays to be revised annually. The proposed capital outlays shall include estimated expenditures, a schedule for project completion or purchase of real and personal property, or

both. Capital outlay for purposes of this section shall include any single purchase of a capital asset as defined in Section 4 when the total purchase price inclusive of all related expenses are expected to equal or exceed the county's capitalization threshold policy.

(b) On or before May 15 of each year, the finance director shall consolidate the details of all proposals for capital outlays noted in subsection (a) for the next fiscal year, including capital projects to be initiated during the next fiscal year and purchases requiring capital outlays during the next fiscal year. The Maury County Financial Management Board shall recommend to the budget committee a funding source and the amount of capital outlay expenditures to include in the operating budget.

(c) The Maury County Financial Management Board shall propose a revised consolidated capital outlay plan for the ensuing fiscal year at the same time that the proposed operating budget is presented to the county legislative body. This document shall be known as the "proposed capital project plan."

(d) The county legislative body shall review the proposed capital project plan presented by the Maury County Financial Management Board. The county legislative body may alter the plan and shall annually adopt a capital projects plan. Prior to the adoption of a capital projects plan, the county board of education, through its designated representative, the chief administrative officer of the county highway department, and the county mayor have the right to address the county legislative body in regard to their respective agencies' capital project needs.

SECTION 18.

(a) The finance director shall receive from the county mayor, chairman of the school board, and chief administrative officer of the county highway department all proposals for the issuance of debt, and shall present such proposal, along with the recommendation of the finance director, to the Maury County Financial Management Board or debt management committee, if created by the county legislative body, with the following exceptions:

- (1) Tax anticipation notes;
- (2) Contracts, leases, or lease-purchase agreements that do not extend beyond the current fiscal year; and
- (3) Contracts, leases, and lease purchase agreements extending beyond the current fiscal year that constitute an obligation below the county's capitalization threshold policy.

(b)

(1) The debt management committee shall review proposals for the issuance of debt for conformity with the adopted capital projects plan, the operating budget for the current fiscal year, and any proposed operating budget for the next fiscal year that may have been submitted by the budget committee.

(2) Additionally, the debt management committee shall review proposals for the issuance of debt to determine whether the proposal optimizes the county's financial resources, impacts negatively upon the credit rating of the county, or whether better financing or funding proposals exist.

(3) On or before May 1 each year, the debt management committee shall report its recommendation on all proposals on the issuance of debt to the budget committee. For proposals for the issuance of debt not received during the annual budget process, the debt management committee shall submit its recommendation to the budget committee within one (1) month from receipt of the proposal for the budget committee's recommendation to the county legislative body.

(4) The finance director shall present for consideration by the debt management committee any form regarding the county's debt that is required to be filed with the comptroller of the treasury. The finance director shall be responsible for developing all information required by such forms. The county mayor shall not file, sign, or approve of any report regarding the county's debt that is submitted to the comptroller of the treasury without the approval of the report by the debt management committee.

(5) The county legislative body shall not approve the issuance of any debt for which its approval is required by law until it has received the recommendation of the debt management committee, unless the debt management committee is requested by the county legislative body to make a recommendation and it fails to do so within thirty (30) days of making the request.

(c) On or before June 1 of each year, the finance director shall prepare and submit to the debt management committee a report on the current debt structure of the county, showing the amounts

borrowed and date of borrowing, purpose of the borrowing, principal outstanding, interest paid, interest to be paid each year until retirement of the debt, interest rate, and source of funds for payment of principal and interest. The finance director shall make recommendations for improvements in debt management, financial soundness of the county, and whether any change in the debt structure is needed, including, but not limited to, early retirement of debt or refunding of debt. The debt management committee shall review this report of the finance director and shall report its recommendations regarding any proposed changes in debt structure to the county legislative body on or before July 1 of each year.

(d) The debt management committee shall prepare a debt management policy in compliance with statutory requirements and state funding board recommendations, to be submitted to the county legislative body for approval.

(e) The debt management committee shall ensure the finance director prepares and files all necessary reports required by the securities and exchange commission, the municipal securities rulemaking board, and all other regulatory authorities related to the county's debt.

SECTION 19.

(a)

(1) The finance director shall prepare a budgetary report each month showing the condition of the budget. This budgetary report shall be presented to the budget committee by the fifteenth (15th) day of the following month.

(2) The budgetary report shall show for each line item appropriation the total expenditures for the month and the year to date, the amount of outstanding encumbrances, and the amount of the unencumbered balance.

(3) The budgetary report shall also show for each fund an itemized statement of the revenues estimated for the year, the amount of the revenues of each item for the month and the year to date, and the unrealized portion of the estimate.

(b)

(1) The head of each agency of the county shall be furnished copies of monthly budgetary reports for their respective agency.

(2) The most recent of such budgetary reports shall be presented by the finance director at each regular session of the county legislative body and at any special session upon request of the chairperson of the county legislative body.

(3) At such time, the finance director shall advise the county legislative body of the condition of the operating budget and capital outlay plan, and of any adjustment of estimated revenues or appropriations, or both, or other action which, in the finance director's opinion, the county legislative body should take in order that the financial condition of the county is not impaired.

SECTION 20. The Maury County Financial Management Board or investment committee, if created by the county legislative body, shall establish and approve policies and procedures for investing idle cash funds in various investments in accordance with Tennessee Code Annotated, Section 5-8-301. The Maury County Financial Management Board or investment committee, if created, may authorize the county trustee to perform the daily investment function.

SECTION 21.

(a) The county shall use a checking system for the disbursement of funds. The checking system shall be installed and maintained by the trustee, in concurrence with the finance director, in accordance with Tennessee Code Annotated, Section 5-8-210.

(b) All checks on county funds held by the county trustee shall be signed by the finance director and the following person or persons, whichever is applicable:

(1) The Superintendent of schools for disbursements from school funds;

or

(2) The county mayor for disbursements of county funds other than schools.

(c) All signatures required on county checks may be executed by methods other than personal signature if such methods are approved by the person authorized to sign the Maury County Financial Management Board, and the comptroller of the treasury.

(d) Checks shall be prepared by the finance department and provided to the other officers as appropriate for signing and returned to the finance department for co-signature of the finance director. The finance

department shall mail or cause to be delivered all checks drawn upon county funds held by the county trustee. The finance director may cause checks to be signed or delivered, or both, by electronic means, or funds electronically transferred from county bank accounts, upon approval of the Maury county Financial Management Board and the comptroller of the treasury.

(e) Subject to the availability of funds, the finance director shall not refuse to sign checks presented for his or her signature if proper appropriation of funds and documentation for the disbursement has been made in accordance with this chapter.

(f) A copy of checks signed by the appropriate officers pursuant to subsection (b) shall be kept by the officers in any format authorized by law and approved by the Maury County Financial Management Board. The finance department shall maintain a copy of all checks issued.

(g) The finance department shall maintain a record of all requisitions for disbursements and invoices correlated to the checks or electronic transfers carrying out the requisition or paying for the goods or services received as described on the invoice.

(h) The copies of checks and other records of the finance department shall be retained in accordance with retention schedules authorized by Tennessee Code Annotated, Section 10-7-404.

SECTION 22.

(a) Checks to disburse funds may not be written and transfers of funds may not be made by electronic means until the finance director or his or her designated employee has reviewed the requisition, invoice, receiving documentation, or other document indicating a disbursement of county funds should be made. This review function shall be known as "pre-audit." A pre-audit approval for disbursement of funds shall not be made unless the documentation supporting a disbursement of funds appears to be correct, properly authorized, and not exceeding the unencumbered balance of the appropriations against which they are chargeable. Pre-audit approval for disbursement of funds shall be made by signature of the finance director or designated employee of the finance department in a timely manner to prevent work stoppage or postponement of services and in a format developed by the finance director and approved by the Maury County Financial Management Board.

(b) Disbursements of county funds shall be made as follows:

- (1) Payroll disbursements shall be based upon documentation furnished to the finance department and certified by all heads of all agencies (including employees of the schools) of the county for themselves and their employees establishing the employment relationship and all relevant information required by the finance director to determine proper payment, withholding of income for taxes and other purposes, benefits, leave status, or other information relevant to the county's financial relationship to the employee;
- (2) Disbursements for personal property received by the county shall be based upon invoices showing receipt of personal property properly requisitioned and purchased pursuant to a properly issued purchase order or report of an emergency purchase approved by the purchasing agent;
- (3) Disbursements for services rendered to the county shall be based upon invoices documenting services performed and approved by the head of the agency of the county receiving the service;
- (4) Disbursements pursuant to a contract or agreement shall be based upon documentation from the head of the county agency responsible for the county's obligation;
- (5) Disbursements based upon a court order or settlement of a lawsuit shall be based upon the written directive of the county attorney or the attorney representing the county board of education;
- (6) Disbursements for the purchase or condemnation of real property shall be based upon the written directive of the Chairman of the School Board for school property, the chief administrative officer of the county highway department for highway property obtained with highway funds, and the county mayor for all other real property;
- (7) Disbursements of appropriations to nonprofit organizations approved through the budgetary process shall be based upon the written directive of the county mayor; and
- (8) Disbursements other than those noted above shall be based upon the written directive of the county mayor.

(c) Heads of all agencies of the county and employees of the county shall furnish to the finance director or the finance director's designated employee all requested information in a timely manner so as to ensure

the proper and timely disbursement of county funds.

SECTION 23.

(a)

(1) Policies and procedures for purchasing for the county shall be established by the Maury County Financial Management Board or purchasing committee, if created by the county legislative body, upon receiving the recommendations of the purchasing agent. The policies and procedures for purchasing shall be made available for the use of all officers and employees of the county involved with purchasing. The purchasing committee shall establish a system whereby heads of all agencies of the county or their designees requisition real and personal property or services and provide estimates of cost. Such requisitions shall be reviewed by the purchasing agent or the purchasing agent's designee and if the requisition appears to be correct, properly authorized, and the cost will not exceed the unencumbered balance of the appropriation against which the cost of the requisition is chargeable, then the purchasing agent shall determine the proper method of obtaining the property or services, and issue purchase orders as appropriate according to this chapter and the policies and procedures of the purchasing committee. Heads of all agencies of the county may specify employees who are authorized to make requisitions, and any limitations upon their authority to act, upon written notification to the purchasing agent. Requisitions for a contract, lease, or lease-purchase extending beyond the current fiscal year that would constitute an obligation in excess of an amount to be determined by the purchasing committee shall be forwarded by the purchasing agent to the debt management committee and approved by the debt management committee prior to any further approval of the requisition.

(2) The policies and procedures for purchasing for the county established by the purchasing committee shall include the use of any type of purchasing or credit card and an approval process for purchases of real property, personal property, and services, including those by lease, lease-purchase, or contract that extend beyond one (1) year or commit the county to expenditures in excess of an amount as determined by the purchasing committee. The purchasing committee shall establish policies requiring approval of such purchases by either the purchasing agent, purchasing committee, or county legislative body, or any combination thereof. The policies and procedures developed by the purchasing committee pursuant to this subdivision to determine the approval process for the particular type or amount of purchase shall be subject to approval by the county legislative body.

(b) Requisitions shall include specifications when necessary as determined by the purchasing agent. Specification development and stipulation shall be made by the county agency to receive the personal property or services requisitioned. However, the purchasing agent may reject any specification that the purchasing agent deems inadequate. The purchasing agent shall assist the agency of the county as needed to develop proper specifications for requisitions. Specifications shall not be written to exclude specific vendors, contractors or service providers, or to limit the bidding to a specific vendor, contractor, or service provider.

(c) Except as otherwise provided in this chapter or by other applicable general law not in conflict with this chapter, purchases shall be based upon competitive bidding. The purchasing committee, after receiving the recommendations of the purchasing agent, shall establish the dollar amounts and types of purchases for which a formal competitive bidding process is required, the dollar amounts and types of purchases for which an informal bidding process is required or not required, and the exceptions to competitive bidding requirements; provided, that the dollar amounts established for formal competitive bidding shall not exceed the amounts otherwise applicable in general law. In addition to competitive bidding, the purchasing committee may establish the types of purchases and other circumstances under which requests for proposals (RFPs), requests for qualifications (RFQs), and other procurement methods are appropriate and allowable. The purchasing committee may also establish guidelines not in conflict with applicable general law for purchases at public auction and using the Internet. Exceptions to competitive bidding may include, but are not limited to, sole source purchases, perishable commodities, and emergency purchases. In counties operating under the County Uniform Highway Law, compiled in Tennessee Code Annotated, title 54, chapter 7, and Tennessee Code Annotated, Section 54-7-113(c), regarding exceptions to public advertisement and competitive bidding requirements shall apply to purchases for the county highway department.

(d) All purchases competitively bid shall be awarded to the lowest responsible and responsive bidder, taking into consideration the quality of the personal property or services to be supplied, their conformity

with specifications, their suitability to the requirements of the county and the delivery terms, and such other considerations as the purchasing agent deems appropriate and in conformity with any guidelines established by the purchasing committee. Any and all bids may be rejected for reasonable cause by the purchasing agent.

(e) The purchasing committee shall establish criteria for when purchase awards shall be made by the purchasing agent alone and when awards shall be made by the purchasing agent after receiving approval from the purchasing committee.

(f)

(1) The purchasing agent may authorize any agency of the county to purchase in the open market, without filing a requisition, any personal property necessary for immediate delivery or services for immediate employment, in actual emergencies. Such direct emergency purchases may only be made by heads of agencies of the county within the authorization granted by the purchasing agent and when the purchasing agent is not available to make the purchase. At all other times, only the purchasing agent or the purchasing agent's designee shall make purchases. A report of an emergency purchase shall be made by the head of an agency of the county or the agency head's designee describing the circumstances of the emergency, the personal property or services purchased, and the amounts to be charged against the operating budget of the agency. Such emergency purchase report shall be submitted to the purchasing agent as soon as is reasonably possible following the date of such purchase by the head of the county agency concerned and such report shall be provided by the purchasing agent to the purchasing committee.

(2) The purchasing agent in authorizing deviations from the competitive bidding requirements in emergencies shall not include conditions arising from neglect or indifference in anticipating normal needs. Emergency purchases shall be limited to needs arising which are not normally foreseeable.

(g) The county shall not be liable for the payment of any purchase not made according to the provisions of this chapter unless specifically approved by the purchasing committee.

(h) The purchasing committee may:

(1) Prescribe the manner in which personal property may be delivered, stored, and distributed;

(2) Prescribe the dates for submitting requisitions and estimates, the future period they are to cover, the form in which they are to be submitted, the manner of their authentication, and their revision by the county purchasing agent;

(3) Prescribe the manner of inspecting all deliveries of personal property and of making or procuring chemical and physical tests of samples submitted with bids and samples of deliveries to determine compliance with specifications;

(4) Require periodic and special reports by county agencies of inventories, stocks of surplus, unusable or obsolete personal property, and prescribe the form of such reports;

(5) Determine whether a deposit or bond is to be submitted with a bid on a purchase or sale, and if required, prescribe the amount and form of the deposit or bond, and provide for the forfeiture of the deposit or bond if the successful bidder refuses to enter into the contract and to determine the time for such forfeiture after the award of the bid. Such determination shall not conflict with existing state statutes for construction contracts;

(6) Prescribe the manner in which invoices for personal property and contractual services delivered to any of the agencies of the county shall be submitted, examined, and approved by the purchasing agent; and

(7) Provide for all other matters as may be necessary to give effect to the duties of the purchasing committee and purchasing agent.

(i) The purchasing committee shall establish policies, subject to the approval of the county legislative body, for the disposal or transfer of surplus, obsolete, or unusable personal property. These policies may provide for the transfer to or between county agencies of personal property on hand which are surplus with one (1) county agency, but which may be needed by others. However, a head of a county agency shall not be required to transfer any item of personal property in his or her custody without his or her consent except in actual emergency or disaster.

(f) The county mayor or any department head or officer of the county having custody of real property,

excluding real property titled to the county board of education may request that the real property over which the mayor, department head, or officer has custody be declared surplus and be sold or transferred from the ownership or possession of the county or the custody of the mayor, department head, or officer. Any request shall be made to the Maury County Financial Management Board or purchasing committee, if created. The Maury County Financial Management Board or purchasing committee, if created, shall make recommendations to the county legislative body regarding whether the real property requested to be declared surplus should be kept, its use changed, sold, or otherwise disposed of, and shall make a recommendation as to the proper use or disposition of the property to the county legislative body, which shall make the final determination as to the use and disposition of all county real property not titled to or leased by the county board of education. The board of education shall make the final determination as to the use and disposition of all real property titled to the board of education.

SECTION 24. The purchasing agent shall:

- (1) Develop requisition forms to be used by the various agencies of the county, subject to approval by the purchasing committee;
- (2) Review requisitions, including specifications in accordance with Section 23;
- (3) Conduct formal and informal bid solicitations in accordance with the provisions of this chapter;
- (4) Make a record of all informal bids solicited, all informal bids received, and the successful bid and bidder, including the time of each such action;
- (5) Collect sealed bids;
- (6) Open formal sealed bids in public according to a procedure established by the purchasing committee;
- (7) Evaluate and compare bids and award purchases designated by the purchasing committee to be awarded by the purchasing agent;
- (8) Evaluate and compare bids and recommend to the purchasing committee the lowest responsible and responsive bidder regarding purchases to be awarded by the purchasing committee;
- (9) Issue purchase orders when appropriate;
- (10) Prepare contracts, leases, and lease-purchase agreements. The purchasing agent shall prepare contracts, leases, and lease-purchase agreements with the aid of the county attorney if such office or position is established, or with the aid of an attorney employed or retained by the county mayor or board of education, when required by regulation of the purchasing committee;
- (11) Verify receipt documentation is on file for all personal property or service;
- (12) Perform duties regarding the transfer or disposition of surplus, obsolete, and unusable personal property as directed by the purchasing committee;
- (13) Ensure that capital projects that have been approved in the capital projects budget and operating budget and funded according to law shall be competitively bid by the purchasing agent according to the requirements approved in the capital projects budget and operating budget; and
- (14) Perform such other duties as may be prescribed by the purchasing committee.

SECTION 25.

(a) In addition to the approval process established by the purchasing committee, contracts, leases, and lease-purchase agreements shall be approved by the county attorney, if such office or position is established, or by an attorney employed or retained by the county mayor or board of education, prior to execution when the dollar amounts involved exceeds an amount determined by the purchasing committee to assure compliance with law and proper form.

(b)

(1) Contracts, leases, and lease-purchase agreements shall be executed by the purchasing agent and one (1) or more of the following: the Chairman of the school Board for all obligations against school funds, by the chief administrative officer of the county highway department for all obligations against highway funds, and the county mayor in all other circumstances, and additionally by other county officers when required by law, and by the finance director for approval of expenditure of funds.

(2) This subsection (b) shall not apply to agreements between the county highway department and the department of transportation pursuant to Tennessee Code Annotated, Section 54-7-116.

SECTION 26. No later than six (6) months following the date a resolution is adopted to implement this

chapter, the county clerk shall file a copy of the resolution, together with an implementation plan developed by the finance director and approved by the Maury County Financial Management Board, with the comptroller of the treasury. This county financial management plan implementation shall begin July 1 of the next fiscal year and shall be fully implemented within such county no later than two (2) years from the date the implementation of the plan began.

SECTION 27. Upon this chapter becoming effective in Maury County, TN, this chapter shall supersede all other general law and the provisions of any other private act in conflict with this chapter in this county, including any other private acts, or amendments thereto, adopted by the county legislative body of such county before or after the date this chapter become effective in this county.

SECTION 28. If any provision of this act or the application of it to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 29. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Maury County. Its approval or nonapproval shall be proclaimed by the presiding officer of such legislative body and certified to the secretary of state.

SECTION 30. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 29.

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