County Officials Orientation Program

2026

Hosted by University of Tennessee County Technical Assistance Service
in coordination with the Tennessee County Services Association and the County Officials Association of Tennessee

MONEY MATTERS

Financial Issues for Court Clerks

WHY MONEY MATTERS

Clerks are custodians of public funds

Audits are required

Consistency increases transparency and decreases discrepancies

COURT CLERK’S FINANCIAL RESPONSIBILITIES

- Managing your office's budget
- Protecting public funds
- Maintaining internal controls
- Working with financial leadership
- Planning for future needs

BUDGETING

REQUIRED SERVICES

Ambulance	Health Department
Civil Defense (EMA)	Law Enforcement
Courthouse, Courts, & Officials	Medical Examiner
Education	Roads and Bridges
Elections	Solid Waste
Growth Management Policy	Storm Water Management

OPTIONAL SERVICES

- Airport
- Animal Control
- 911 System
- Fire Protection
- Industrial Development
- Planning
- Recreation
- Sewer System
- School Transportation
- Charitable Donations
- Waste & Water System
- Workhouse

WHAT IS A BUDGET

- A plan and legal document
- Identifies the services and how the services are to be financed
- Sets expenditure limitations on offices

BUDGET CALENDAR

Feb 1
Deliver Forms to EO/DH

→

Mar 1
Return Forms

→

Apr 1
Budget Committee Votes

→

May 1
BOE Delivers Budget

↓

July 1
Budget Deadline

→

Aug 15
Notify OLGF

→

Aug 31
Continuation Budget Deadline

→

Sep 30
Deadline only if granted extension

BUDGETARY VS FEE SYSTEM

COUNTY COMMISSION DECIDES WHETHER FEE OFFICES ARE ON BUDGETARY OR FEE SYSTEM

Budgetary System

All fees are turned over to the general fund monthly

All expenses of the office are budgeted

Sheriff is always Fee System

Fee System

Only "excess" fees are turned over quarterly

Salaries and expenses are paid from fee account

Population exception for a few counties regarding fee remittance

COUNTY REVENUE

Recurring

- Property Tax
- Sales Tax
- Wheel Tax
- Fees/Taxes From Officials

Non-recurring

- Grants
- Contributions/Donations
- Insurance Proceeds
- Sale of Assets

CLERK'S REVENUES: FEES, LITIGATION TAX, FINES

Civil process	Data processing	Sex offender	Jail booking fees
Commissary	Telephone commissions	Seizures	Others

AUTHORITY TO COLLECT

8-21-101. Express authorization required.

No officer is allowed to demand or receive fees or other compensation for any service further than is expressly provided by law.

8-21-103. Penalty for excessive fees charged.

If any officer demands or receives any other or higher fees than are prescribed by law, such officer is liable to the party aggrieved in the penalty of fifty dollars ($50.00), to be recovered before any judge of the court of general sessions, and the officer also commits a Class C misdemeanor.

COUNTY FUND BALANCE

County's financial cushion

- Unexpected expenses
- Emergencies
- Cash flow needs
- Other one-time costs

BALANCED BUDGET FORMULA

Fund Balance $+$ Revenues $\geq$ Expenditures

CHART OF ACCOUNTS

Fund	Functions (Major Categories)	Object Codes
101 General Fund	51300 County Mayor	101 County Official
116 Solid Waste/Sanitation	53100 Circuit Court Clerk	106 Deputies
122 Drug Fund	53300 General Sessions Court Clerk	201 Social Security
131 Highway/Public Works	53400 Chancery Court	307 Communication
151 Debt Service	53500 Juvenile Court	435 Office Supplies

Account No.	Description	Actual 2023 - 2024	Estimated 2024 - 2025	Proposed 2025 - 2026
54000	**Public Safety**			
54110	**Sheriff's Office**			
101	County Official/Administrative Officer	79,276	81,368	84,336
106	Deputy(ies)	1,134,241	1,318,673	1,318,673
140	Salary Supplements	14,400	22,400	22,400
162	Clerical Personnel	132,491	126,696	126,696
187	Overtime Pay	2,799	21,239	21,239
201	Social Security	129,203	126,163	126,163
204	State Retirement	75,882	90,706	90,706
312	Contracts with Private Agencies	3,912	9,035	9,035
320	Dues and Memberships	1,500	1,500	1,500
355	Travel	4,682	3,500	3,500
425	Gasoline	70,172	75,000	75,000
435	Office Supplies	6,177	5,500	5,500
450	Tires and Tubes	5,010	6,000	6,000
451	Uniforms	9,927	7,800	7,800
716	Law Enforcement Equipment	30,494	20,000	20,000
718	Motor Vehicles	191,826	72,110	0
	Total Sheriff's Department	**1,891,992**	**1,987,690**	**1,918,548**

CLERK BUDGET RESPONSIBILITY

- Know your budget
- Assess your office
- Be prepared to defend your request
- Provide helpful data
- Be aware of other county issues

WORK THROUGHOUT THE YEAR

- Review monthly reports
- Communicate budget concerns
- Plan for next year’s budget

LETTER OF AGREEMENT

Final Approval of the Budget

- Current fee officials have 30 days to file
- Newly elected fee officials by Sept. 30
- Signed by the Fee Official and Mayor

SALARY SUIT

- What is a salary suit?
- Who can file?
- What is the timeline?
- What can the court decide?

INTERNAL CONTROLS

REQUIREMENT FOR INTERNAL CONTROLS & FRAUD REPORTING

TCA 9–18–102

- State and local governments shall…
  - (1) Comply with laws
  - (2) Safeguard assets
  - (3) Proper accounting

TCA 8-4-501 et seq.

- Public officials shall report fraud...

WHAT IS FRAUD, WASTE AND ABUSE?

Fraud – deceit for gain

Waste – careless or inefficient use of resources

Abuse – improper use of resources or position

WHO IS RESPONSIBLE FOR INTERNAL CONTROLS?

County Management (Court Clerk) is responsible to:

- Design
- Implement
- Maintain


Opportunity
THE FRAUD TRIANGLE
Rationalization
Pressure

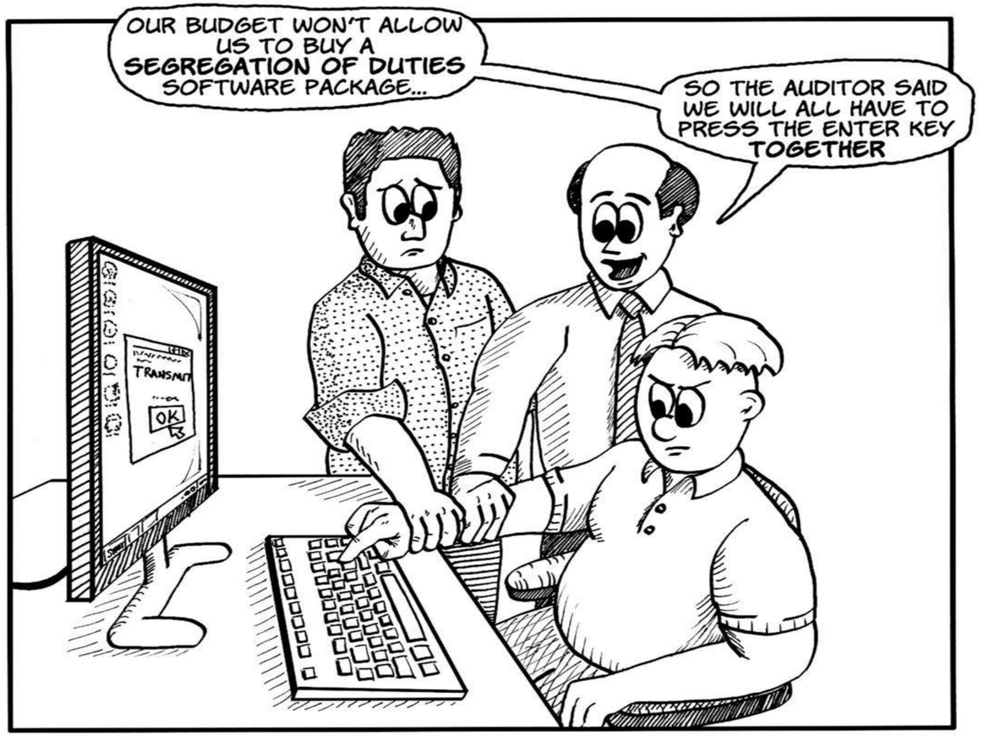
COMMON BREAKDOWNS IN INTERNAL CONTROLS

- Lack of segregation of duties
- Poor management oversight
- Accounts receivable loss
- Poor payroll practices
- Inadequate capital asset tracking
- Substandard purchasing practices
- Absence of contract management

INHERENT LIMITATIONS OF INTERNAL CONTROLS

- Judgement
- Events outside your control
- Breakdowns
- Management override
- Collusion

SEGREGATION OF DUTIES



Three categories of duties:

- Custody of assets
- Approval of transactions
- Recording related transactions

SEGREGATION OF DUTIES – CASH RECEIPTS

- Separate cash collection and recording from deposit preparation.
- Separate deposit preparation from deposit making.
- Independent verification of deposit receipts to slips; verifier not involved in deposit tasks.
- Reconcile bank accounts by someone without cash access or deposit duties.
- Voids/refunds authorization separate from recording original transactions.

MAIN CONSIDERATIONS

IC should be a priority in your office.

Management responsibilities:

- Setting the appropriate tone at the top
- Regularly analyzing the risks that your office faces
- Ensuring proper controls are in place to mitigate risk
- Maintaining open lines of communication with employees
- Consistently reviewing and updating internal controls system

ACTION ITEMS

Locate existing internal controls document

- Analyze and determine applicability
- **Observe office environment**
- **Update procedures as necessary**

Familiarize with your accounting software

- Daily & monthly reports

CTAS office-specific resources

- www.ctas.tennessee.edu/internal-controls

PURCHASING

PURCHASING LAWS IN TENNESSEE

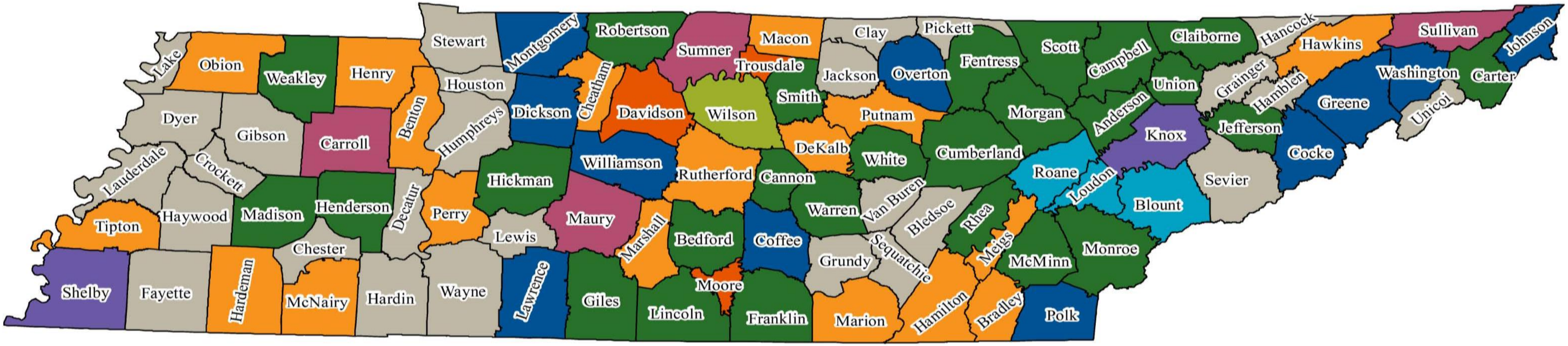
1981/1957 Acts

Charter/Metro

Private Acts

General Law

Tennessee
County Purchasing Laws



- *1957 Law*
- *1957 w/ schools*
- *1981 Law*
- *1981 w/o schools*
- *1983 Purchasing Law*
- *Metro*
- *Charter*
- *Centralized by Private Act*
- *Private Act*

POLICIES AND PROCEDURES

Policies and procedures should be documented, and communicated to officials, department heads, and employees.

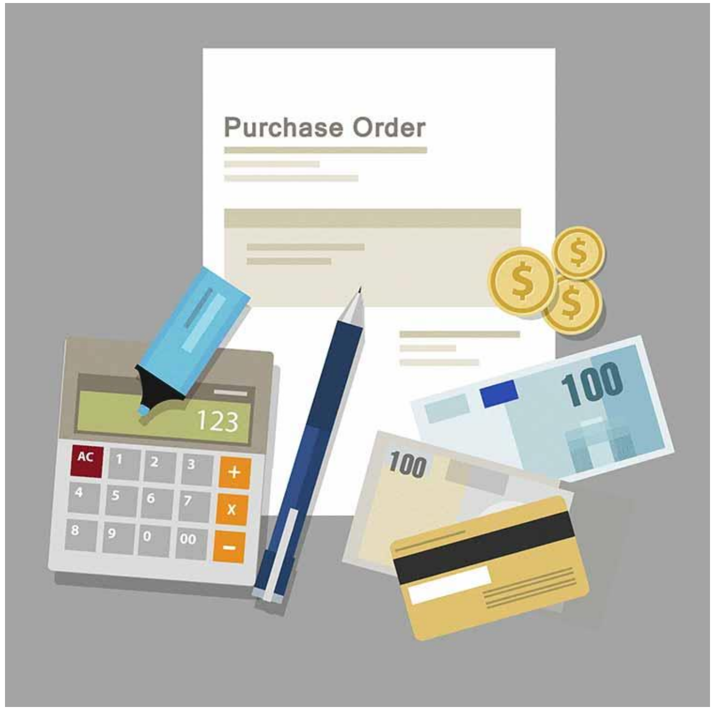
PURCHASING PROCESS

- Need
- Requisition
- Purchase Order
- Receiving Report

REQUISITION

- A formal request to buy goods or services
- Created by the department with a need
- Sent to the purchasing department
- Description of what is needed, when, and where
- Authorization to contact vendors and place orders

THE PURCHASE ORDER



- Written evidence of a contract between county and vendor.
- Legal document and must contain all the elements of the contract.
- Vendor's authority to ship and charge for the goods or service.

THE RECEIVING REPORT

- Confirms delivery of goods or services
- Created by the department that receives the items
- Lists what was received, including quantity and condition
- Compared with the purchase order and invoice
- Helps verify that the correct items were delivered
- Part of the internal control process for payments

QUESTIONS?