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

COUNTY FINANCE OVERVIEW

BUDGETING

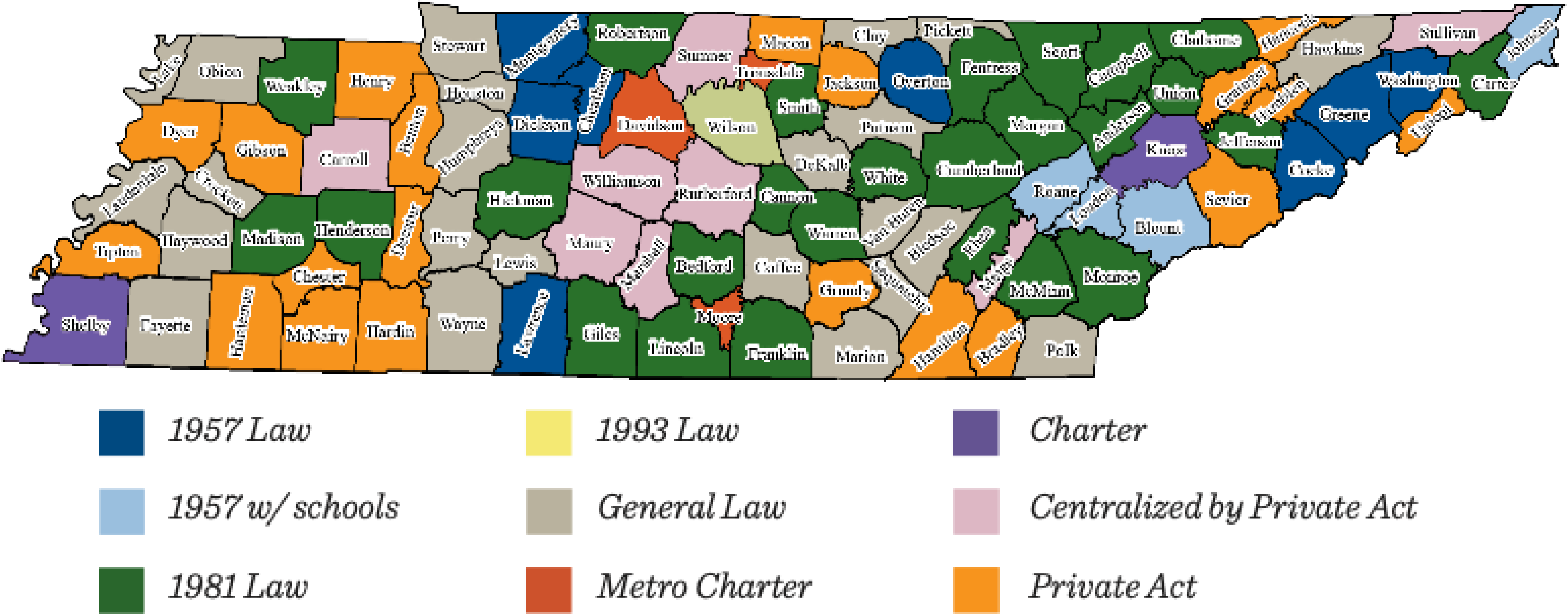
WHAT IS A BUDGET?

A plan and legal document

Identifies the services and how the services are to be financed

Sets expenditure limitations on offices

Tennessee
County Budgeting Laws



COUNTY GOVERNMENT
REQUIRED SERVICES

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

COUNTY GOVERNMENT
OPTIONAL SERVICES

Airport

Animal Control

911 System

Fire Protection

Industrial Development

Planning

Recreation

Sewer System

School Transportation

Charitable Donations

Waste & Water System

Workhouse

MAINTENANCE OF EFFORT

Your Most Critical Budget Constraint

MAINTENANCE OF EFFORT

A requirement that a county maintain a certain level of financial support for specific offices or services – either by **maintaining revenue provided** or a **required level of expenditures.**

MAINTENANCE OF EFFORT

STATUTES

Board of Education	T.C.A. 49-2-203/49-3-314
Sheriff's Office	T.C.A. 8-20-120
Highway Department	T.C.A. 67-3-901
Assessor of Property	T.C.A. 67-1-506
Election Commission	T.C.A. 2-12-209
Public Library	T.C.A. 10-5-101
Emergency Communications District	T.C.A. 7-86-303
County Mayor	T.C.A. 5-9-408

MAINTENANCE OF EFFORT
ASSESSOR OF PROPERTY

T.C.A. 67-1-506

Assessor may appoint at least one deputy for each of 4,500 parcels of property over and above the first 4,500 parcels.

MAINTENANCE OF EFFORT
ELECTION COMMISSION

T.C.A. 2-12-209

Election commission funds cannot be reduced below previous comparable years.

MAINTENANCE OF EFFORT
COUNTY MAYOR

T.C.A. 5-9-408

County mayor's office budget for personnel, supplies, communication, and other expenses cannot be reduced below the previous year's amount without the mayor's approval.

MAINTENANCE OF EFFORT
PUBLIC LIBRARY

T.C.A. 10-5-101

The Secretary of State may establish criteria for joining and continuing participation in the regional library system.

MAINTENANCE OF EFFORT
HIGHWAY DEPARTMENT

T.C.A. 67-3-901

Allocate funds for road purposes from local revenue at an amount not less than the average of the last five fiscal years.

MAINTENANCE OF EFFORT
SHERIFF'S OFFICE

T.C.A. 8-20-120

Cannot reduce sheriff's department salaries or employees without the sheriff's consent.

MAINTENANCE OF EFFORT
BOARD OF EDUCATION - STATE

T.C.A. 49-3-314(c)(1) – State Department of Education

- No LEA shall use state funds to supplant total local current operating funds, excluding capital outlay and debt service.

MAINTENANCE OF EFFORT
BOARD OF EDUCATION - LOCAL

T.C.A. 49-2-203(a)(9)(A)(i)– Local Board of Education

No LEA shall submit a budget to the local legislative body that directly or indirectly supplants or proposes to use state funds to supplant any local current operation of funds, excluding capital outlay and debt service.

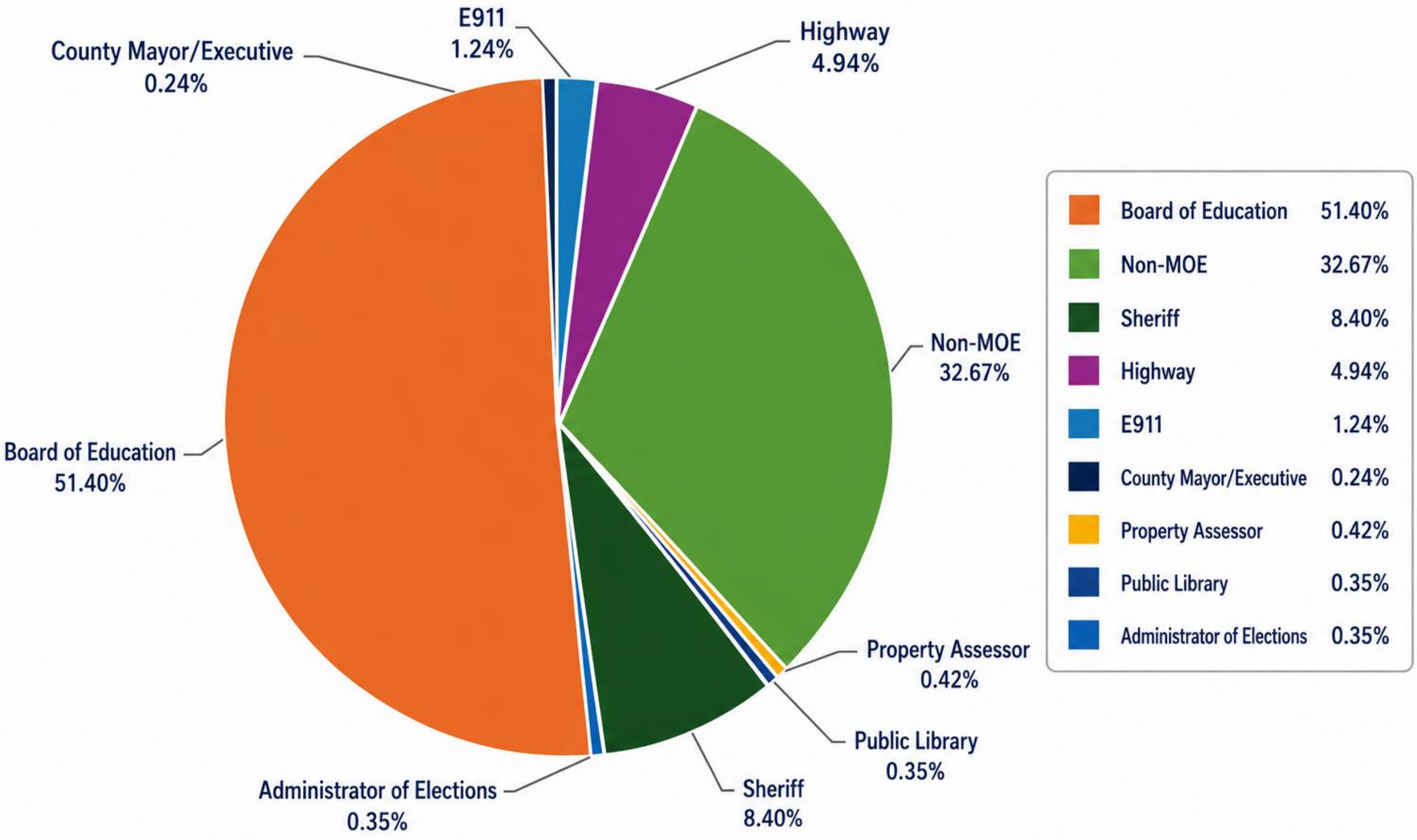
MAINTENANCE OF EFFORT
BOARD OF EDUCATION - DETAILS

CY Budgeted Local Revenues ≥
PY Local Budgeted Revenues

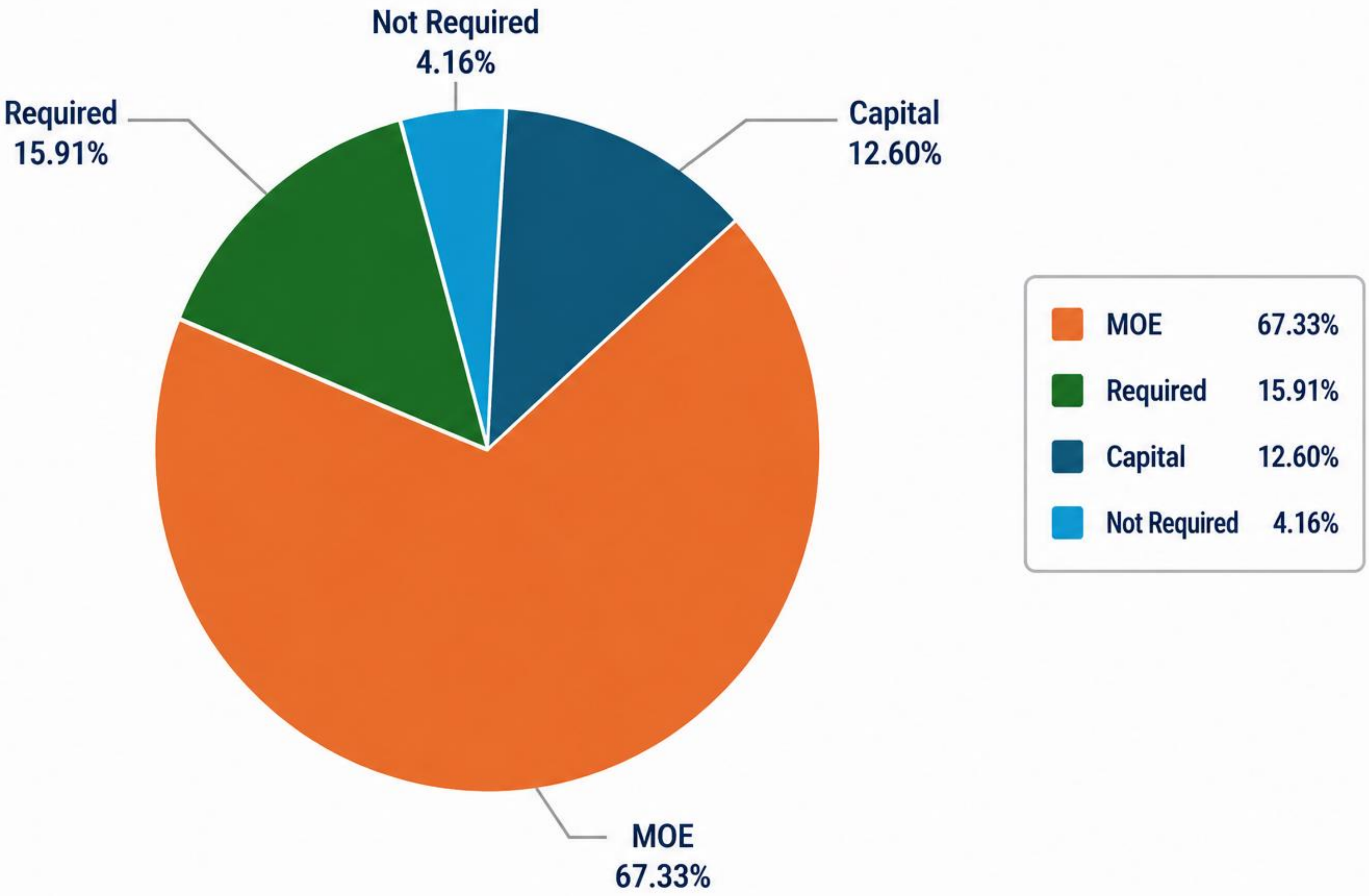
Not a One-Time Pass-Fail Test

Decrease in Average Daily Membership (ADM) Allows for MOE Reduction

Distribution of County Expenditures



County Government Expenditure Summary



BUDGET CALENDAR

Feb 1 – Deliver Forms to

Mar 1 – Return Forms

Apr 1 – Budget Committee Votes

May 1 – BOE Delivers Budget

June 30 – Budget Deadline

Aug 15 – Notify OLGF

Aug 31 – Continuation Budget Deadline

Sep 30 – Deadline only if granted extension

CTAS

CHART OF ACCOUNTS

FUNDS

101 – General Fund

116 – Solid Waste

131 – Highway

141 – GP Schools

151 – Debt Service

FUNCTIONS

51100 – Co. Comm.

51300 – Co. Mayor

52400 – Co. Trustee

52500 – Co. Clerk

54110 – Sheriff

OBJECT CODES

105 – Supervisor/Dir.

201 – Social Security

307 – Communication

317 – Data Proc. Svc.

355 – Travel

BALANCED BUDGET FORMULA

Fund Balance	+	Revenues	≥	Expenditures

STRUCTURALLY BALANCED
BUDGET FORMULA

Recurring Revenues $\geq$ Recurring Expenditures

REVENUE

Recurring	Nonrecurring
• Property Tax	• Grants
• Sales Tax	• Contributions/Donations
• Wheel Tax	• Insurance Proceeds
• Hotel/Motel Tax	• Sale of Property/Equipment
• Fees/Taxes From Officials	• One-Time State or Federal

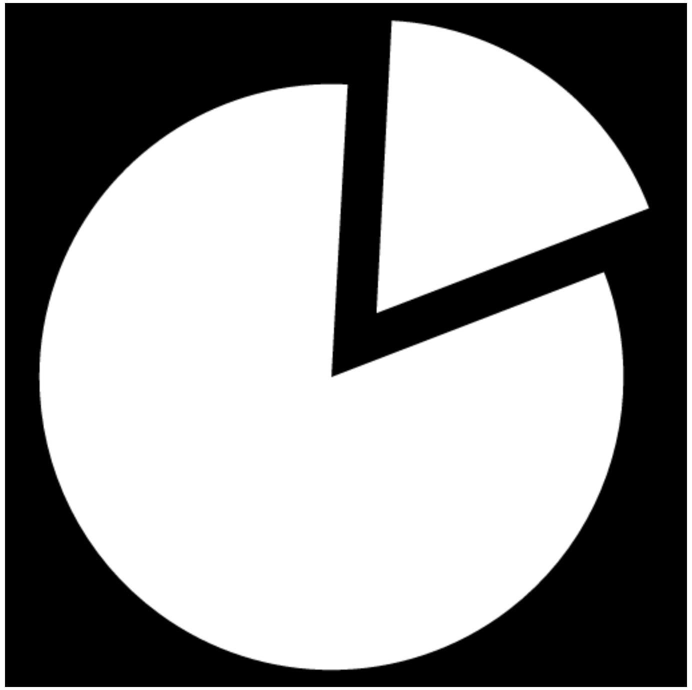
REVENUE

Use Determined By:

1. County commission
2. State legislature
3. Federal government
4. Grantors
5. Donors

INCREASING REVENUE

- Property tax
- Sales tax
- Wheel tax
- Hotel/Motel tax
- Fees/taxes collected from officials



EXPENDITURES

Recurring

- Personnel/Benefits
- Lease/Maintenance Agreements
- Data Processing Services

Nonrecurring

- Asset replacement
- Facility upgrades
- One-time projects

Volunteer County, Tennessee
General Fund
Statement of Proposed Operations

Account No.	Description	Actual 2022-23	Estimated 2023-24	Budgeted 2024-2025
51300	**County Mayor/Executive**			
101	County Official/Administrative Officer	$ 109,765	$ 115,254	$ 121,017
103	Assistant(s)	46,144	53,319	-
105	Supervisor/ Director	-	-	70,000
161	Secretary(s)	73,621	111,462	158,809
189	Other Salaries and Wages	3,800	3,804	-
201	Social Security	14,089	17,412	22,221
204	State Retirement	13,697	17,187	23,261
205	Employee And Dependent Insurance	26,719	17,818	18,144
210	Unemployment Compensation	101	300	540
212	Employer Medicare	3,295	4,072	5,200
307	Communication	2,903	2,900	2,900
317	Data Processing Services	85	1,800	1,800
320	Dues And Memberships	1,700	3,000	1,800
325	Fiscal Agent	-	-	8,575
334	Maintenance Agreements	2,402	3,000	3,000
348	Postal Charges	2,912	3,000	3,000
349	Printing, Stationery And Forms	1,121	1,100	1,000
355	Travel	1,928	1,955	2,500
435	Office Supplies	3,873	4,620	3,000
719	Office Equipment	2,566	1,000	2,000
	Total County Mayor/Executive	**$ 310,721**	**$ 363,003**	**$ 448,767**

WHAT IS FUND BALANCE?

- Money remaining after revenues and expenditures
- Provides a financial cushion for unexpected events
- Helps manage cash flow throughout the year
- Should be used for one-time projects or emergencies

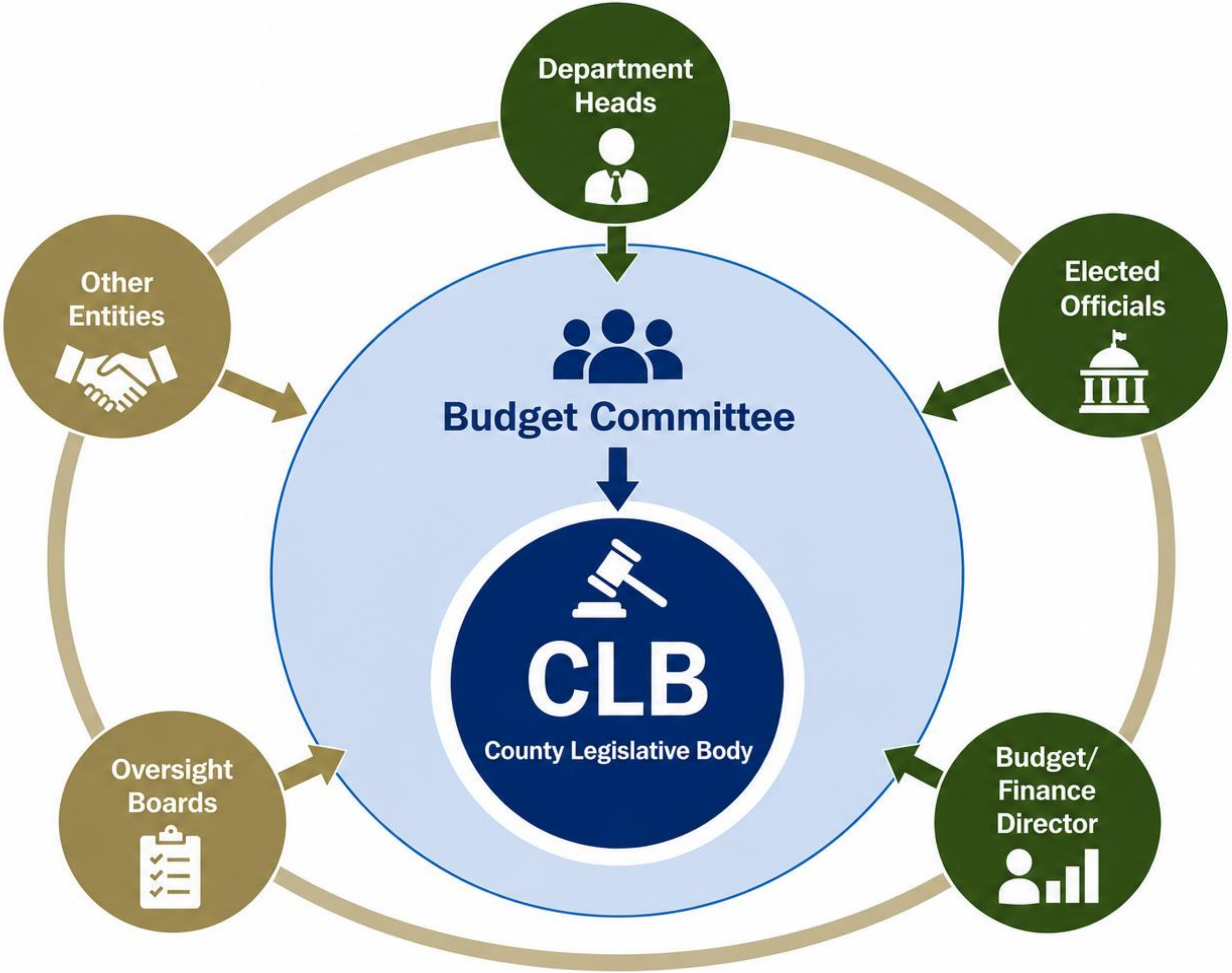
A CONTINUOUS PROCESS

Planning

Developing

Adopting

Managing


Department Heads
Other Entities
Elected Officials
Budget Committee
CLB
County Legislative Body
Oversight Boards
Budget/ Finance Director

BUDGET COMMITTEE RESPONSIBILITIES

Are you required to have one?

What are the duties?

- Estimate Revenues
- Estimate Expenditures
- Submit budget to full commission

NOTICE REQUIREMENTS

Published within 5 days of presenting to CLB

Wait 10 days after publication before adoption

Public hearings if increasing certified tax rate

BUDGET ADOPTION

- Appropriations Resolution
- Tax Levy Resolution
- Non-Profit Resolution
- Detailed Budget Document
  - Fund Level

BUDGET MONITORING

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

LETTER OF AGREEMENT

Approval of the Budget

- Current fee officials have 30 days to file
- 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?

LONG-TERM PLANNING
BEYOND THE ANNUAL BUDGET

MULTI-YEAR FINANCIAL PLAN (3 – 5)

Project recurring revenues & expenditures

Helps to reduce crisis management

CAPITAL IMPROVEMENT PLAN

Estimate timing

Prioritize major projects

Smooths large costs

PURCHASING

PRINCIPLES OF PURCHASING

- Maximum Competition
- Equal and Fair Competition
- Best Value at the Lowest Price

FORMAL BID THRESHOLDS

CENTRALIZED PURCHASING AUTHORITY

- $50,000
- Full-time purchasing agent
- Three quotes

NON-CENTRALIZED PURCHASING

- $25,000
- No Full-time purchasing agent
- Three Quotes

INTERNAL CONTROLS

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…

WHO IS RESPONSIBLE FOR INTERNAL CONTROLS?

County management is responsible for:

- Design
- Implement
- Maintain
- Tone at the Top

FINANCIAL MANAGEMENT

WHY FINANCIAL MANAGEMENT MATTERS

Know your financial position

Keep financial operations on track

Meet compliance requirements

Support transparency and accountability