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 TRUSTEES

Office Overview

GETTING STARTED

Oath

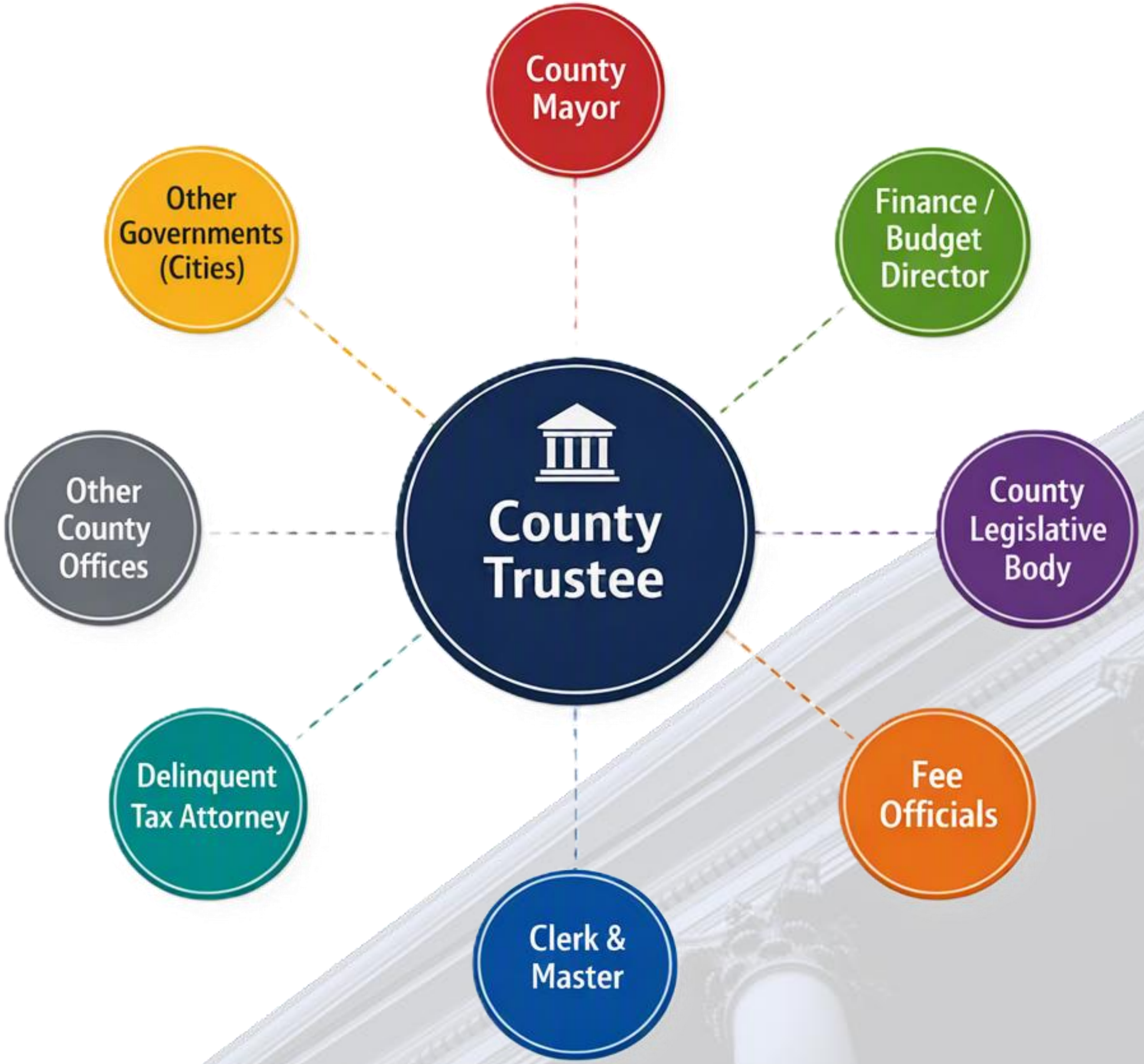
Surety Bond

OFFICE FUNCTION

Three Principal Functions:

1. Collecting property taxes
2. Accounting for and disbursing county funds
3. Investing temporarily idle funds

INTERACTION WITH OTHER OFFICIALS



COUNTY TREASURER

- How money flows
- Revenues
- Disbursements
- Optional checking system
- Depository selection/evaluation
- Safeguarding deposits
- Recurring reports
- Commissions
- Investing idle funds
- Permitted investments

FLOW OF MONEY

How money moves through the trustee's office:

- Receive
- Allocate by fund
- Verify availability
- Disburse
- Account/Report

REVENUES

Use Determined By:

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

DISBURSEMENTS

Warrants versus Checks

- Disbursed by various financial centers
  - Warrants – funded after presented to bank by recipient
  - Checks – funded prior to receipt by vendor

OPTIONAL CHECKING SYSTEM

Trustee's choice

Requires 30-day notice to issuing departments

Chooses a certification method

Trustee establishes clearing accounts

Deposits funds prior to funds

DEPOSITORY SELECTION

Official Bank Accounts

Prior to contracting trustee is required:

- Take bids from banks
- File analysis with county clerk
- Make the recommendation

PERIODIC BANK EVALUATION

Required to evaluate county's banking contract(s)

- Once every 4 years
- Obtain at least two proposals
- Prepare written evaluation
- Kept minimum of three years

SAFEGUARDING DEPOSITS

Collateralization of Funds

- Deposits above the FDIC insurance amount
- 105% for amounts not FDIC insured
- Banks pledge assets
- Member of collateral pool

ANNUAL FINANCIAL REPORT

Complete Financial Report

- Filed with county mayor and county clerk
- Copy to CLB
- Mayor submits for inspection

STATUTORY COMMISSIONS

- State, County, and Municipal Revenue
- County Offices
- Schools
- Highways
- Others

TRUSTEE COMMISSION REPORT

ACCOUNT CODE	ACCOUNT DESCRIPTION	COMMISSION	PERCENT
	LOCAL TAXES		
	COUNTY PROPERTY TAXES		
40110	Current Property Tax	C	2%
40111	Current Property Tax - Tax Increment Financing	C	2%
40115	Discount on Property Taxes	C	2%
40120	Trustee's Collections - Prior Year	C	2%
40125	Trustee's Collections - Bankruptcy	C	2%
40130	Circuit Clerk/Clerk and Master Collections - Prior Years	C	2%
40140	Interest and Penalty	C	2%
40150	Pickup Taxes	C	2%
40161	Payments in-Lieu-of Taxes - T.V.A.	C	2%
40162	Payments in-Lieu-of Taxes - Local Utilities	C	2%
40163	Payments in-Lieu-of Taxes - Other	C	2%
	COUNTY LOCAL OPTION TAXES		
40210	Local Option Sales Tax	C	1%
40220	Hotel/Motel Tax	C	1%
40230	Local Amusement Tax	C	1%
40240	Wheel Tax	C	1%
40250	Litigation Tax - General	C	1%
40260	Litigation Tax - Special Purpose	C	1%
40265	Litigation Tax - Office of Public Defender	C	1%

INVESTMENTS

Directed to invest all idle county funds

- Bond proceeds
- Infrequent Occurrences
- Other idle county funds

AUTHORIZED BANKS

- State Chartered
- Federally Chartered
- Federal Savings Institution

COMMON INVESTMENT INSTRUMENTS

- Certificates of deposit
- U.S. Government Obligations
- Bonds from the state, counties & other political subdivisions

COUNTY TRUSTEE

Financial Overview

TRUSTEE'S FINANCIAL RESPONSIBILITIES

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

BUDGETING

BUDGET CONSIDERATIONS

- Legal Authority
- Budget Calendar
- Budget Management
- Fees versus Salary
- Budget Development
- Amending the Budget

CURRENT STATUS

- Fee or Salary System
- Inheriting a Budget
- Trustee Checklist

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

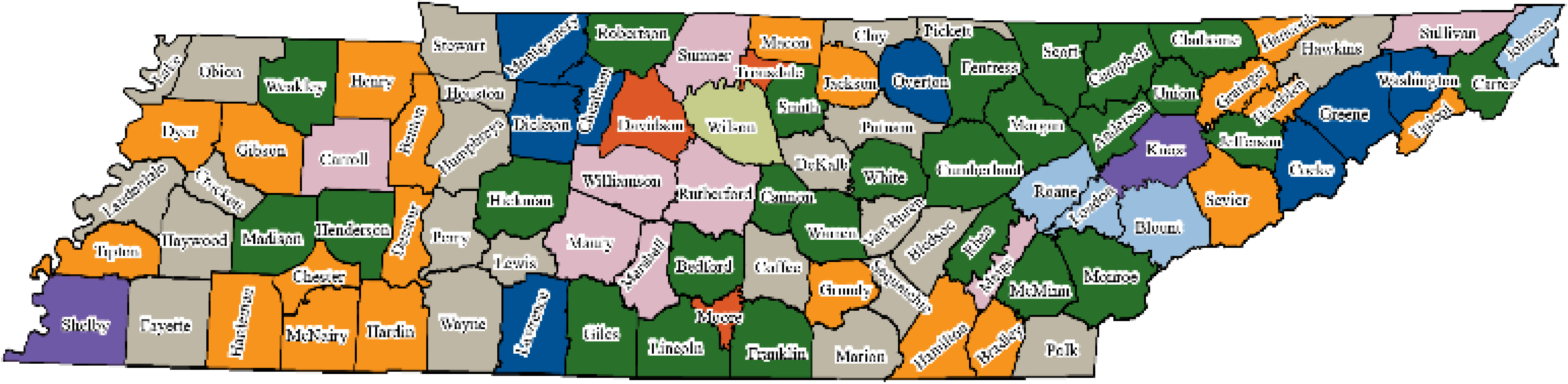
Workhouse

MAINTENANCE OF EFFORT

T.C.A. requires financial mandates for certain local government offices:

- Board of Education
- Sheriff's Office, Including the Jail
- Highway Department
- Administrator of Elections
- Public Library
- Assessor of Property
- Mayor's Office

Tennessee
County Budgeting Laws



1957 Law | *1993 Law* | *Charter*
1957 w/ schools | *General Law* | *Centralized by Private Act*
1981 Law | *Metro Charter* | *Private Act*

WHAT IS A BUDGET?

A Plan & Legal Document

- The county's financial roadmap

Service Delivery Blueprint

- Identifies the services the county will provide and how they are funded

Expenditure Authority

- Sets expenditure limitations on all offices and departments

BUDGET CALENDAR

Feb 1
Deliver Forms to EO/DH

→

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

REVENUE

Recurring	Non-recurring
• 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

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

CTAS

BALANCED BUDGET FORMULA

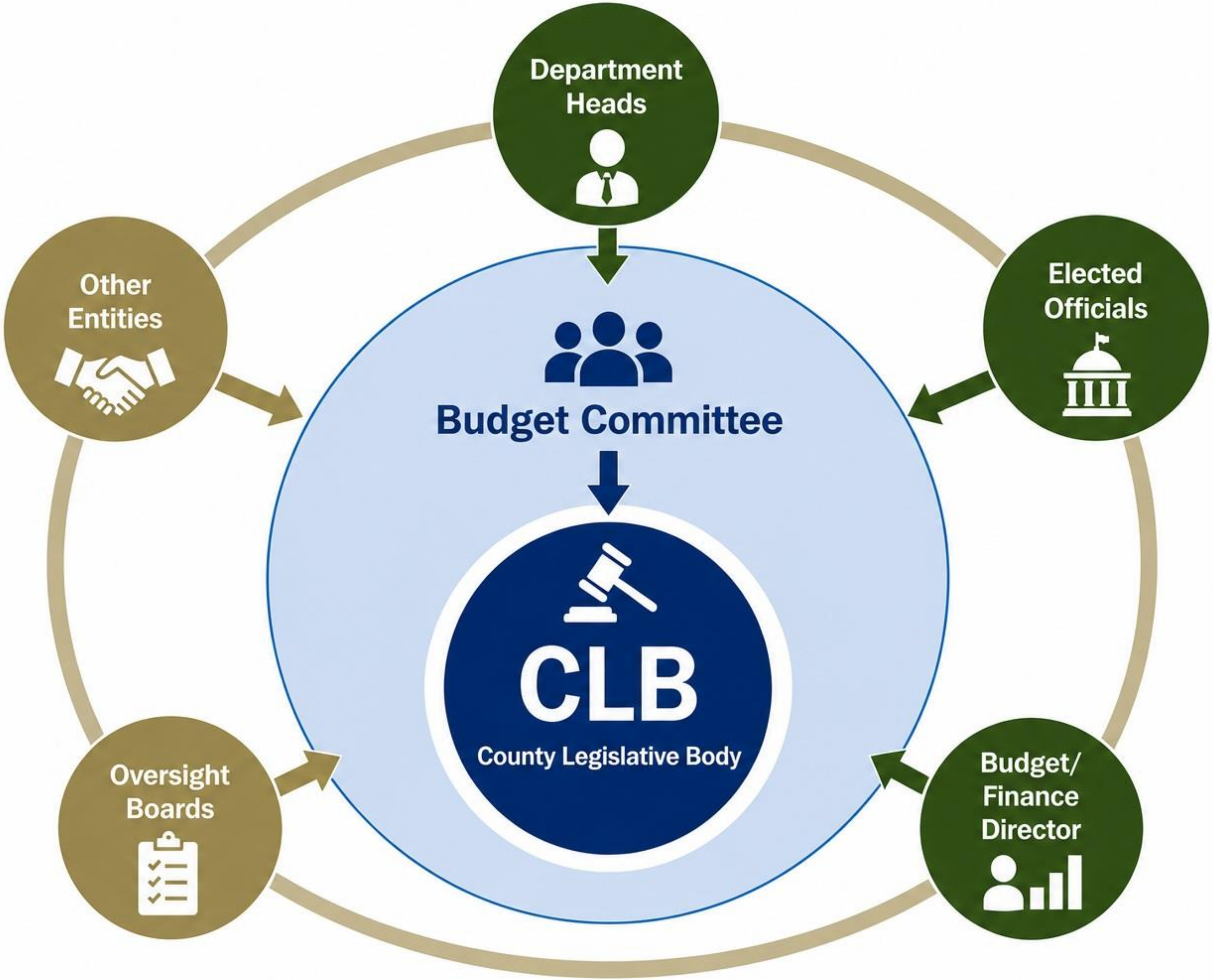
Fund Balance	+	Revenues	≥	Expenditures

STRUCTURALLY BALANCED
BUDGET FORMULA

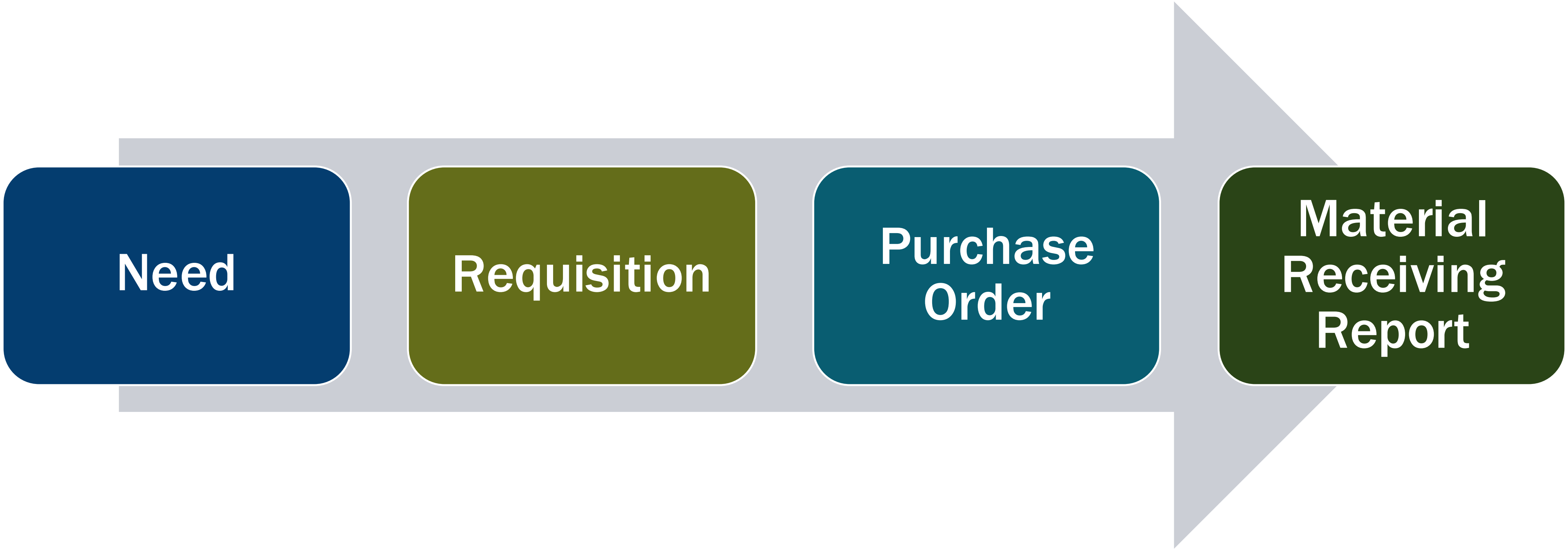
Recurring Revenues	≥	Recurring Expenditures

CHART OF ACCOUNTS

FUNDS	FUNCTIONS	OBJECT CODES
101 – General Fund	51300 – County Mayor	105 – Supervisor/Director
116 – Solid Waste	51600 - Register of Deeds	201 – Social Security
131 – Highway/Public Works	52100 - Accounts & Budgets	307 - Communication
141 – Gen Purpose Schools	52400 – County Trustee	317 – Data Processing Svc
151 – Debt Service	52500 – County Clerk	355 - Travel


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

PURCHASING PROCESS



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…

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 is responsible for:

- Design
- Implement
- Maintain


Opportunity
THE FRAUD TRIANGLE
Rationalization
Pressure

INTERNAL CONTROLS
COMMON BREAKDOWNS

- 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

INTERNAL CONTROLS
INHERENT LIMITATIONS

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

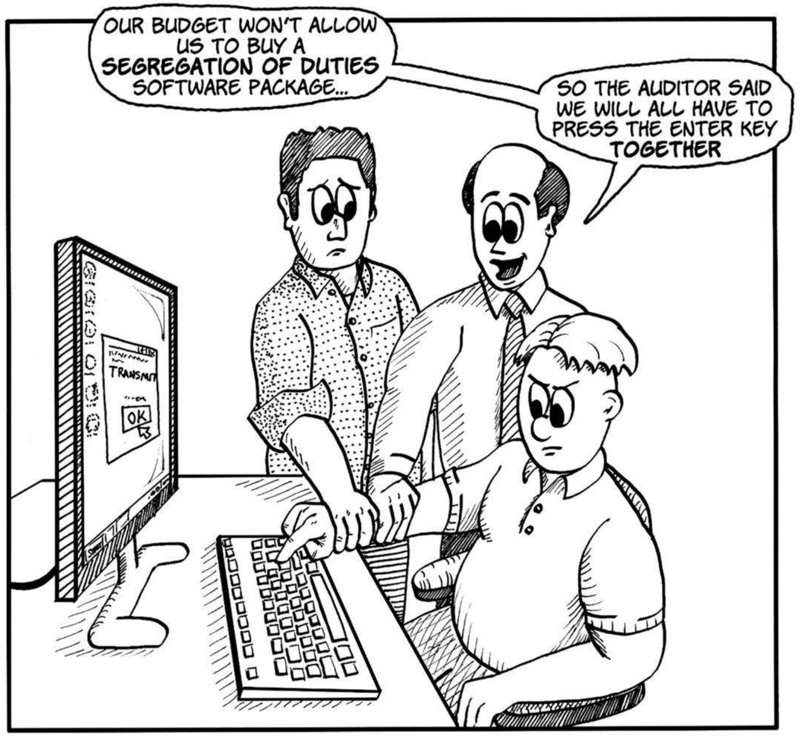
Components	Principles
Control Environment	1. Demonstrate Commitment to Integrity and Ethical Values 2. Exercise Oversight Responsibility 3. Establish Structure, Responsibility, and Authority 4. Demonstrate Commitment to Competence 5. Enforce Accountability
Risk Assessment	6. Define Objectives and Risk Tolerances 7. Identify, Analyze, and Respond to Risk 8. Assess Fraud Risk 9. Analyze and Respond to Change
Control Activities	10. Design Control Activities 11. Design Activities for the Information System 12. Implement Control Activities
Information & Communication	13. Use Quality Information 14. Communicate Internally 15. Communicate Externally
Monitoring Activities	16. Perform Monitoring Activities 17. Remediate Deficiencies

Internal Controls

Trustees

- Trustee Manual
- Sample Questionnaire
- Sample Assessment
- Sample Segregation of Duties Checklist

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.

KEY TAKEAWAYS

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

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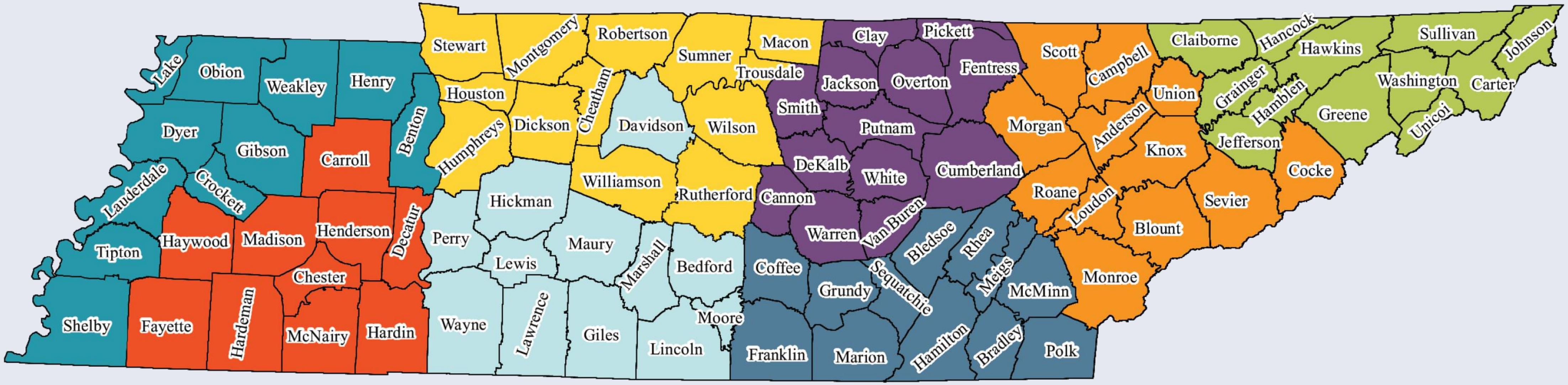

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