COUNTY FINANCE OVERVIEW

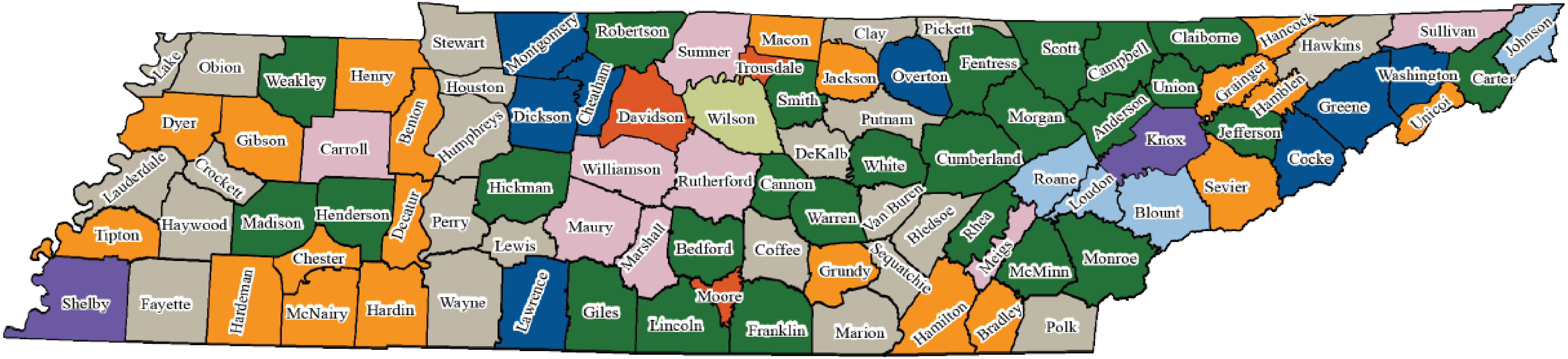
COOP 2026

BUDGETING

WHAT IS A BUDGET?

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

Tennessee
County Budgeting Laws



1957 Law

1957 w/ schools

1981 Law

1981 w/o schools

1993 Law

General Law

Metro Charter

Charter

Centralized by Private Act

Private Act

REQUIRED SERVICES

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

OPTIONAL SERVICES

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

MAINTENANCE OF EFFORT (MOE)

T.C.A. requires certain financial mandates

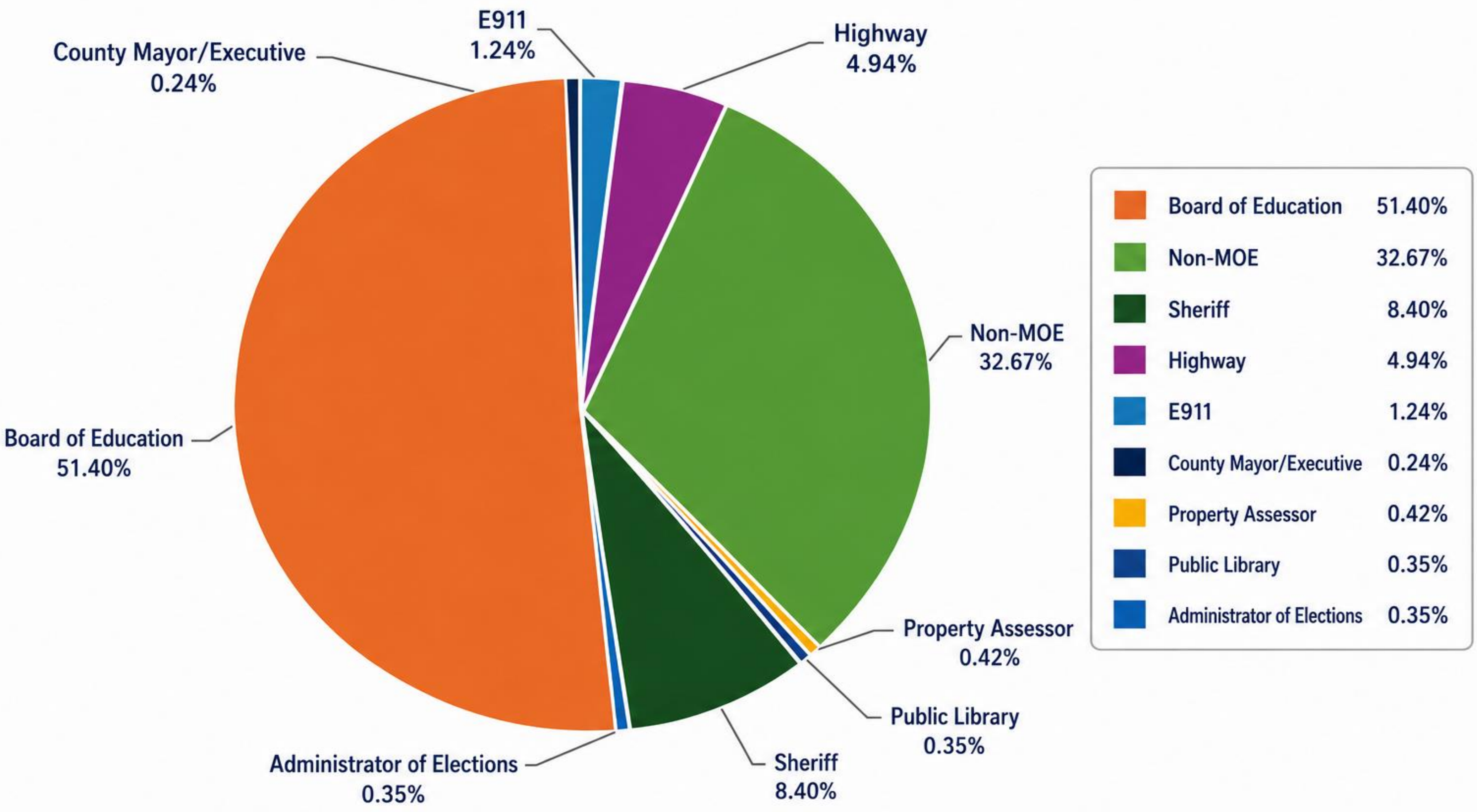
- Board of Education
- Sheriff's Office, Including the Jail
- Highway Department
- Administrator of Elections
- Public Library
- Assessor of Property
- Mayor's Office

COUNTY MAYOR

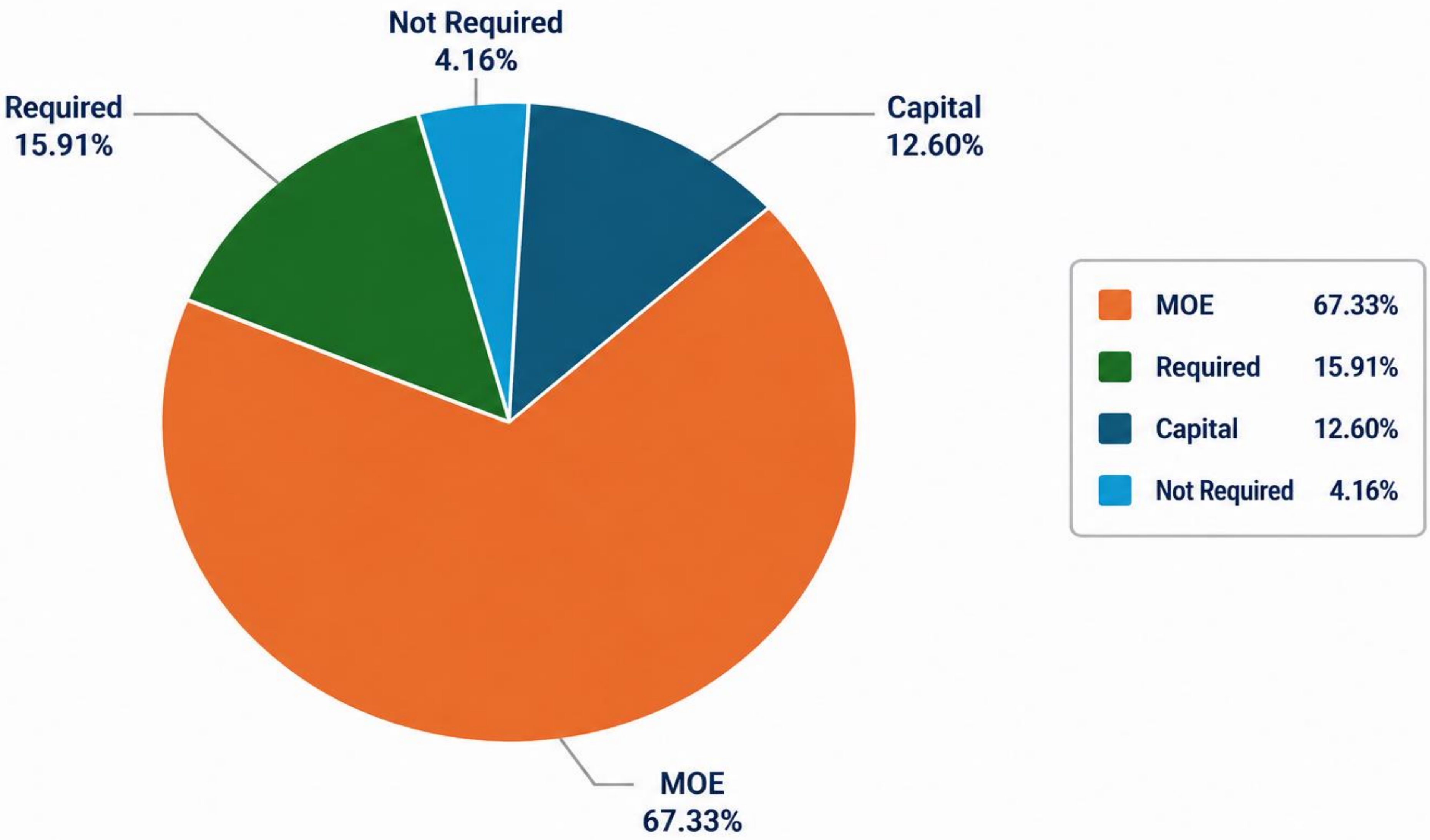
T.C.A. 5-9-408

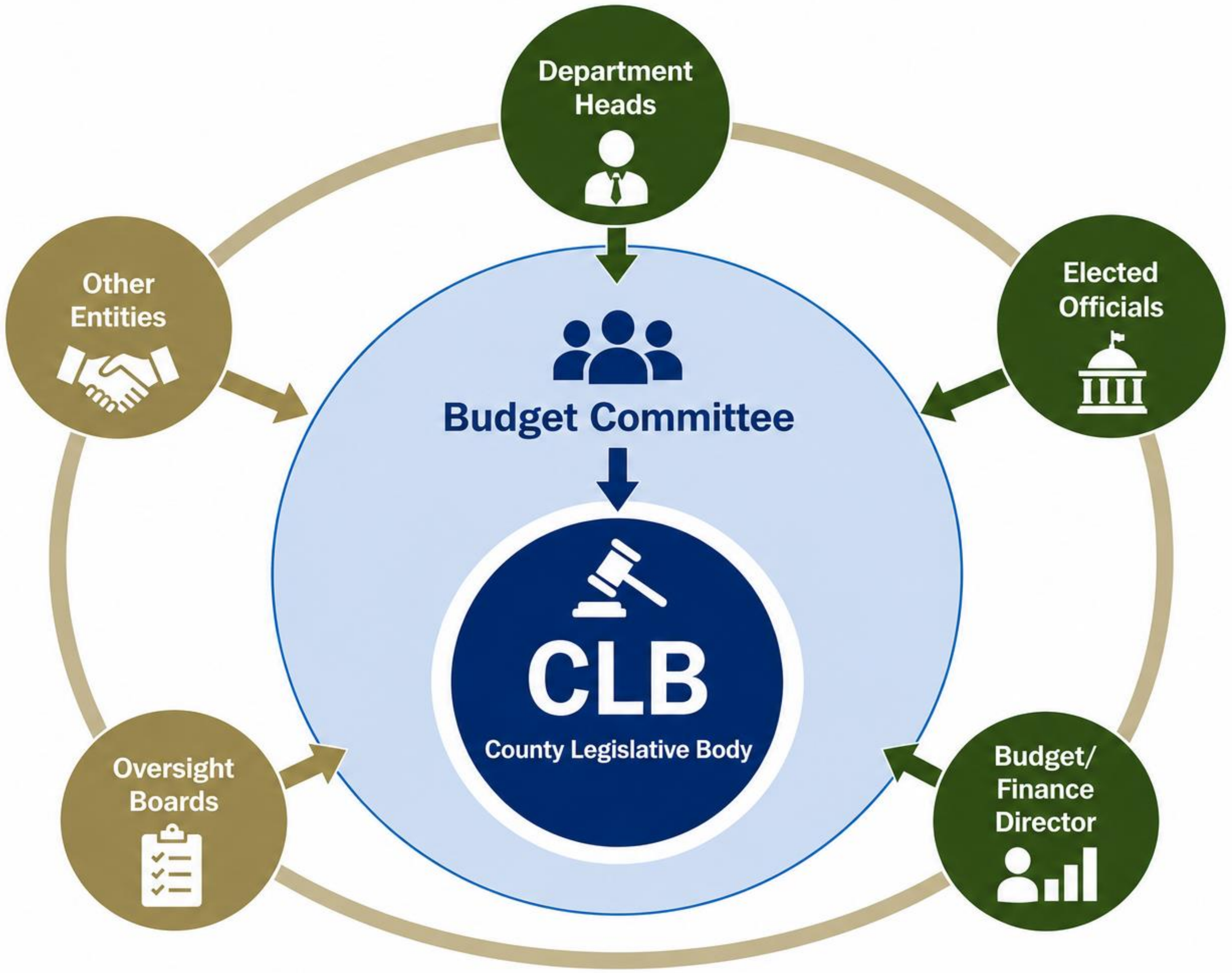
The county mayor’s office budget cannot be reduced below the previous year’s amount for personnel, supplies, communication, and other expenses without the mayor’s approval.

Distribution of County Expenditures



County Government Expenditure Summary




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

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

CHART OF ACCOUNTS

Fund	Functions (Major Categories)	Object Codes
101 General Fund	51300 County Mayor	105 Supervisor/Director
116 Solid Waste/Sanitation	51600 Register of Deeds	201 Social Security
122 Drug Fund	52100 Accounts and Budgets	307 Communication
131 Highway/Public Works	54110 Sheriff	513 Workers' Comp. Insurance
151 Debt Service	54210 Jail	790 Other Equipment

REVENUE

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

INCREASING REVENUE

Property Tax	Wheel Tax	Sales Tax	Hotel/Motel Tax	Fees/Taxes From Officials
• Majority CLB	• 2/3rds CLB • Referendum • Private Act	• Referendum	• CLB Vote • Private Act	• Legislature and CLB

EXPENDITURES

Recurring

- Personnel & Benefits
- Supplies
- Leases
- Software

Nonrecurring

- Capital Asset
- Facility Upgrades
- One-Time Projects
- Settlement

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 annual 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

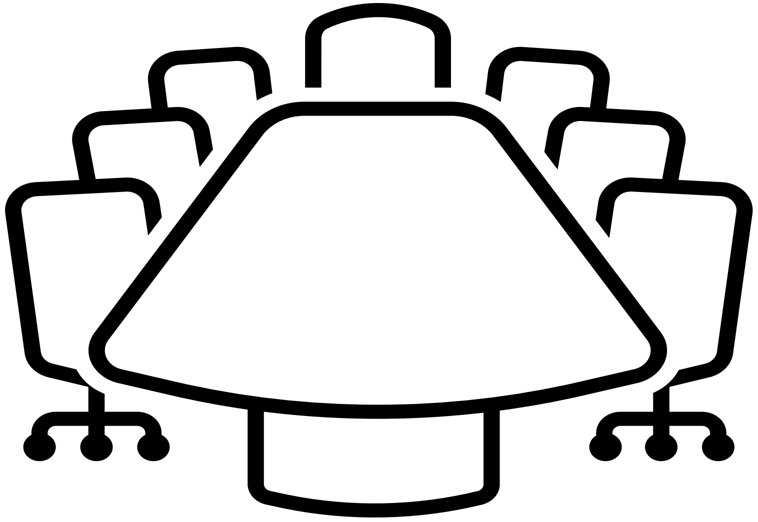
BALANCED BUDGET FORMULA

Fund Balance + Revenues ≥ Expenditures

STRUCTURALLY BALANCED BUDGET FORMULA

Recurring Revenues	$\geq$	Recurring Expenditures

BUDGET COMMITTEE



Are you required to have one?

What are their duties?

- Review projected revenues
- Review budget requests
- Submit proposal to full body

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

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?

BUDGET MONITORING

- Review monthly reports
- Communicate budget concerns
- Budget amendments as necessary
- Plan for next year's budget

PURCHASING

PURCHASING PROCESS

- Need
- Requisition
- Purchase Order
- Receiving Report

FORMAL BID THRESHOLDS

Centralized Purchasing Authority

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

Non-Centralized Purchasing or Without a Full-time Purchasing Agent

- $25,000
- Three quotes

PURCHASING METHODS

- Informal Quotes
- Competitive Sealed Bids (ITB/IFBs)
- Competitive Sealed Proposals (RFPs)
- Request for Qualifications (RFQs)

OTHER LEGAL METHODS

- Cooperative Purchasing
- Secondhand Goods Purchasing
- Professional Services
- Sole Source
- Emergency Purchasing

PURCHASING RED FLAGS

- Splitting purchases to avoid bidding
- Purchasing before funds or approvals are in place
- Sole-source or emergency purchases without proper justification
- Specifications written to favor one vendor
- Construction bidding done improperly

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…

CTAS

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 to:

- Design
- Implement
- Maintain

ACCOUNTING/BOOKKEEPING

WHY ACCOUNTING MATTERS

Keeps an accurate record of county finances

Helps officials make informed decisions

Ensures money spent as authorized

Builds public trust through accountability

REPORTS TO UNDERSTAND

<u>Budget vs. Actual</u> – Where are we tracking with the budget?

<u>Cash Position</u> – Cash flow at any given time.

<u>Annual Audit</u> – What findings or concerns were issued?

QUESTIONS & ANSWERS