



## ThreeStar Program Adjustments March 12, 2013

### ThreeStar Grant Applicant/Grantee

The intent of the ThreeStar program is to encourage cooperation and vision among municipal and county officials, along with business, economic, education, health, public safety, and other community leaders. The purpose of the ThreeStar grant for Tier 2 & 3 economic enhancement counties is to provide funds to initiate new local activities the community believes will create a sustainable future. Therefore the Department of Economic and Community Development will accept grant applications under the following conditions:

- The grant application must be submitted by an entity of local government, such as the county joint economic and community development board (JECDB), a city mayor's office, the county mayor's office, the county school board, a city or county Industrial Development Board or a local Chamber of Commerce. The JECDB must designate which entity will serve as the grantee and administrator.
- The application must be accompanied by a letter from the county's Joint Economic and Community Development Board (JECDB) supporting the application and acknowledging that the Board has taken an affirmative vote for the use of these grant funds.
- The metropolitan governments of Davidson, Moore and Trousdale counties do not have JECDB's.

### County Budget Adoption

The county commission must have approved the county budget no later than October 1 and submitted it to the Tennessee Office of the Comptroller of the Treasury no later than October 15.

### County Audit Committee

The ThreeStar program operates on the calendar year while state and county budget/audit cycle operates on the fiscal year running from July 1 to June 30. Additionally, the ThreeStar reporting period ends December 1 annually so score cards can be assimilated and distributed in the month of December.

After consultation with the Comptroller of the Treasury's Division of Local Government Audit, ECD will follow this process for participation in the ThreeStar program:

- The county must establish an audit committee before December 1, 2013.
- The audit committee must meet at least once annually beginning January 1, 2014.
- The first meeting may take place between July 1 and December 1, 2014, so that the audit committee can hear and act upon the report of the auditor with respect to the comprehensive annual financial report (CAFR) or financial report. (For example the audit committee must be established in the calendar year 2013)



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but the first meeting may not occur until FY 15 [July 1, 2014 and December 31, 2014] after the FY 13 CAFR or financial report is completed.)

- The audit committee must consist of no fewer than three members to be comprised of members of the County Commission, citizens of the county, or a combination of both. A county internal auditor may not serve in place of the audit committee.
- A county budget committee may not serve in place of the audit committee.
- A county internal auditor may not serve in place of the audit committee.
- The committee shall have access to the services of a financial expert, either through a committee member or an outside party engaged by the committee for this purpose.
- Such financial expert **should**, through both education and experience, and in a manner specifically relevant to the county government sector, possess (1) an understanding of generally accepted accounting principles and financial statements; (2) experience in preparing or auditing financial statements of comparable entities; (3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; (4) experience with internal accounting controls; and (5) an understanding of Audit Committee functions.

Questions and assistance with county budget adoption procedures and creating an audit committee may be directed to the Comptroller of the Treasury, Division of Local Government Audit and with the University of Tennessee, Institute for Public Service, County Technical Assistance Service.

Local Government Audit

<http://www.comptroller.tn.gov/la/>

UT CTAS

<http://www.ctas.utk.edu>