



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Budget System

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Budget System

Private Acts of 1963 Chapter 233

SECTION 1. That there is hereby created a County Budget Committee of Maury County, Tennessee. The committee shall consist of up to six (6) members of the county commission, with the number of members to be determined by resolution of the county commission. The county executive shall serve on the committee as an ex officio member. The committee shall be elected by the commission at its first meeting following the effective date of this act. Thereafter, the committee shall be annually elected by the commission at its regular January meetings. At its first meeting after the election as hereby provided, a Chairman of said Committee shall be elected by the Committee. The County Director of Accounts and Budgets shall also be an ex officio member of said Committee and shall in addition be the ex officio secretary of the Budget Committee. The County Quarterly Court may in its discretion allow members of the Budget Committee such compensation for their services as the Court may deem proper. Any provision for compensation, as well as provision for printing, publicity, supplies and other necessary expenses of the Budget Committee, shall be payable from the County General Fund and shall be included in the annual appropriation. The Budget Committee shall perform all of the duties respecting county budgets and appropriations now performed, or required to be performed, by the County Finance Committee and shall perform such other duties as herein provided.

As amended by: Private Acts of 2003, Chapter 16

SECTION 2. That there is hereby created a fiscal year for Maury County and for each office, department, institution, activity, and agency thereof, which fiscal year shall begin on the first day of July of each year and shall end on the thirtieth day of June next following. Said fiscal year shall constitute the budget year, and the year for accounting and reporting of each and every office, department, institution, activity and agency of the county government; but the aforesaid provision shall be in addition to, and not in lieu of, any accounting and reporting now required of any official by general law.

SECTION 3. That the County Highway Directors or Superintendent shall on or before the first day of April of each year file with the Director of Accounts and Budgets an itemized statement of the funds estimated to be required for the county road program for the ensuing fiscal year and for the construction, operation, repair and maintenance of the county road system and for the general administration of the highway department, together with an estimate of the highway and road funds expected to be received during such fiscal year.

The County Board of Education shall, after preparing its annual budget as now provided by law, file such budget with the Director of Accounts and Budgets for inclusion in the complete budget document to be presented to the Budget Committee.

The County Judge or Chairman, on or before the first day of April of each year, shall file with the Director of Accounts and Budgets an itemized statement of the amounts which he estimates are necessary to be expended from the County General Fund, the debt service funds, and from all other funds (excluding highway funds, school funds, and funds derived from the sale of bonds), together with an estimate of the revenue to be received during the next fiscal year.

The Board of Trustees of the Maury County Hospital, on or before the first day of April of each year, shall file with the Director of Accounts and Budgets an itemized statement of the amounts which is estimated is necessary to be expended or required for the operation, maintenance, and control as provided by law for the Maury County Hospital, together with an estimate of the funds expected to be received and from what sources during such fiscal year.

The County Board of Park Commissioners on or before the first day of April of each year shall file with the Director of Accounts and Budgets an itemized statement for the amounts which is estimated to be required for the operation and maintenance of the Maury County Park and for the administration thereof, together with an estimate of any and all funds expected to be received from other sources during such fiscal year.

Each of the other operating departments, institutions, offices and agencies shall file with the Director of Accounts and Budgets on or before April 1st of each year a detailed estimate of its requirements for expenditures from the county's funds for the ensuing year, together with an estimate of any county revenues to be received by such agency, office or department.

The Director of Accounts and Budgets, shall on or before May 1st of each year file a consolidated budget document with the Budget Committee showing an itemized statement of the amounts estimated by the various departments and officials to be required for the efficient operation of the county government from

the County General Fund, the debt service funds, highway funds, school funds and all other funds, together with an estimate of the revenues estimated to be received by each of the funds during the next fiscal year and an estimate of the unencumbered cash balance of each of said funds at the beginning of said fiscal year.

It shall be the duty of each official, office, department, institution, agent, or employee of the county government to furnish in writing such information, in such form and at such time as may be requested by the Budget Committee.

SECTION 4. That at least forty-five days prior to the beginning of each fiscal year the budget committee shall review and adopt the annual budget. Said budget shall contain an itemized and classified plan of all proposed expenditures and estimated receipts for the ensuing fiscal year, and shall conform to the uniform classification of accounts established by the Director of Accounts and Budgets.

Opposite each item of estimated revenue the Budget Department shall show in opposite parallel columns the amount actually collected for the last completed fiscal year, a revised estimated amount for the current fiscal year, and the estimate for the ensuing fiscal year.

Likewise opposite each item of proposed expenditures the budget document shall show the amount actually expended for such item during the last completed year, the probable amount which will be spent during the current fiscal year and the proposed appropriations or expenditures estimated for the ensuing fiscal year.

In preparing the budget, the Budget Committee may revise, as it deems necessary, the estimates or requests made by the various departments, officials, offices, institutions and agencies of the county, but any county official or employee shall be entitled to a hearing before the Budget Committee with reference to any contemplated changes in his budget requests or estimates.

The Budget Committee shall certainly and fully provide in the budget for all requirements of debt service, interest and bond maturities and for any cash deficit in any fund at the beginning of the fiscal year, and shall propose a tentative tax rate for the current calendar year.

SECTION 5. That on or before May 25th of each year the Budget Committee shall cause a synopsis of the proposed budget, and a statement of the tax rate required to finance the proposed budget, to be published in a newspaper having general circulation in such county. Said publication shall also contain a notice of a public hearing to be conducted by said Budget Committee at which any citizen of the county shall have the right to appear and state his views on the budget. Provided that such public hearing shall be held by the Budget Committee not later than thirty days prior to the beginning of the fiscal year.

Following such public hearing, the Budget Committee shall make the final revision of the budget document and prepare copies for presentation to the Maury County Quarterly Court.

SECTION 6. That the Budget Committee shall present the budget to the County Quarterly Court at its regular July session each year or at a special session called for the purpose during the month of July. The proposed budget shall be accompanied by a budget message explaining the financial program and outlining the services, work and activities to be financed by the proposed budget and a brief discussion of the means proposed for financing the expenditure program set forth in the budget. With the proposed budget, the Budget Committee shall deliver to the County Quarterly Court a budget appropriation resolution and a tax levy resolution.

The County Quarterly Court may alter or revise the proposed budget except as to provision for debt service requirements and for other expenditures required by law, but the County Quarterly Court shall finally adopt a budget not later than the third Monday in July. Pending such final adoption the Director of Accounts and Budgets is hereby authorized to make temporary allotments for expenditures for essential county services, in amounts not in excess of the comparable allotment for an average quarter of the preceding fiscal year.

The budget, the appropriation resolution, and the tax levy resolution, shall be spread upon the minutes of the County Quarterly Court.

SECTION 7. That the appropriations made in the appropriation resolution, or any amendment thereto, shall constitute the limit to expenditures for the various purposes and from the several funds of such county for the fiscal year covered by said resolution, and no expenditures shall be made or obligation created in excess of such limitation. Provided further, that any resolution presented to the Quarterly County Court or other governing body in any fiscal year, after the original appropriation resolution has been adopted and the tax rate for the year fixed by said Court, which provides for an appropriation in addition to those made in the original budget appropriation resolution, shall specifically provide sufficient revenue or other funds to meet expenditures to be made in consequence of such additional appropriation.

Provided, further, that if at any time during the fiscal year it shall become apparent that the revenues of

any of the county's funds together with its unencumbered cash balance at the beginning of such year, will not be sufficient to equal the amount of the original appropriations, it shall be the duty of the Director of Accounts and Budgets and the chairman of the County Quarterly Court or other governing body to impound the appropriations from such fund in such amount as shall appear necessary, subject to the written approval of the Budget Committee.

The appropriations made by the Quarterly Court or other governing body, as provided above, shall constitute authorization for expenditures; and expenditures may be made and obligations created against any appropriation to an aggregate total of the amount appropriated for such item. However, the expenditures and encumbrances against the amounts appropriated shall be made only in consequence of an order issued by appropriate department heads and subsequent approval of the invoice by the Director of Accounts and Budgets; except that payrolls and bills for telephones, water, gas, electric, and other utility services, shall first be checked and approved for payment by the various departments or otherwise as provided by law and county obligations imposed by law shall be approved by the proper authority before being submitted to the Director of Accounts and Budgets for payment. No expenditures made or obligations created in any manner other than so specified or authorized in this chapter shall be valid or binding against the county. Provided, however, that the Budget Committee may issue such regulations as it deems necessary for the prompt handling of bona fide emergencies.

Accounts and other obligations of the County Department of Education, other than payrolls, after pre-audit by the Director of Accounts and Budgets, shall be paid by disbursement warrants drawn on the county trustee by the County Board of Education, but copies of all disbursements issued by the Board of Education, showing the accounting classification chargeable, shall be furnished by the Board of Education to the Director of Accounts and Budgets daily as issued. In lieu of such requirement, such disbursement warrants may be prepared in the office of the Director of Accounts and Budgets for the County Board of Education.

Expenditures from all other funds of the county, except school funds, shall be made by disbursement warrants on the County Trustee signed by the county chairman and the Director of Accounts and Budgets, and no other official, department, institution or agency of the county shall issue negotiable warrants or vouchers for such expenditures. But before any disbursement warrant shall be issued in discharge of any obligation, a detailed invoice or statement thereof shall be filed with the Director of Accounts and Budgets, and it shall be his duty to carefully check all such invoices to determine if they are correct, if the goods or services have been received or rendered as stated, and if the obligation is just, authorized and legally binding on the county.

Bills and accounts incurred in accordance with authorized appropriations shall be paid promptly in order that the county may obtain the benefit of cash discounts; and for this purpose, it shall not be necessary for any such bill or account to be filed and recorded by the County Court Clerk or to be approved before payment by the County Quarterly Court or by any committee or commission appointed by it.

SECTION 8. That the Director of Accounts and Budgets shall make a report at the end of each month showing the condition of the budget. Said report shall show for each item of appropriation, and/or allotment thereof, the total expenditures for the month and the year to date, the amount of outstanding encumbrances and the amount of the unencumbered balance. Said report shall also show for each fund an itemized statement of the revenues and receipts estimated for the year, and the amount of the collections of each item for the month and the year to date and the unrealized portion of the estimate. In a parallel column shall be shown the amount of each item or revenue during the comparable elapsed period of the preceding fiscal year. The most recent of such reports shall be presented by the County Judge or chairman at each regular session of the Maury County Quarterly Court or other governing body. At such time shall advise the County Quarterly Court of the condition of the budget, and of any other action which, in his opinion, the County Quarterly Court should make in order that the budget shall be kept in balance (sic)

SECTION 9. That any official or employee of the county, or of any institution or agency thereof, who shall fail or refuse to perform the duties required of him by this chapter, or who shall fail or refuse otherwise to conform to the provisions of this chapter shall be guilty of a misdemeanor and shall be subject to fine and to removal from his office or position.

SECTION 10. That the provisions of this chapter shall not apply to county school funds for any purpose, the County Board of Education and the County Superintendent unless approved by the State Commissioner of Education.

SECTION 11. That there is hereby created the office of Director of Accounts and Budgets who shall be a county employee, and who shall be appointed by the Maury County Budget Commission with the approval of the Maury County Quarterly Court. He shall be qualified by training and experience in the field of accounting to perform his duties in a proficient manner and in accordance with generally recognized principles of governmental accounting. Before assuming his duties he shall execute a corporate surety

bond; the amount of which shall be established by the County Judge or chairman at not less than Ten Thousand Dollars (\$10,000) nor more than Twenty-five Thousand Dollars (\$25,000). Said bond shall be approved by the County Quarterly Court and shall be recorded in the office of the Register of Deeds in the same manner as are the bonds of all county officials. The premium for such bond shall be paid from the County General Fund.

The compensation of the director of accounts and budgets, which shall not be less than compensation allowed county officials in accordance with Sections 8-2402 and 8-2403, nor more than ten thousand dollars (\$10,000) to be determined by the Quarterly County Court; and the amount of such compensation and the amount of any assistants or typists as approved by the budget committee and other necessary expenses of his office, as approved by the budget committee, shall be provided for by annual appropriation from the county general fund. The Quarterly County Court of Maury County, at its July term, shall review the salary of the director of accounts and budgets and his assistants or typists, and may in its discretion authorize a monthly salary increase for the director of accounts and budgets and his assistants or typists. The Quarterly County Court may authorize a monthly salary increase for the director of accounts and budgets and his assistants or typists, in an amount it deems justifiable, to become effective immediately, or at some preceding month, or by a series of pay raises over any period of months, as long as the total amount of salary increments does not exceed a maximum of two hundred and fifty dollars (\$250.00) above his 1970 monthly income or the other salary limitations imposed by this section.

The Director of Accounts and Budgets shall have power, in accordance with such regulations as may be established from time to time by the County Budget Committee, to appoint and remove his assistants, to prescribe their duties, and to fix their salaries within the limits of the annual appropriation.

As amended by:

Private Acts of 1969, Chapter 42

Private Acts of 1971, Chapter 96

SECTION 12. That there shall be set up and maintained in the office of the Director of Accounts and Budgets a system of fiscal procedure, control and centralized accounting, hereinafter set out and described, which shall be under the administrative control and direction of the Director of Accounts and Budgets; but such system shall be conducted in full accordance with the general law of this State respecting the duties and responsibilities of the county judge or chairman as fiscal agent of the county.

The system of fiscal procedure, control and accounting herein provided shall conform to generally accepted principles of governmental accounting and shall be in substantial agreement with the recommendations of the national committee on governmental accounting. The system shall include such records and procedures as may be required to accurately reflect the assets, liabilities, income, and expenditures of each fund of the county, together with such records, accounts, and files as are necessary to record an control:

1. The transactions relating to county revenues, and the revenues for each of its several funds;
2. The transactions relating to the adopted budget and appropriations, including the expenditures and encumbrances against each item of appropriations;
3. The transactions relating to the bonded debt; and
4. Such other records as may be necessary to facilitate the operation of the adopted budget and the proper accounting for each item of county expenditure.

SECTION 13. That it shall be the duty of the Director of Accounts and Budgets to post and otherwise keep the records of the central accounting system; to verify all bills, invoices, payrolls and claims against the county before payment; and to check the settlements and reports of the various officials and department heads of the county government.

The Director shall also, after careful pre-audit of invoices, bills, and claims against the county or any of its funds, prepare disbursement warrants on all county funds. It shall be the duty of such Director to sign all county disbursement warrants as evidence of his audit and approval of the expenditure made thereby, but no disbursement warrant drawn on the County Trustee shall become a county liability payable by the County Trustee until such warrant shall also have been signed by the county chairman, County Superintendent of Schools, or other official or officials whose signatures are required on such warrants.

The Director shall install a uniform classification of accounts, including a classification of revenues and expenditures, to be used in accounting, budgeting, and financial reporting respecting all county funds, offices, agencies, and activities of the county governments, and shall prescribe the forms to be used by each official and employee of the county in connection therewith.

The Director shall set up and maintain a double entry system of accounting for recording the transactions of all of the county's funds, including both proprietary and budgetary accounts, in conformity with the requirements of Section 5-1304. The accounts shall be kept on the modified cash basis.

The Director shall set up the necessary accounts to properly record the annual budget and each appropriation made by the Quarterly County Court. All encumbrances, expenditures or other charges against any item of the budget shall be promptly recorded in order that the unencumbered balance of each item of the budget shall be readily ascertained at all times.

At the end of each month the Director shall prepare a comprehensive report of all revenues and expenditures of the county and of each of its several funds, departments, offices, agencies and activities, all encumbrances against the several appropriations, and the condition of each item of appropriation in the annual budget. The most recent of such reports shall be presented to the Quarterly County Court at each quarterly meeting and copies of such reports shall be furnished the members thereof.

The Director shall pre-audit all payrolls of the county before payment and shall maintain complete earnings records of each employee of the county. The Director and the County Judge or chairman of the Quarterly County Court are hereby authorized to maintain a special county payroll account at a local bank at the county seat, in which disbursement warrants for the total of each payroll may be deposited and against which individual net earnings checks may be issued to each of the county employees. The County Judge or chairman may authorize the issuance of such payroll checks on the signature of the Director of Accounts and Budgets, and in such event the depository bank shall be so instructed.

SECTION 14. That excepting taxes such as the County Trustee is authorized to collect, the payment of all moneys to the County Trustee by any collectors authorized by statute, or by anyone on account due the county, shall be made only by issuance of a receivable warrant signed by the County Judge or chairman instructing the Trustee to receive the amount named, for which the Trustee shall issue his receipt, duplicate of which shall be delivered to the Director of Accounts and Budgets to be used by him in posting the accounting records.

SECTION 15. That before any obligation against the county shall be paid or any disbursement warrant or voucher issued therefor, a detailed invoice or statement approved by the head of the office, department or agency for which the obligation was made shall be filed with the Director of Accounts and Budgets. Said Director shall make a careful pre-audit of such invoice or statement, including a comparison with any encumbrance document previously posted or filed authorizing such obligation, and shall approve for payment only such items as appear to be correct, properly authorized, and not exceeding the otherwise unencumbered balance of the allotments or appropriations against which they are chargeable. Disbursement warrants shall be promptly prepared for all such approved items by the Director of Accounts and Budgets and mailed or delivered to the payees thereof.

A duplicate copy of all disbursement warrants, with all original invoices and/or other supporting documents attached thereto, shall be kept on file in the office of the Director of Accounts and Budgets.

SECTION 16. That each official, office, department, institution, agency, board, committee, commission or employee of the county shall furnish such information and make such reports as may be required to properly maintain the central accounting system and fiscal procedures herein authorized and prescribed, and such information and reports shall be furnished at such times and in such form as may be prescribed by the Director of Accounts and Budgets. The records of all county offices, departments, and agencies shall be made available by their respective officials or employees for examination at all reasonable hours by the Director of Accounts and Budgets.

SECTION 17. That the provisions of this Act shall not apply to the Maury County Hospital, except with reference to the submission of the annual budget as provided for in Section 3 of this Act.

SECTION 18. That any official named in this chapter, or any other official, agent, or employee of the county who shall fail or refuse to perform the duties required of him under this chapter, or who shall otherwise fail or refuse to conform to the provisions of this chapter, shall be deemed guilty of a misdemeanor, and subject to removal from office.

SECTION 19. That the provisions of this chapter shall not apply to county school funds for any purpose, the county Board of Education, and the County Superintendent unless approved by the State Commissioner of Education.

SECTION 20. That this Act shall have no effect unless the same shall have been approved by two-thirds vote of the quarterly county court of any county to which it may apply on or before the next regular meeting of such quarterly county court occurring more than thirty days after its approval by the Chief Executive of this State, or after its otherwise effective date. Its approval or non-approval shall be proclaimed by the presiding officer of the body having jurisdiction to approve, and shall be certified by him to the Secretary of State.

SECTION 21. That this Act shall be effective from and after its passage, the public welfare requiring it, but the provisions thereof shall not become operative until validated as provided in Section 20 herein.

Passed: March 20, 1963.

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