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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 1986 Chapter 163

SECTION 1. For the purposes of administration, the funds of Madison County shall be structured into a school fund, highway fund, county general fund, debt service fund, juvenile court services fund, revenue sharing fund, general purpose bond fund (other than school and highway) and such other funds as required by law or as deemed appropriate by the county legislative body.

SECTION 2.

(a) The County Mayor may employ a director of accounts and budgets to set up and maintain in the accounting office a system to account for the above funds that are under the administrative control and direction of the County Mayor.

As amended by: Private Acts of 1993, Chapter 50

(b) The accounting office shall establish a system of fiscal procedure, control, budgeting and accounting of said funds. Such system shall be conducted in full accordance with the general law of this state respecting the duties and responsibilities of the County Mayor as fiscal agent of the County.

As amended by: Private Acts of 1993, Chapter 50

(c) The system of fiscal procedure, control, budgeting and accounting shall conform to generally accepted principles of governmental accounting and shall be in substantial agreement with the recommendations of the National Council of Governmental Accounting and the rules and regulations established by the state comptroller of the treasury.

(d) The director shall install a uniform chart of accounts, including a classification of revenues and expenditures, to be used in accounting, budgeting and financial reporting representing all county funds, offices, agencies and activities of the county government, with the exception of school funds administered by the County Board of Education.

As amended by: Private Acts of 2001, Chapter 39

SECTION 3.

(a) It shall be the duty of the County Mayor with the approval and confirmation of the county legislative body, at its January term each year, to appoint a committee of three persons who shall be and constitute the budget committee. One of said persons so appointed shall reside outside the city limits of Jackson, Tennessee; one shall be a resident and citizen of the City of Jackson; and only one shall be a member of the county legislative body. That the county legislative [sic] may allow the non-county legislative body members of said committee such compensation for their services as the county legislative body may deem right and proper. That said compensation shall be paid from the county general fund.

As amended by: Private Acts of 1993, Chapter 50

(b) Said budget committee shall organize by electing a chairman and two members of said committee shall constitute a quorum for the transaction of business. The county mayor shall serve as a nonvoting ex-officio member of the budget committee. The director of accounts and budgets shall act as the nonvoting ex-officio secretary to the budget committee. That the duties of the secretary shall be to keep all records of the committee's proceedings, assist in compiling the necessary data, assist in the preparation of said budget, publish newspaper notices and perform such other duties as shall be prescribed by the committee chairman.

As amended by: Private Acts of 1993, Chapter 50

(c) The budget committee, in conjunction with the director shall prescribe the budgetary procedures, forms, calendar and other information as may be necessary to implement the budgetary process. Each department or office of county government shall submit on request a proposed budget for the succeeding fiscal year and such other budgetary information as needed. The fiscal year for each office, department, institution, activity and agency shall begin on July 1st of each year and shall end on June 30th next following. Said fiscal year shall constitute the budget year.

SECTION 4.

(a) The county highway commissioners or superintendent shall, on or before the 15th 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 operation of the county highway department for the ensuing fiscal year, together with an estimate of the highway and road funds expected to be received during the

next fiscal year.

(b) The county board of education shall, on or before the 15th 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 operation of the county school department for the ensuing fiscal year, together with an estimate of the school funds expected to be received during the next fiscal year.

(c) The county mayor and director shall, on or before the 15th day of April of each year, prepare an itemized statement estimating amounts necessary to be expended from the county general fund, the debt service fund and all other funds (excluding highway and school funds) together with an estimate of the revenue to be received during the next fiscal year for each fund.

As amended by: Private Acts of 1993, Chapter 50

(d) Each of the other operating departments, offices and agencies shall file with the director of accounts and budgets on or before the 15th day of April of each year a detailed estimate of its requirements for expenditures from the county's funds for the ensuing fiscal year, together with an estimate of any county revenues to be received by such agency, office or department.

(e) The director of accounts and budgets shall, on or before May 15th 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 all 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.

SECTION 5.

(a) The proposed 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 comptroller of the treasury. It is expressly provided that the classification of expenditures and receipts of any and all county school funds for any purpose, administered by the county board of education, shall conform in all respects to the classification of accounts as prescribed by the state commissioner of education.

(b) The budget document shall contain and prescribe, but not be limited, to the following format:

Opposite each item of estimated revenue, the budget shall show in opposite parallel columns a revised estimated amount for the current fiscal year and the estimated amount for the ensuing fiscal year. Likewise opposite each item of proposed expenditure the budget document shall show the probable amount which will be spent during the current fiscal year and the proposed appropriation or expenditure estimate for the ensuing fiscal year.

(c) 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 shall be entitled to a hearing before the budget committee with reference to his or her budget requests or estimates.

(d) The budget committee shall fully provide in the budget for all requirements for 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 6.

(a) On or before June 15th of each year the budget committee shall hold public hearings to be conducted by said budget committee at which time county officials and department heads shall have the right to appear and state his or her views on their particular budget request. Notice of such public hearings shall be given to county officials, department heads and a newspaper having general circulation in such county five (5) days prior to the public hearings.

(b) Following such public hearings, the budget committee shall make the final revision of the budget document and prepare copies for presentation to the county legislative body. The proposed budget document shall be mailed to the county legislative body and the local news media ten (10) days prior to the meeting jointly agreed to by the county major and the county legislative body for the purpose of adopting the tentative budget.

As amended by: Private Acts of 1993, Chapter 50

SECTION 7.

(a) The budget committee shall present the budget to the county legislative body on the date jointly agreed to by the county major and the county legislative body for the purpose of adopting the tentative budget. With the proposed budget, the budget committee shall include a budget

appropriation resolution and a tax levy resolution.

As amended by: Private Acts of 1993, Chapter 50

(b) The county legislative body may alter or revise the proposed budget except as to the provision for debt service requirements and for other expenditures required by law. The final adoption of the budget shall be made by the county legislative body on or before the third Monday in July of each year. Pending such final adoption the county mayor, school superintendent and highway superintendent are hereby authorized to make temporary allotments for expenditures for essential county services, in amounts not in excess of the comparable allotment for an average month of the preceding fiscal year. The budget, the appropriation resolution and the tax levy resolution, as adopted, shall be spread upon the minutes of the county legislative body.

As amended by: Private Acts of 1993, Chapter 50

SECTION 8.

(a) 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 expenditure shall be made or obligation created in excess of such limitation.

(b) The county mayor as chief financial officer of the county shall countersign all warrants drawn by any and every official, against any and every fund of the county. No warrant drawn against any such fund shall be valid and binding on or against the county unless the same shall have been countersigned by the county mayor.

As amended by: Private Acts of 1993, Chapter 50

(c) In performing his duties as chief financial officer of the county and in directing the budget of the county, the county mayor shall require quarterly reports on the condition of all funds during the budget year. Said report shall show for each item of appropriation the total expenditures for the month and the year to date and the amount of the unencumbered balance. Said reports shall also show for each fund an itemized statement of the revenues and receipts estimated for each year, the amount of the collections of each item for the month and year to date and the unrealized portion of the estimate. Also included in said reports shall be the amount of the current unappropriated fund balance of each fund. Said reports shall be due in the office of the county mayor on or before the 15th of the following month from which quarter such report covers. The due dates for said reports shall be the 15th of October, January, April and July of each year.

As amended by: Private Acts of 1993, Chapter 50

(d) 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 administrative officer of such fund to immediately inform the county mayor of the possible budget deficit. At such time the county mayor, along with the budget committee, shall review the data and if they deem necessary, shall present their findings to the county legislative body at any regular or special called session. At such time they shall advise the county legislative body of the condition of the budget and of any adjustment or reduction of appropriations which should be made and shall recommend any other action which, in their opinion, the county legislative body should take in order that the budget shall be kept in balance.

As amended by: Private Acts of 1993, Chapter 50

(e) In addition to the required quarterly reports from the administrative officer of the above stated funds, each officer, official, department, office, agency, board, committee or commission of the county shall furnish such information and make such reports as may be required to properly maintain the 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 county mayor or the director of accounts and budgets.

As amended by: Private Acts of 1993, Chapter 50

(f) If the need shall arise, the county legislative body may grant, by resolution, authority to the county finance committee created in Tennessee Code Annotated, Title 5, Chapter 8, Part 2, to recommend, with the approval of any official, head of any department or division which may be affected, all transfers or adjustments within any major appropriation category to the county legislative body. For transfers between major appropriation categories within the same fund, the county legislative body may grant, by resolution, authority to the county finance committee created by Tennessee Code Annotated, Title 5, Chapter 8, Part 2, to recommend all transfers or adjustments to the county legislative body. Major appropriation category means major categories of summary accounts in the latest uniform chart of accounts as prescribed by the Comptroller of the Treasury. The school superintendent must obtain the approval of the board of education for all

school department transfers.

As amended by: Private Acts of 1992, Chapter 146

SECTION 9. If any provision of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

SECTION 10. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Madison county legislative body. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified by him to the Secretary of State.

Passed: April 2, 1986.

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