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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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Private Acts of 2017 Chapter 24

SECTION 1. This act shall be known and may be cited as the "Tipton County Budget and Fiscal Procedure Act of 2017."

SECTION 2. The County Finance Committee for Tipton County, Tennessee, ("Finance Committee") is hereby created. The Finance Committee shall consist of nine (9) county commissioners appointed by the county legislative body each September for a one-year term. The County Executive shall be a nonvoting ex officio member of the Finance Committee. The Finance and Accounting Director ("Finance Director") shall be the nonvoting ex officio secretary of the Finance Committee. In addition to performing the duties and functions set forth in this Act, the Finance Committee shall also serve as the county's budget committee. The county legislative body may, in its discretion, allow members of the Finance Committee such compensation for their service as the legislative body deems proper.

SECTION 3. The position of Finance Director for Tipton County, Tennessee, is hereby created. The Finance Director shall be appointed by the Finance Committee. The Finance Committee shall have sole authority to appoint and dismiss the Finance Director. The Finance Committee shall establish the compensation of the Finance Director. The Finance Committee shall include such compensation in its annual budget recommendation to the full county legislative body.

SECTION 4. The Finance Director shall be qualified by training and education in the field of accounting and finance to perform the duties of the position in a proficient manner and in accordance with generally accepted and recognized governmental accounting principles. The Finance Director shall possess at least a bachelor's degree in either finance or accounting. The duties of the Finance Director include, but are not limited to, implementing the financial policies of the county legislative body and the County Executive and installing and maintaining a purchasing, payroll, budgeting, accounting, and cash financial management system for the county.

SECTION 5. The budgetary timeline and procedures for the county shall be as follows

(a) The Superintendent of Public Works, on or before April 1 of each year, shall file with the County Executive and Finance Director, 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; the operation and maintenance of the county landfill; and the general administration of the highway department, together with an estimate of the highway, landfill, and road funds expected to be received during such fiscal year.

(b) The County Executive, on or before April 1 of each year, shall file with the Finance Director, an itemized statement of the amounts which the County Executive 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.

(c) Each of the other operating departments, institutions, offices, or agencies, except for the county board of education, shall file with the Finance Director on or before April 1 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 department, institution, office, or agency.

(d) The Finance Director, on or before May 1 of each year, shall file a consolidated budget document with the Finance 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, landfill funds, and all other funds except school funds, together with an estimate of the revenues estimated to be received by such funds during the next fiscal year and an estimate of the unencumbered cash balance of such funds at the beginning of the fiscal year; provided, that the May 1 deadline for providing the estimate of revenues shall be extended in years of reappraisals until fifteen (15) days after the certified tax rate has been established.

(e) On or before May 1 of each year, the county board of education shall submit a proposed budget to the Finance Director.

(f) At least thirty (30) days before the beginning of each fiscal year, the Finance Committee shall review and adopt the annual budget. The budget shall contain an itemized and classified plan of all

proposed expenditures and estimated receipts for the ensuing year, and shall conform to a uniform classification of accounts established by the Finance Director and approved by the Comptroller of the Treasury. Opposite each item of estimated revenue, the budget document 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 year. In preparing the budget, the Finance Committee may revise, as it deems necessary, the estimates or requests made by the various departments, officials, offices, institutions, and agencies of the county, except for the county board of education. In preparing the budget, the Finance Committee shall fully provide in the budget for all debt service requirements, interest and bond maturities and any cash deficit in any fund at the beginning of the fiscal year, and shall propose a tentative tax rate for the ensuing fiscal year.

(g) The Finance Committee shall present the budget to the county legislative body either at the regular July session each year or at a special session called for this purpose during the month of July; provided, that with the consent of the chairman of the county legislative body, the deadline for the presentation of the budget may be extended through August. The Finance Committee shall deliver to the county legislative body an appropriation resolution and a tax levy resolution along with the proposed budget. The county legislative body may alter or revise the proposed budget, but shall not alter or revise provisions for debt service requirement or other expenditures required by law, nor shall the county legislative body alter or revise line items within the budget submitted by the county board of education. The budget, the appropriation resolution, and the tax levy resolution, as adopted, shall be spread upon the minutes of the county legislative body.

SECTION 6. 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. Any resolution presented to the county legislative body in any fiscal year after the original appropriation resolution has been adopted and the tax rate for the year fixed by that body, 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 as a consequence of such additional appropriation. Budget amendments shall be timely filed with the Finance Director and enacted before the expenditure of any funds. To be considered timely filed, budget amendments must be submitted to the Finance Director no later than three (3) working days prior to the Finance Committee's meeting, at which such amendment is to be presented by the Finance Director to the Finance Committee for its consideration.

SECTION 7. If at any time during the fiscal year it becomes apparent that the revenues of any of the county's funds, together with the fund's 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 County Executive to impound the appropriations from such fund in such an amount as shall appear necessary, subject to written approval of the Finance Committee.

SECTION 8. Before any disbursement warrant shall be issued in discharge of any obligation, a detailed invoice or statement of the obligation shall be filed with the Finance Director and it shall be the Finance Director's job to carefully check all such invoices to determine if they are correct, if the goods and services have been received or rendered as stated, and if the obligation is just, authorized, or legally binding on the county.

SECTION 9. It is the duty and the responsibility of each official, office, department, institution, agent, or employee of county government to furnish such information in the form and at the time as requested by the Finance Committee. Any official or employee of the county, or of any institution or agency thereof, who fails or refuses to perform the duties required of that official or employee by this Act, or who fails or refuses otherwise to conform to the provisions of this Act, is subject to removal from the official's or employee's office or position.

SECTION 10. The provisions of this Act relating to the budget timeline shall apply to the county board of education. No other provisions of this Act shall apply to county school funds, the county board of education, or the county director of schools. In addition, except for the provisions relating to the budget timeline, the provisions of this Act shall not apply to highway department funds unless approved by the Tipton County Highway Committee.

SECTION 11. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Tipton County on or before December 31, 2017. Its approval or non-approval shall be proclaimed by the presiding officer of the legislative body and certified to the secretary of state.

SECTION 12. For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming law, the public welfare requiring it. For all other purposes, it shall be effective upon being

approved as provided in Section 11.

Passed: May 17, 2017.

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