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Develop a Capital Projects Improvement Plan and Budget

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

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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One of the first steps in developing the most efficient Debt Management plan is to have in place a Capital Projects Plan, also known as Capital Improvement Plan(CIP) or Capital Outlay Budget, that includes the related budget. However, a Capital Projects Plan is not required in starting a good debt management program. The Capital Project Plan assists the county leaders in understanding their current capital assets, the replacement schedule of those assets, as well as future needs that have been identified. The Capital Project Plan should entail a project or project(s) budget with implementation dates and funding needs to be fulfilled by use of savings, annual revenues or the issuance of debt. One should be aware of whether the cost of the debt issuance will be included in the funds requested to be borrowed, and whether interest earned on idle funds will accrue to the debt service fund or capital project fund.

For more information, see Basic Steps of Establishing a CIP and Policy Considerations under the Capital Budgets topic.

Recommended Practice: Development of a Capital Project/Improvement Plan and Budget

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