



March 11, 2025

Budget Process and Approaches

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,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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Reference Number: CTAS-713

The process of developing budgets depends on the availability and training of staff as well as the data processing capability of the county. In developing budgets, the operating department heads, the legislative body, and other elected officials should determine the information needed to make a reasonable decision in approving an operating budget. What problems and questions should be addressed in considering the budget? Although there are different approaches in developing budgets, as well as different types of budgets (zero basis, performance, etc), the budget type used by nearly all the local governments in Tennessee is the line-item budget. In developing a line-item budget, counties utilize an object code approach.

A budget lists each revenue account and expenditure by department or activity with line items under each for salaries, employee benefits, contracted services, supplies and materials, capital outlay, and other operating expenses.

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