



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

November 19, 2024

Private Acts of 2005 Chapter 43

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

Table of Contents

Private Acts of 2005 Chapter 43	3
--	----------

Private Acts of 2005 Chapter 43

SECTION 1. This act shall be cited and known as the "Dyer County Budget and Fiscal Procedure Act of 2005".

SECTION 2. (a) The county budget committee for Dyer County, Tennessee is hereby created.

(b)

(1) The county budget committee, hereinafter referred to as the "budget committee", shall consist of six (6) voting members, one (1) of whom shall be the county mayor, and the other five (5) shall be elected by the county legislative body from its membership at its regular January session of each year or at any subsequent session.

(2) The county mayor shall be an ex officio member of the budget committee and entitled to vote on all matters before the budget committee. The director of finance and budgets shall be the ex officio secretary of the budget committee, but such director shall not be entitled to vote.

(c)

(1) The county legislative body may, in its discretion, allow members of the budget committee such compensation for their service as the commission deems proper.

(2) 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 appropriations.

(d) The budget committee shall perform all the duties respecting county budgets and appropriations now performed, or required to be performed, by the finance committee, tax levy committee or other committees of the county, and shall perform such other duties as here provided.

SECTION 3.

(a) There is hereby created a fiscal year for the county and for each office, department, institution, activity and agency of the county, which fiscal year shall begin on July 1 of each year and shall end on June 30 next following.

(b) The fiscal year shall constitute the budget year, and the year for accounting and reporting of each and every fund, office, department, institution, activity and agency of the county government; provided, that any such accounting and reporting shall be in addition to, and not in lieu of, any accounting and reporting now required of any official by general law.

SECTION 4.

(a) The county highway superintendent shall, on or before April 1 of each year, file with the director of finance 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.

(b) The county board of education, after preparing its annual budget as now provided by law, shall file such budget with the director of finance and budgets for inclusion in the complete budget document to be presented to the budget committee.

(c) The county mayor, on or before April 1 of each year, shall file with the director of finance and budgets an itemized statement of the amounts which the county mayor 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.

(d) Each of the other operating departments, institutions, offices or agencies shall file with the director of finance and budgets 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 agency, office or department.

(e) The director of finance and budgets, on or before May 1 of each year, shall 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 the 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 re-appraisals until fifteen (15) days after the certified tax rate has been established.

(f) It is the duty of each official, office, department, institution, agent or employee of the county government to furnish in writing such information, in the form and at the time requested by the budget committee.

SECTION 5.

(a)

(1) At least forty-five (45) days prior to the beginning of each fiscal year, the budget committee shall review and adopt the annual budget.

(2) 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 director of finance and budgets and approved by the comptroller of the treasury.

(3) It is expressly provided that the classification of expenditures and receipts of any and all county school funds for any purpose that are administered by the county board of education and the county superintendent of schools shall conform in all respects to the classification of accounts as prescribed by the commissioner of education.

(b) 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 fiscal year.

(c) Likewise, opposite each item of proposed expenditure, 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 expenditure estimate for the ensuing fiscal year.

(d) 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 the county official's or employee's budget requests or estimates.

(e) The budget committee shall certainly and 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 current calendar year.

SECTION 6.

(a)

(1) (A) At least ten (10) days before the budget committee conducts a public hearing as provided in subdivision (a)(3), the budget committee shall cause the proposed annual operating budget to be published in a newspaper of general circulation.

(B) This budget shall contain a budgetary comparison that includes comparisons of the proposed budget with the current year and the prior year for the following governmental funds:

- (i) General;
- (ii) Highway and public works;
- (iii) General purpose school fund; and
- (iv) Debt service.

(C) The budgetary comparisons shall be by individual fund and shall summarize revenues by local taxes, state, federal government and other sources. Expenditures shall be summarized by salaries and other costs. The budgetary comparison shall also present beginning and ending fund balances and the number of employee positions.

(2) The publication shall also contain a notice of a public hearing to be conducted by the budget committee at which any citizen of the county shall have the right to appear and state such citizen's views on the budget. (3) Such public hearing shall be held by the budget committee not later than ten (10) days prior to the beginning of the fiscal year.

(b) Following such public hearing, the budget committee shall make the final revision of the budget document and prepare copies for presentation to the county legislative body.

SECTION 7.

(a)

(1) The budget 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.

(2) 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.

(3) The budget committee shall deliver to the county legislative body a budget appropriation resolution and a tax levy resolution with the proposed budget.

(b)

(1) The county legislative body may alter or revise the proposed budget, but shall not alter or revise provisions for debt service requirements and other expenditures required by law.

(2) The county legislative body shall adopt a budget not later than the third Monday in August.

(3) Pending such final adoption, the director of finance and budgets is hereby authorized to make temporary expenditure allotments for essential county services in amounts not in excess of comparable allotments for an average quarter of the preceding fiscal year.

(c) The budget, the appropriation resolution, and the tax levy resolution, as adopted, shall be spread upon the minutes of the county legislative body.

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) 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 in consequence of such additional appropriation.

(c) 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 director of finance and budgets and the county mayor to impound the appropriations from such fund in such amount as shall appear necessary, subject to the written approval of the budget committee.

(d)

(1) The appropriations made by the county legislative body, as provided above, shall constitute authorization for expenditures. Expenditures may be made, and obligations created, against any appropriation to an aggregate total of the amount appropriated for such item.

(2) However, the expenditures and encumbrances against the amounts appropriated shall be made only in consequence of an order issued by the various departments and subsequent approval of the invoice by the director of finance and budgets; provided, 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 finance and budgets for payment.

(3) No expenditures made or obligations created in any manner other than so specified or authorized in this act shall be valid or binding against the county; provided, that the budget committee may issue such regulations as it deems necessary for the prompt handling of bona fide emergencies.

(e)

(1) Expenditures from all other funds of the county, except school funds and highway funds, shall be made by disbursement warrants on the county trustee signed by the county mayor or the director of finance and budgets, and no other official, department, institution or agency of the county shall issue negotiable warrants or vouchers for such expenditures.

(2) 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 director of finance and budgets and it shall be the director's 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 or legally binding on the county.

(f) Bills and accounts incurred in accordance with authorized appropriations shall be paid promptly and it shall not be necessary for any such bill or account to be filed and recorded by the county clerk or to be approved before payment by the county legislative body, or by any committee or commission appointed by the county legislative body, in order that the county may obtain the benefit of cash discounts.

SECTION 9.

(a) The director of finance and budgets shall make a report at the end of each month showing the condition of the budget.

(b)

(1) The report shall show for each item of appropriation, 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.

(2) The report shall also show for each fund an itemized statement of the revenues and receipts estimated for the year, the amount of the collections of each item for the month and the year to date and the unrealized portion of the estimate.

(3) In a parallel column shall be shown the amount of each item or revenue during the comparable elapsed period of the preceding fiscal year.

(c)

(1) The most recent of such reports shall be presented quarterly by the county mayor or the director of finance and budgets to the county legislative body.

(2) At such time, the county mayor or director of finance and budgets 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 the opinion of the county mayor or the director of finance and budgets, the county legislative body should take in order that the budget shall be kept in balance.

SECTION 10.

(a) The county mayor shall appoint, with the approval of the county legislative body, a director of finance and budgets who shall be a county employee.

(b) The director of finance and budgets shall be qualified by training and experience in the field of accounting to perform the director's duties in a proficient manner and in accordance with generally recognized principles of governmental accounting.

(c)

(1) Before assuming the director's duties the director of finance and budgets shall execute a corporate surety bond, the amount of which shall be established by the county mayor at not less than ten thousand dollars (\$10,000) nor more than twenty-five thousand dollars (\$25,000).

(2) The bond shall be prepared in accordance with the provisions of title 8, chapter 19, approved by the county legislative body, recorded in the office of the county register of deeds and transmitted to the comptroller of the treasury for safekeeping.

(3) The premium for such bond shall be paid from the county general fund.

(d)

(1) The compensation of the director of finance and budgets, which shall not be in excess of compensation allowed county officials in accordance with §§ 8-24-101 and 8-24-102, shall be set annually by the county legislative body.

(2) The amount of such compensation, the compensation of any stenographers, typists or assistants as the director may need, and the other necessary expenses of the director's office shall be provided for by annual appropriation from the county general fund.

(e) The director of finance and budgets has the power, in accordance with such regulations as may be established from time to time by the county mayor, to appoint and remove the director's assistants, to prescribe their duties, and to fix their salaries within the limits of the annual appropriation.

(f) The director of finance and budgets shall not be terminated or discharged by the county mayor without the approval of the county legislative body.

SECTION 11.

(a) There shall be set up and maintained in the office of the director of finance 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 finance and budgets; provided, that 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.

(b) 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.

(c) 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 and 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 appropriation;
- (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 12.

(a) It is the duty of the director of finance and budgets to:

- (1) Post and otherwise keep the records of the central accounting system;
- (2) Verify all bills, invoices, payrolls and claims against the county before payment; and
- (3) Check the settlements and reports of the various officials and department heads of the county government.

(b) The director or the director's designee 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.

(c) (1) The director of finance and budgets shall install, with the approval of the comptroller of the treasury, 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 government, with the exception of school funds administered by the county board of education and the county superintendent of schools and highway funds administered by the county highway superintendent, and shall prescribe the forms to be used by each official and employee of the county in connection therewith.

(2) The classification of expenditures and receipts of county school funds shall conform to the classification of accounts as prescribed by the commissioner of education.

(d) (1) The director of finance and budgets 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 set out in Section 11 of this act. (2) The accounts shall be kept on the modified cash basis.

(e) (1) The director of finance and budgets shall set up the necessary accounts to properly record the annual budget and each appropriation made by the county legislative body.

(2) 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 ascertainable at all times.

(f) At the end of each month, the director of finance and budgets 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.

(g) (1) The director of finance and budgets shall pre-audit all payrolls of the county before payment and shall maintain complete earnings records of each employee of the county.

(2) The director of finance and budgets and the county mayor 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 earning checks may

be issued to each of the county employees.

(3) The county mayor may authorize the issuance of such payroll checks on the signature of the director, and in such event the depository bank shall be so instructed.

SECTION 13. Except for taxes that 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 mayor instructing the trustee to receive the amount named, for which the trustee shall issue a receipt, a duplicate of which shall be delivered to the director of finance and budgets to be used by the director in posting the accounting records.

SECTION 14.

(a) 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 finance and budgets. (b) The director of finance and budgets 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. (c) Disbursement warrants shall be promptly prepared for all such approved items by the director of finance and budgets and mailed or delivered to the payees thereof. (d) A duplicate copy of all disbursement warrants, with all original invoices or other supporting documents attached thereto, shall be kept on file in the office of the director of finance and budgets.

SECTION 15.

(a) 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 finance and budgets. (b) 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 finance and budgets.

SECTION 16. 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 that official's or employee's office or position.

SECTION 17. The provisions of this act shall not apply to county school funds for any purpose, the county board of education or the county director of schools unless approved by the commissioner of education. In addition, except as specifically provided in Section 4, the provisions of this act shall not apply to highway department funds for any purpose, the county highway department or the county highway superintendent unless approved by the county highway superintendent.

SECTION 18. Chapter 319 of the Private Acts of 1972 entitled "Dyer County Budget Act", as amended by Chapter 215 of the Private Acts of 1980, is hereby repealed.

SECTION 19. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Dyer County on or before December 31, 2005. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body of Dyer County and certified to the secretary of state.

SECTION 20. 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 19.

Passed: April 21, 2005.

Source URL: <https://www.ctas.tennessee.edu/private-acts/private-acts-2005-chapter-43>