

# Division of Local Government Finance

## Municipal Budget Ordinance

TENNESSEE COMPTROLLER OF THE TREASURY



# Contact Information by Region

## REGION 5

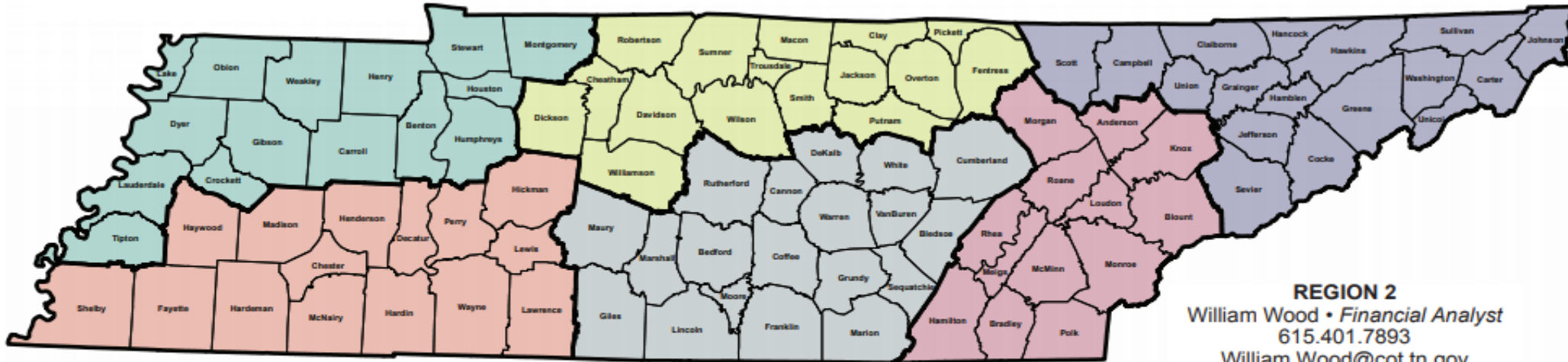
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Please send submissions and requests to:

**LGF@cot.tn.gov**  
**615.401.7829**



Effective March 1, 2020

# The Basics

TCA § 9-1-116 requires all governments in Tennessee to appropriate monies that are available before they can be spent on any program or service.

The Municipal Budget Law of 1982 (TCA § 6-56 Part 2) sets forth the minimum requirements for a proper budget ordinance.

In this short presentation, we will discuss the elements required to be included in your budget ordinance.

# The Budget Ordinance

**The budget ordinance must, at a minimum, contain specific components:**

- Revenues for each fund must be identified from all sources
- Expenditures identified by fund and by major category within each fund
- Estimated ending fund balances for the current year
- Statement of debt and principal payments due in the budget year
- Statement of pending capital projects and source of financing

**NOTE: The budget ordinance may contain the property tax levy or the tax may be levied in a separate ordinance.**

# Revenues and Expenditures

Revenues and expenditures must be presented in a three-column format:

1. Actuals for the last preceding fiscal year
2. Full year estimates for the current year
3. Budgetary estimates for the upcoming fiscal year (the budget year)

# Revenues

Identify revenues from all sources by fund and by major category. For example, for the General Fund:

GENERAL FUND	Actual FY 2020	Estimated Actual FY 2021	Budget FY 2022
<b>Revenues</b>			
Local Taxes	\$ -	\$ -	\$ -
Licenses And Permits	-	-	-
Intergovernmental	-	-	-
Charges For Services	-	-	-
Fines And Forfeitures	-	-	-
Other	-	-	-
<b>Other Financing Sources</b>			
Issuance of Debt / Debt Proceeds			
Sale of Capital Assets			
Transfers In - from other funds			
Transfers In - from other funds (PILOT)	-	-	-
<b>Total Revenues and Other Financing Sources</b>	\$ -	\$ -	\$ -

# Revenues

The major categories for other funds will be specific to that fund, however, will also be identified. For example, a special revenue fund could look like this:

STATE STREET AID FUND	Estimated		
	Actual FY 2020	Actual FY 2021	Budget FY 2022
<b>Revenues</b>			
State Gas and Motor Fuel Taxes	\$ -	\$ -	\$ -
Gas Tax Increase	-	-	-
<b>Other Financing Sources</b>	-	-	-
Issuance of Debt / Debt Proceeds			
Transfers In - from other funds	-	-	-
<b>Total Revenues and Other Financing Sources</b>	\$ -	\$ -	\$ -

# Expenditures

Identify expenditures by fund and by major category. Include the beginning and ending cash. For example, the General Fund:

GENERAL FUND	Actual FY 2020	Estimated Actual FY 2021	Budget FY 2022
<b>Appropriations</b>			
<b>Expenditures</b>			
Department of Administration	\$ -	\$ -	\$ -
Police Department	-	-	-
Fire Department	-	-	-
Office of Building Inspector	-	-	-
Parks Department	-	-	-
Debt Service - Principal and Interest	-	-	-
[insert additional organizational unit]	-	-	-
[insert additional organizational unit]	-	-	-
<b>Other Financing Uses</b>			
Transfers Out - to other funds	-	-	-
<b>Total Appropriations</b>	\$ -	\$ -	\$ -
<b>Change in Fund Balance (Revenues - Appropriations)</b>	-	-	-
<b>Beginning Fund Balance July 1</b>	-	-	-
<b>Ending Fund Balance June 30</b>	\$ -	\$ -	\$ -
<b>Ending Fund Balance as a % of Total Appropriations</b>	#DIV/0!	#DIV/0!	#DIV/0!



# Estimate Ending Fund Balances for the Current Year

<b>Fund</b>	<b>Estimated Fund Balance at June 30, 2021</b>	
General Fund	\$	-
State Street Street Aid Fund	\$	-
Solid Waste Fund	\$	-
Drug Fund	\$	-
Water & Sewer Fund	\$	-
Electric Fund	\$	-
Gas Fund	\$	-

# Statement of Debt

Bonded or Other Indebtedness	Debt Authorized and Unissued	Principal Outstanding at June 30, 2021	FY2022 Principal Payment	FY2022 Interest Payment
<b>Bonds -</b> [enter each series individually]	\$ -	\$ -	\$ -	\$ -
<b>Loan Agreements</b> [enter each series individually]				
<b>Notes -</b> [enter each series individually]				
<b>Capital Leases</b> [enter each series individually]				

# Statement of Pending Capital Projects and Planned New Projects

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Pending Capital Projects Expense Financed by Debt Proceeds
[enter each project individually]	\$ -	\$ -	\$ -

Proposed Future Capital Projects	Proposed Future Capital Projects - Total Expense	Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Proposed Future Capital Projects Expense Financed by Debt Proceeds
[enter each project individually]	\$ -	\$ -	\$ -



# Other Considerations

- The property tax levy may be included in the budget ordinance or may be enacted in a separate ordinance.
- Enterprise funds may be included in the budget ordinance.
  - Regardless of whether the enterprise funds are included in the budget ordinance, LGF must receive the detailed, line-item budgets for all enterprise funds.
- If the City/Town has its own school system, each school fund must be included in the budget ordinance

# Special Reminders

- Be sure that the ordinance is signed and dated
- Certify the original copy and scan a copy to send to LGF.
- The amounts appropriated should equal the amount of spending planned in the detailed, line-item budget.
- The property tax levy may be included in the budget ordinance or may be enacted in a separate ordinance. If separate, include the property tax levy in the budget package submitted to LGF.
- Include beginning cash and fund balances for each fund.

# Message from LGF

- A sample budget ordinance is available on our website at:

<https://www.comptroller.tn.gov/office-functions/lgf/budgets/municipalities.html>

- Remember to submit your complete budget package by email to:

[LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)

- No hard copies are required to be sent to LGF!

# Call if you need assistance!

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