



County Technical Assistance Service

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Amendments

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily 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 e-Li material.

Sincerely,

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Amendments

Reference Number: CTAS-734

After the original budget is approved, the county legislative body may not make transfers between the major funds, such as school, highway, general, and debt service, but it may make budget amendments within funds during the course of the fiscal year. T.C.A. § 5-9-407. Timely revisions must be made because of the ever-changing factors that make up a budget. Factors that influence decisions are (1) state and federal government programs that are added or terminated; (2) emergencies; and (3) higher cost items than originally estimated. When changes take place, the budget should be amended. These amendments should be made prior to any expenditure of funds, unless there is an emergency that could affect the health or safety of the public or employees.

Once the budget has been adopted, the budget, including line items and major categories, may be amended by majority vote of the county legislative body under T.C.A. § 5-9-407(b).

There are two alternative methods for amending line items within a major category upon the written request of an official or department head. Under the first alternative, amendments to line items, except those affecting personnel costs or those affecting the administrative costs of the county legislative body, may be approved in writing by the county mayor under T.C.A. § 5-9-407(d)(1) and if the mayor fails to approve the request, either the budget committee or the county legislative body may approve it. The second alternative allows any line item amendment including personnel costs, and these requests are approved by the budget committee under T.C.A. § 5-9-407(d)(2); if the budget committee fails to approve the request, the county legislative body may approve it but the county mayor cannot. Amendments made by either alternative method must be reported to the county legislative body. These alternative methods cannot be used to approve an amendment that already has been rejected by the county legislative body.

It is recommended that budget amendments be presented to the legislative body or budget committee at least five working days before the meeting.

Under T.C.A. § 5-9-407(b)(3), the county legislative body has 40 days from the time it receives a proposed budget amendment from the local board of education to either approve or reject the amendment. This requirement does not apply to Davidson, Hamilton, Knox or Shelby counties.

Recommended Practice: County commission should allow authority in the appropriation resolution to move funds within a department (except salaries) with department head or county mayor approval. Budget amendment forms vary from county to county. Check with your county mayor, budget director, or finance director.

Recommended Practice: Check your financial management/budgeting law. Also, some counties are exempt from T.C.A. § 5-9-407. We recommend that you check the statute to be sure it applies in your county.

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