

Anderson County Board of Commissioners
Financial Management Committee
Meeting Agenda

October 9, 2023
4:00 PM, Room 312

Purpose of Meeting: Regularly scheduled meetings to discuss topics as they relate to the County Financial Management System of 1981

Meeting Facilitator: Phil Yager (Committee Chair)

Invitees: Terry Frank, Tracy Wandell, Josh Anderson, Tim Isbel, Gary Long, and Tim Parrott

- I. Chairman & Vice Chairman
- II. Capital Assets & Controllable Assets Policy
- III. Wireless Device Policy
- IV. Fund Balance Policy
- V. Travel Policy Update
- VI. Anderson County Financial Review
- VII. Old Business
- VIII. New Business
- IX. Adjourn

Chapter 10

Capital Assets & Controllable Assets

Section 10.1 General Acquisition of capital assets is an expenditure of governmental fund resources. General capital assets are classified as land, buildings and building improvements, infrastructure, machinery and equipment, and construction in progress. Capital assets shall be recorded at cost, or if cost is not practicably determinable, at estimated cost.

Section 10.2 Records: In order to track and maintain control of county assets, accurate records are imperative. Assets that meet the county's capitalization and accountability policies shall be tagged and recorded. Transfers, sales or disposals of tagged assets must be communicated to the Finance Department for proper asset accounting.

Section 10.3 Capitalization Policy: It is the policy of Anderson County Government to capitalize assets that meet either of the following criteria:

- an original cost of \$20,000 or more with a useful life of three years or more;
- assets with title.

Section 10.4 Controllable Assets:

In addition to Capital Assets, this policy addresses Controllable Assets. Controllable Assets are assets that do not meet the county's thresholds for capitalization, but may require special attention for one or more of the following reasons:

- to ensure legal compliance (e.g., items acquired through grant contracts);
- to protect public safety and avoid potential liability (e.g., law enforcement weapons);
- to compensate for a heightened risk of theft (e.g., computers, audio visual equipment, etc.).

To be classified as a controllable asset, the item must meet one or more of the following criteria:

- an original cost between \$5,000 and \$19,999, and a useful life of more than one year;
- law enforcement weapons;
- all computers.

Section 10.5 Accountability Policy: All department heads are responsible for the Capital Asset and Controllable Asset inventories of their departments. All departments are required to conduct an annual inventory of all controllable assets assigned to their department. A second inventory listing of only assets with cost basis that are over the capitalization threshold for financial reporting should be prepared and submitted to the Purchasing Office annually. All Capital Assets and Controllable Assets shall be assigned asset identification numbers for tracking and control purposes. When a Capital Asset is ready to be placed into service, the receiving department must supply the Deputy Purchasing agent with photographs of the asset and associated asset tag.

The Finance Department shall periodically review inventory lists with departments, offices and agencies for assets with a value of \$20,000 and greater. Any discrepancies shall be investigated and appropriate actions taken.

Section 10.6 County Personal Property Disposition Policy:

County Personal Property is any county-owned property other than Real Property. Surplus County Personal Property is property no longer needed or useful for the efficient or safe operation of county business.

When a Department Head or Elected Official identifies departmental property as no longer needed or useful for the efficient or safe operation of departmental business, they must request disposition of that property by the Purchasing Office utilizing the Property Disposition and Surplus Record form.

If the Department Head or Elected Official does not arrange for transfer to another department or office, the Deputy Purchasing Agent will send an email notification to the appropriate departmental contacts informing them that the property is available for transfer.

If no county departments or offices claim the property for transfer, and the property is a Capitalized Asset, the Deputy Purchasing Agent shall recommend that the Purchasing

Committee and County Commission declare the property as available for disposition and approve the recommended Disposition Method.

If no county departments or offices claim the property for transfer, and the property is not a Capitalized Asset, the Deputy Purchasing Agent shall determine the appropriate Disposition Method.

Disposition Methods include, but are not limited to, surplus sale (including internet sales), salvage and scrap sale, donation, transfer, recycling, discarding, and destruction.

The Property Disposition and Surplus Record form is available on the Purchasing Department page of the County website.

Section 10.6.1 Sale of Surplus County Personal Property:

Equipment, materials and supplies that are no longer used in county operations shall be sold at open auction to the highest bidder by the Finance Department. The Deputy Purchasing Agent shall identify and organize surplus items until such auction is held.

Internet auction websites may be utilized for listing surplus items for auction.

Equipment, materials, and supplies that are not sold at auction after three attempts may be recycled or discarded with the approval of the Finance Director.

Section 10.6.2 Donation and Transfer of Equipment, Materials, and Supplies:

Transferring or donating equipment, materials and supplies to an entity outside of Anderson County Government requires Purchasing Committee and County Commission approval. An exception exists for Anderson County Animal Care and Control (ACACC). When ACACC receives donated food products that are reaching expiration date or products not suitable for shelter use (e.g. rawhides/choking hazard; toys that can be ingested), ACACC may surplus those items to an officially registered 501c3 rescue organization at the discretion of the Department Head. Documentation of registered 501c3 will be maintained by ACACC and a log of surplus will be maintained.

Section 10.6.3 Consumable County Personal Property:

Consumable items that become damaged or depleted to a condition that no is longer useable for their intended purpose, and have little or no commercial value for their intended purpose, may be recycled or discarded at the discretion of the Department Head and Deputy Purchasing Agent.

Examples of these items include, but may not be limited to: office supplies and equipment with a replacement cost of less than \$100, pens, pencils, tires, batteries, and oil.

Section 10.6.4 Surplus Electronic Equipment:

To insure Anderson County's Intellectual Property and Digital Data is protected from improper acquisition, all surplus electronic equipment (including, but not limited to, cell phones, computers, laptops, tablets, data storage devices, copiers and printers) must be approved by the Deputy Purchasing Agent and the Information Technology Director before transfer to another department, sale, donation, or destruction.

IT Director approval will be evidenced on the Property Disposition and Surplus Record form by the IT Director's stamp and signature. Destruction of electronic equipment must follow IT Director approved methods and conducted by authorized personnel.

Anderson County Government Wireless Devices Policy

Purpose

This policy establishes guidelines for the purchase and appropriate use of wireless devices for county employees. Wireless devices include (but are not limited to) cell phones, laptops, tablets, hotspots and GPS units.

All County purchases of wireless devices must also comply with all Purchasing policies and procedures. All wireless devices are Anderson County property and may only be used for conducting Anderson County business.

Requesting a Cellular Device

A *Request for Wireless / Electronic Device Form* (the form) must be submitted to the Purchasing Office. The form is to identify the type of device and service plan needed, the funding codes and the justification. For any cell phone exceeding \$200 in cost, the excess must be paid by the employee.

Simple convenience is not a sufficient justification for a wireless device. Acceptable justifications include:

- Employee frequently travels on County business or regularly works away from their assigned workstation.
- Safety of employee.
- Employee's position requires access outside of normal business hours.

Available Plans:

- Basic calling (employee may only make and receive calls).
- Texting plan enables an employee to send and receive text messages.
- Data plan permits an employee to send and receive email and access the internet.

When applicable, the elected official/department head must determine the best shared plan for their employees.

The form includes the terms and conditions of wireless use and must be signed by the employee as an acknowledgement that these have been read and understood by the employee. The form must also be signed by the elected official/department head.

Each elected official/department head is responsible for the wireless devices in their department and is responsible for reviewing the usage on an annual basis, to ascertain the reasonableness of the usage.

A new form is required for a change in a wireless device or service.

Loss or Damage

Employees issued wireless devices are responsible for the security and maintenance of the device and must promptly report any damage, loss, theft, or vandalism to the Purchasing Office at 457-



6218 or at purchasing@andersoncountyttn.gov and to the employee's supervisor. The Purchasing Office will review circumstances and arrange for the replacement or repair of the lost/stolen/damaged device.

Additional Terms and Conditions

Tennessee Code Annotated § 55-8-199 makes it illegal for a driver to:

- (a) hold a cellphone or mobile device with any part of their body,
- (b) write, send, or read any text-based communication,
- (c) reach for a cellphone or mobile device in a manner that requires the driver to no longer be in a seated driving position or properly restrained by a seat belt,
- (d) watch a video or movie on a cellphone or mobile device, and
- (e) record or broadcast video on a cellphone or mobile device. Employees are discouraged from using a wireless device to make or receive calls while driving. Employees must follow all Federal and State laws regarding the use of wireless devices in motor vehicles. Texting or emailing while driving, and operating a wireless device in school zones are illegal in Tennessee. Other states have more stringent laws.

~~Employees that are fined for violations are responsible for payment of the fines and may be subject to disciplinary action.~~

~~In all cases, use of a County provided wireless device is subject to the acceptable use restrictions covered in the "Electronic Mail Acceptable Use Policy".~~

In all cases, use of a County provided wireless device is subject to the acceptable use restrictions covered in the "Use of Computer, Internet, Phone and e-Mail" policy as described in the Anderson County Government Employee Handbook.

Violations

Failure to comply with County policy regarding wireless devices may result in disciplinary action, including termination of wireless device privileges. Any fees incurred through abuse of this policy constitutes misappropriation of County assets and misuse of government property, which may be subject to appropriate discipline. The County reserves the right to take legal action to recover any costs wrongly incurred by the county due to an employee's violation of this policy.

Request for Wireless/Electronic Device Form

Date: _____

Employee Name: _____ Employee Job Title: _____

Department: _____

Justification: _____

Requested Device: _____

Requested Accessories: _____

Device & Accessories Cost: _____

Device & Accessories Cost Budget Code: _____

Monthly Rate Plan Cost: _____

Monthly Cost Budget Code: _____

Employee Signature: _____

Elected Official/Department Head Signature: _____

(By signing this form the Employee and Elected Official/Department Head certify agreement and compliance with the Anderson County Government Wireless Devices Policy.)

Finance Director Approval: _____

Deputy Purchasing Agent Approval: _____

Wireless Vendor: _____

Date Ordered: _____

Wireless Phone Number Assigned: _____



Section 8.5.2 Minimum Level of Unassigned Fund Balance – General Fund: The General Fund unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating cost needs; to allow for unforeseen needs of an emergency nature; and to permit orderly adjustment to changes resulting from fluctuations of revenue sources. Given that current property tax collections do not begin until the fourth month of the fiscal year; the County will maintain at least eight percent (8%) of the next year’s budget in the unassigned fund balance of the General Fund.

Per the fund balance policy as approved by the Board of Commissioners on September 21, 2020, the General Fund unassigned fund balance will maintain at least \$5,500,000 and requires two-thirds (2/3) affirmative vote by the Board of Commissioners to further draw down the unassigned fund balance.

Cash Relative to General Fund Expenditures Metric | FY 2022

Cash on Hand:
\$18,113,705

Annual Expenditures:
\$30,163,102

Using only cash,
the County could fund
219

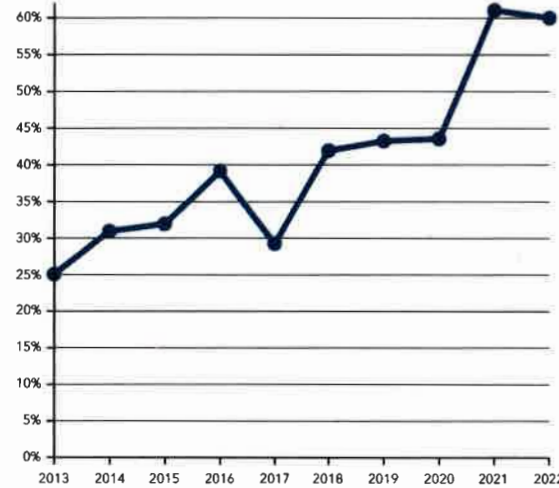
Days of Average Expenditures
before exhausting cash reserves

60%
of Annual Expenditures can
be paid with available cash

No Concern

Target: **Above 16%**
Average County: **53%**

Cash to Expenditures Trend



As a best practice, counties should have cash reserves sufficient to cover at least two months or 60 days of average expenditures without using additional financing resources. Without adequate reserves, a county could expose itself to greater fiscal distress risk.

Debt Relative to Assessed Value Metric | FY 2022

General Government
Debt:
\$49,087,952

Assessed Value:
Defined as: The estimated total property tax base or the portion of appraised values within the county subject to property taxation.
\$1,999,998,163

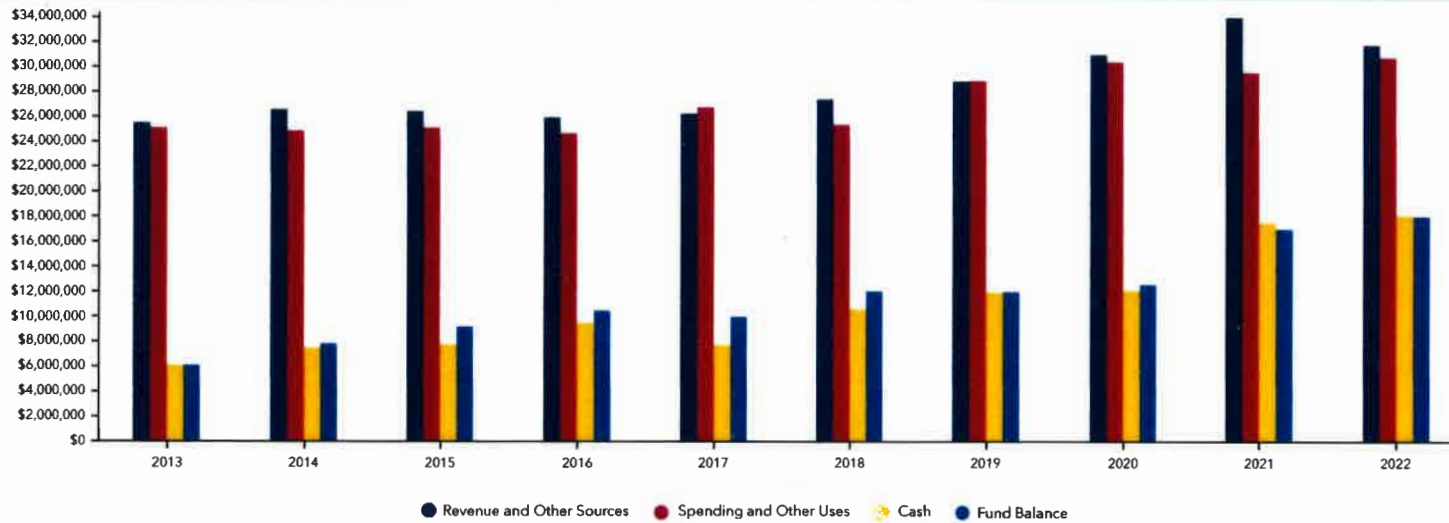
2%
Ratio of outstanding debt
relative to assessed value

No Concern

Target: **Below 8%**
Average County: **3%**

As a best practice, counties should set debt limits or acceptable ranges. High debt service obligations can reduce financial flexibility and crowd out other potential expenditures. One recommendation is keeping the total outstanding debt below 8% of property assessed value.

General Fund 10-Year Financial Trend | FY 2013 - FY 2022



Comptroller Budget Review | FY 2023

Budget Status: **Approved**
Budget Certificate: **Yes**

To qualify for a budget certificate, a county must:

- * Adopt budget on or before fiscal year end
- * File budget with COT Local Government Finance within 15 days of adoption
- * Have no issues of concern during review
- * Not be under oversight of Tennessee Board of Utility Regulation

For more information: tncot.cc/budgetcertificates