



ANDERSON COUNTY

FINANCIAL MANAGEMENT

POLICIES & PROCEDURES

Originally Adopted: June 19, 2017

Amended and Formally Adopted: December 17, 2018

Revisions through February 24, 2025

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Chapter 2

Revisions

(entered after June 19, 2017)

<u>Chapter/Section Revised</u>	<u>Page</u>	<u>Date Approved</u>	<u>Description of Revision</u>
Purchasing 9.7	9.8	May 21, 2018	Obligations requiring future appropriations must be approved by Budget Committee and Board.
Purchasing 9.7.1	9.8	May 21, 2018	Clarification on approval of Contracts and Leases exceeding 12 months.
Travel 13.6	13.6	August 20, 2018	ACS Travel Policies and Procedures B-2.804
Inventory & Fixed Assets 10.6	10.2	September 17, 2018	“Sale of Surplus” section replaced with “County Personal Property Disposition”
Payroll 6.2	6.2	December 3, 2018	Leadership responsibility for return of county-owned property upon employee termination.
Purchasing 9.7	9.8	December 17, 2018	Expansion of Contract and Lease Approval Policy
Budgeting 8.5.2	8.5	January 21, 2020	Increase General Fund Unassigned Fund Balance Minimum Balance Requirement (\$4.5M)
General Policies 3.3	3.2	September 21, 2020	Departmental Internal Control Responsibility
Budgeting 8.5.2	8.5	September 21, 2020	Increase General Fund Unassigned Fund Balance Minimum Balance Requirement (\$5.5M)
Purchasing 9.2.4	9.4	September 21, 2020	Remove Construction Cost Analysis Language
Travel 13.4	13.4	July 18, 2022	Increased Per Diem Meal Allowance
Purchasing 9.2.1	9.2	July 18, 2022	Increased Bid Threshold to \$50,000.00
Purchasing 9.4	9.6	July 18, 2022	Increased Bid Threshold to \$50,000.00
Purchasing 9.2.1	9.2	April 17, 2023	Added Bid Confidentiality Language
Purchasing 9.2.1d	9.2	April 17, 2023	Removed “Vendor Registry” Reference
Budgeting 8.5.3	9.6	July 17, 2023	Increase Fund 263 (Self-Insurance) Minimum Balance Requirement to \$1,000,000
Grants 11	11.1	July 17, 2023	Established Grant Management and Administration Policies & Procedures Manual
Capital Assets & Inventory 10	10.1	October 16, 2023	Increase Asset Threshold Classifications
Budgeting 8.5.2	8.5	October 16, 2023	Increase General Fund Unassigned Fund Balance Minimum Balance Requirement (\$6.0M)

Chapter 2

Revisions

(entered after June 19, 2017)

Chapter/Section Revised	Page	Date Approved	Description of Revision
Capital Assets & Inventory 10.5 & 10.6.1	10.2- 10.3	February 22, 2024	Departmental Accountability and Surplus Approval Changes
Travel (multiple sections) 13.	13.1- 13.7, 13.12	April 15, 2024	Multiple Revisions and Changes
Capital Assets & Inventory 10.6.2	10.3	June 17,2024	Language regarding donations to Inter-Governmental Agencies

Chapter 3

General Policies

Section 3.1 Financial Management Committee: The Financial Management Committee is charged with establishing policies, procedures and regulations that guide implementation of a sound and efficient financial system for administering the funds of the County.

Section 3.2 Finance Department Personnel: Employees performing the functions of purchasing, payroll, accounting and budgeting shall be supervised by the Finance Director. All financial books and records, including contracts, are to be maintained under the control of the Finance Director.

Finance Department employees are responsible for purchasing, accounting, budgeting, payroll, cash management, and reporting for the County and will be held to high professional and ethical standards.

Appropriate training and staffing are necessary to provide expected levels of service to County offices and officials. The ability to provide expected and necessary information will be assessed on an annual basis to determine if the needs of the County are being met under present staffing. Changes in needs shall be addressed during the budget-planning process and incorporated into the appropriations request. Annual training will be offered to maintain and improve the skills and knowledge necessary for optimum job performance.

Section 3.3 Internal Controls & Segregation of Duties: Tennessee Code Annotated § 9-18-102 is the legislation relative to internal controls for local governments. Internal controls are established to provide Anderson County Government reasonable assurance that obligations and costs are lawful; funds, property and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and the preparation and maintenance of accurate and reliable financial and statistical reports.

Each department head, elected official, and agency leader will be responsible for designing, implementing, documenting, annually assessing, and maintaining appropriate internal controls for their respective department, office, or agency.

Organizational charts and the internal control manual for the Finance Department are kept on file in the Finance Department.

Section 3.4 Government Records: Tennessee Code Annotated § 39-16-504 states that it is unlawful for any person knowingly:

- a) to make a false entry in, or false alteration of, a government record;
- b) to make, present or use any record, document or thing with knowledge of its falsity and with intent that it will be taken as a genuine government record; or
- c) to intentionally and unlawfully destroy, conceal, remove or otherwise impair or alter the verity, legibility or availability of a government document.

Any violation of this section is a Class A misdemeanor.

Section 3.5 Records Management: The Finance Department follows all federal and state guidelines in regard to records management of all financial, payroll and purchasing records.

Section 3.5.1 Public Request for Information: The Finance Department abides by the open records laws of the State of Tennessee. The policies procedures, and official forms in regard to Anderson County Government and public information requests are kept on file in the Department of Human Resources & Risk Management. The Director of Human Resources & Risk Management is the assigned Public Records Request Coordinator.

Section 3.6 Disaster Recovery Policy: The Finance Department has implemented a disaster recovery plan to minimize any interruption of services that the Finance Department provides to Anderson County Government. This plan will also help minimize any negative economic impact on the County. The procedures are kept on file with the Finance Director.

Chapter 4

Accounting

Section 4.1 General: Under The Act, a Finance Department is created to administer the finances of the County for all funds handled by the Trustee. Records are to be maintained in conformity with generally accepted principles of governmental accounting, and the rules and regulations established by the state Comptroller of the Treasury, State Commissioner of Education, and state law. TCA § 5-21-124

Section 4.2 Purpose: The objectives of accounting are to provide information for decision making concerning the use of limited resources, effective direction and control of human and material resources, and control of and accountability for expendable financial resources. The primary considerations in the governmental environment are compliance and accountability. Therefore, accounting, reporting and auditing of the governmental unit are principal tools of compliance control and accountability demonstration.

The Governmental Accounting Standards Board (GASB) is the authoritative source for governmental accounting and is responsible for establishing accounting standards for activities and transactions of state and local governments.

Section 4.3 Audit: An annual audit is required to provide reasonable assurance that the financial statements of Anderson County Government fairly and accurately present the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles. Legal compliance is considered an integral part of both managerial responsibility and accountability of the fiscal audit.

An electronic copy of the annual audit can be found on the Tennessee Comptroller of the Treasury website and on the Finance Department page of the County website.

Section 4.3.1 Audit Committee: On January 19, 2016 the Anderson County Board of Commissioners created an independent audit committee for oversight of Anderson County Government’s budget, financial and fiscal controls. The Finance Director is responsible for working with the audit committee in resolving such matters involving the Finance Department or the finance function.

Section 4.4 Maintenance of Effort: The Finance Director has the overall responsibility to ensure that the Anderson County Board of Commissioners is meeting the required “maintenance of effort” related to local revenue attributed to other funds/departments on an annual basis during the budget process. The departments that have the “maintenance of effort” requirement are Highway Fund 131, School General Fund 141, Sheriff’s Department Fund 101 Categories 54110 & 54210, Election Commissions Fund 101 Category 51500, and Library Fund 115.

The Highway Fund “maintenance of effort” is checked at the end of each fiscal year by completing a “5 Year Average Highway Revenue” spreadsheet and working with the County Technical Assistance Services Agency of the State of Tennessee (CTAS). The School Fund “maintenance of effort” is checked at the end of each fiscal year by a Tennessee Department of Education Fiscal Representative, in cooperation with finance personnel. There are forms and instructions on this process on the Tennessee Department of Education website as follows: <http://www.tn.gov/education/topic/finance>. All other departments’ “maintenance of effort” is managed in the budget preparation process with the respective department head, elected official, or agency leader and the Financial Management Committee, with final approval by the Anderson County Board of Commissioners.

Chapter 5

Personnel Policies

Section 5.1 General: On April 18, 2011, the Anderson County Board of Commissioners approved the Anderson County Government Employee Handbook to take effect on May 1, 2011. This handbook consolidates personnel policy covering all employees with the exception of the School System.

State statutes give elected officials authority over personnel matters within their offices. Elected officials have the jurisdiction to create, maintain, and administer separate personnel policies and procedures, and at their discretion may supplement the policies set out in the Anderson County Government Employee Handbook. Any separate or supplemental policies created by an elected official shall not be in conflict with, nor contradict, the policies set forth in the consolidated Anderson County Government Employee Handbook.

Any elected official who chooses to develop separate policies must include comprehensive policies for leave, compensatory time, non-discrimination and sexual harassment, and drug and alcohol testing. TCA § 5-23-104

The Civil Service Commission establishes personnel policies for the Sheriff's Department. The sheriff has authority to hire and fire employees pursuant to the policies established. TCA § 8-8-401

The County Board of Education is responsible for establishing personnel policies for both certified and classified personnel and is responsible for personnel matters to the Department of Education. TCA § 49-2-203, 49-2-209

All other County employees and employees of elected officials without separate policies are governed by the policies and procedures developed by the Human Resources Advisory Board,

approved by the Board of Commissioners, and found in the Anderson County Employee Handbook.

The Anderson County Employee Handbook is approved, in general, for all county employees. Any deviations or addendum policies will be the responsibility of the issuing department head, elected official or agency leader. The Human Resources & Risk Management Department shall not be held responsible for legal challenges that may arise from conflicting policies.

Section 5.2 Employee Handbooks: During the new hire orientation process, employees shall be provided with the appropriate employee handbook by the Human Resources & Risk Management Department. Questions concerning personnel policy may be answered by the department head, elected official, agency leader, or the Director of Human Resources & Risk Management. Payroll related questions may also be addressed to the Finance Department, as it is responsible for payroll. The Human Resources & Risk Management Department is responsible for benefit administration.

Department heads, elected officials, and agency leaders are responsible for providing the Finance Department and the Human Resources & Risk Management Department with copies of all separately developed employee handbooks, supplemental policies, and all updates and revisions as they occur. It is the responsibility of the department head, elected official, and agency leader to ensure the Finance Department and the Human Resources & Risk Management Department are kept current so that they may effectively and accurately process payroll and benefits.

Copies of the Anderson County Government Employee Handbook are available in the Human Resources & Risk Management Department. An electronic copy of this handbook is available on the Human Resources & Risk Management page of the County website. Changes to the Anderson County Employee Handbook will be made available to all employees when approved.

Chapter 6

Payroll

Section 6.1 General: The Finance Department has the responsibility for processing payroll for the County, including County General, Highways and Schools. An orderly process for time reporting, notification of new hires, changes in pay and payroll status, leaves of absence and both voluntary and involuntary termination is essential to the payroll operation.

For departments, offices and agencies that have supervisors, the supervisor is responsible for the initial review and approval of all time sheets or time cards. The department head, elected official or agency leader is responsible for final review and approval before submitting a payroll worksheet categorizing and summarizing time to be paid by employee. The payroll worksheet may be submitted with or without individual time sheets or time cards, but copies of the individual time sheets or time cards must be maintained in each department, office or agency.

The supervisor (where applicable) is responsible for notification of changes, additions and termination of employees. The information shall be forwarded to the appropriate department head, elected official, or agency leader who is then responsible for notifying the Human Resources & Risk Management Department. The Human Resources & Risk Management Department will notify the Finance Department of changes affecting payroll. It is imperative that this information is received on a timely basis.

Section 6.2 New Hires, Payroll Changes and Terminations: With the exception of the Anderson County School system, it is the responsibility of the Human Resources & Risk Management Department to ensure that the appropriate paperwork, forms and supporting documentation are on file so that compliance with State and Federal laws is documented.

With the exception of the Anderson County School system, all new hires shall be directed to report to the Human Resources & Risk Management Department for processing of appropriate paperwork, including completion of forms W-4 and I-9, and enrollment in the county's insurance

and benefit programs. This process is normally done during New Hire Orientation on the first working day.

The Human Resources & Risk Management Department must be notified promptly by the appropriate department head, elected official, or agency leader of changes in pay rates, regularly scheduled hours, leaves of absence and terminations. Prompt notification is required for proper processing of payroll and record-keeping.

Each department head, elected official, and agency leader will be responsible for recovering and accounting for any county-owned property and materials in the possession of an employee upon termination of the employee. This includes, but is not limited to, procurement cards, WEX cards, keys, technology and communications equipment, etc. The department head, elected official, and agency leader is responsible for immediately notifying the Finance Department, Information Technology Department, and Human Resources & Risk Management Department so usernames and email addresses can be terminated, especially as it relates to systems security.

A copy of the current New Hire Information Form and/or Employee Status Change Form for new hires, payroll changes, and terminations is included in the forms section of this manual. Questions concerning the form may be addressed to the Director of Human Resources & Risk Management.

Section 6.3 Schedule: A schedule for payroll processing shall be developed for in-house use. This schedule shall include for each employee classification (i.e., exempt and non-exempt), employee status (i.e., Full-time Regular, Part-time Regular, and Temporary or Seasonal), and payroll period the following information:

- the date time sheets or time cards are due to the Finance Department
- the date payroll must be run in-house
- the date deposits are due to the banks for direct deposit
- the date deposits of Federal withholding and FICA taxes must be made
- the date deposits of voluntary deductions must be made
- the date payroll checks or automated clearing house deposits must be run

- the date payroll checks are available for distribution/deposit

The dates time sheets or time cards are due to the Finance Department and the date payroll checks are available for distribution shall be shared with the department heads and supervisors for planning purposes.

Section 6.4 Checks: Checks for payroll or payroll deposits for tax and voluntary deduction withholdings can be drawn under the name of the Finance Director. Upon approval of the State Audit Department, signature plates can be used. It is the practice of the Finance Department to issue payroll payments via direct deposit.

Section 6.5 Fair Labor Standards Act: The Fair Labor Standards Act (FLSA) governs minimum wage and overtime pay standards, record keeping requirements and provisions regulating the employment of minors.

In order to comply with the FLSA regulations, the Human Resources & Risk Management Department must maintain certain records and information for each employee.

These records and information include the employment application, date of hire, rate of pay, regularly scheduled hours of work, and completed W-4 and I-9 forms.

The Finance Department must maintain time and attendance records for each pay period that accurately reflect the hours worked by the employee.

Section 6.5.1 Compensatory Time and Overtime

Non-exempt employees who work more than 40 hours during the work week may earn compensatory (comp) time or must be paid the overtime rate for the excess hours worked. It is the practice of Anderson County Government that the employee, with approval of the employer, choose compensatory (comp) time instead of receiving cash payment.

Section 6.6 Voluntary Deductions: The management and administration of voluntary payroll deductions is done as a courtesy. An example of a voluntary payroll deduction is a premium for insurance coverage not provided by Anderson County Government and for which the employee pays 100% of the cost. In this instance, the Finance Department withholds the amount of the insurance premium from the employee's paycheck and then writes a check to the insurance provider.

In order to keep the number of voluntary payroll deductions to a manageable level, all voluntary payroll deductions must be within the guidelines of the appropriate governing body and require approval of the Finance Director before being offered to county employees.

Chapter 7

Cash & Debt Management

Section 7.1 General: The Finance Department shall assist the Trustee in projecting cash flow resources and uses, and shall provide information to facilitate the investment of idle funds. The Anderson County Board of Commissioners is responsible for establishing policies and procedures for the investment of idle funds. The Trustee is given the authority to make the investments within the guidelines set by the state and the Commission's policies. TCA § 5-8-301

Section 7.2 Debt Management: In an effort to establish best practice methods in regard to Anderson County Government's debt management, the Anderson County Board of Commissioners on September 20, 2021 adopted a revised "Debt Management Policy". This policy provides guidelines for transparency in decision making, hiring outside professionals, potential conflict of interest issues and all other requirements for new debt. The Debt Management Policy is available on the Anderson County Government website.

Chapter 8

Budgeting

Section 8.1 General: (*Tennessee Code Annotated (TCA) § 5-21-110 and § 5-21-111*)

The annual budgetary process is extremely important, as it is an expression of public policy and intent. In short, a budget is an attempt to balance revenues with expenditures. Further, a budget is a financial plan that indicates the proposed expenditures for the next year and the means of financing them. The adoption of a budget represents decisions that have been made, on the basis of a planning process, as to how each department is to reach its objectives. The accounting system assists the supervisors and administrators in monitoring the activities authorized and prepares statements comparing actual operations to budget for evaluation of the variances.

The Constitution of the State of Tennessee requires that all public funds must be expended for a public purpose.

The Anderson County Board of Commissioners adopts the budget as the annual appropriation of the County at or before its regularly scheduled July meeting, but not later than September 1 of each fiscal year. When approved by the Board of Commissioners, the budgetary expenditure estimates become binding appropriations that both authorize expenditures and limit the amount that can be expended for each specified purpose. In the event that a budget is not approved by the Board of Commissioners before the lapse of the current budget, the County will continue to operate on a Continuing Budget Resolution to be approved by the Board of Commissioners. This resolution shall only provide for necessary expenditures to ensure continuity of county services.

An electronic copy of the annual budget is available on the Anderson County Government website.

Section 8.2 Committee: The Budget Committee shall establish and approve policies, procedures, regulations, forms and documents necessary for the preparation of the annual operating and capital improvement budgets.

Section 8.3 Annual Budget Schedule: The Fiscal year for Anderson County Government begins July 1 and ends on June 30. Sound financial planning requires that budget preparation begin in time for its adoption before the beginning of the budget period. The normal budget process starts with a required meeting of the Budget Committee prior to the 1st of February and results in an approved tax rate and budget prior to September 1 by the Board of Commissioners.

At the initial meeting, the required assumptions, procedures, forms calendar, etc. are determined. The Budget Committee will review and approve preliminary estimates of the overall budgetary outlook and provide guidelines and direction to the various departments for use in projecting budgeted needs.

Based on this information, each department shall submit to the Finance Director a proposed budget for the succeeding fiscal year with appropriate documentation and support. The Finance Director shall meet with the department head, elected official, or agency leader as necessary to prepare a consolidated budget.

The consolidated budget shall be presented to the Budget Committee for review and discussion. Revisions and changes shall be communicated to the department head, elected official, or agency leader as required. The Budget Committee shall vote to approve or reject the proposed budgets prior to forwarding to the Board of Commissioners for their consideration and approval. At least ten (10) days prior to the proposed budget being presented to the Board of Commissioners, notice of public hearing shall be published in a newspaper of general circulation.

Section 8.4 Budget Amendments: The budget is a plan for revenue and expenditures that is adopted in order to provide specific services and implement the policies of the Board of Commissioners. It provides the legal authority to receive and expend funds. As it is a plan, it is recognized that changing conditions will require budget adjustments. Sound financial management practices require the continuous process of reviewing budgeted and actual revenues; comparing appropriations, expenditures and encumbrances; and revising the budget as needed in view of changing circumstances. These revisions to the budget will be processed in the form of a Budget Amendment in accordance with the procedures and approvals as discussed in the following sections.

Section 8.4.1 Line Item Budget Amendments – Required Approvals: With the approval of the department head, elected official, or agency leader; the Finance Director; and the Budget Committee, amendment of line items within a department/function budget of the General Fund is authorized provided there is no net change to the total department/function budget.

With the approval of the Superintendent of Highways, the Finance Director, and the Budget Committee, amendment of line items within a department/function of the Highway Fund is authorized provided there is no net change to the total department/function budget.

With the approval of the Director of Schools, the Finance Director, and the Budget Committee, amendment of line items within a department/function budget of the School Fund is authorized provided there is no net change to the total department/function budget.

Section 8.4.2 Other Budget Amendments – Required Approvals: The Anderson County Board of Commissioners will be the approving authority for:

- Budget amendments that result in an increase or decrease of the total budgeted revenue or expenditure of a fund
- Budget amendments that result in an increase of department/function compensation
- Budget amendments revising line items from one department/function to another department/function within the same fund.

The above proposed budget amendments shall be submitted to the School Board and/or the Budget Committee as appropriate, for recommendation to the Board of Commissioners.

Any proposed budget amendment coming before the Board of Commissioners, without first being considered by the Budget Committee, shall require a three-quarter (3/4) majority vote by the Board of Commissioners.

Section 8.5 Fund Balance Policy - Purpose: The County establishes and maintains reservations of fund balances in accordance with Governmental Accounting Standards Board Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. Governmental fund balances may be composed of nonspendable, restricted, committed, assigned and unassigned amounts. Fund Balance information is used to identify the available resources to reduce property taxes, add new governmental programs, expand existing programs, or enhance the financial position of the County in accordance with policies established by the Board of Commissioners and Financial Management Committee.

Section 8.5.1 Fund Balance Policy - Definitions:

- Fund Balance – The difference between assets and fund liabilities in the governmental funds balance sheet. It is referred to as fund equity or net position.
- Nonspendable Fund Balance – Amounts that are not in a spendable form, such as inventory, or are required to be maintained intact (e.g., principal of an endowments fund).
- Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by external resource providers, such as grantors or enabling legislations. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed Fund Balance – Amounts that can be used only for specific purposes determined by formal action of the Board of Commissioners, which is the County’s highest level of decision making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action that imposed the constraint.
- Assigned Fund Balance – Amounts the County intends to set aside (earmark) for a specific purpose (e.g., using an existing fund balance to balance appropriations in a subsequent year or liquidating encumbrances).
- Unassigned Fund Balance – The residual amount in excess of the other 4 classifications (i.e., non-spendable, restricted, committed and assigned). These funds are not obligated or specifically designated and are available for any purpose.

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 October 16, 2023, the General Fund unassigned fund balance will maintain at least \$6,000,000 and requires two-thirds (2/3) affirmative vote by the Board of Commissioners to further draw down the unassigned fund balance.

Section 8.5.3 Minimum Level of Fund Balance – Fund 263 Employee Health

Benefits:

The Employee Health Benefits Fund (Fund 263) shall maintain a minimum fund balance of at least \$1,000,000. The Finance Department shall monitor the fund balance on a monthly basis. If the fund balance falls below the minimum amount, the Finance Director shall develop a recommended plan to restore the fund balance and shall notify the Board of Commissioners within at least 60 days of the Finance Department determining the actual amount is below the target minimum amount.

Section 8.5.4 Disbursement of Fund Balance Reserves: The County reduces the most restrictive amounts first when expenditures are incurred for purposes for which more than one classification is available.

Section 8.5.4 Annual Review and Determination of Fund Balance Reserves:

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process. The amounts for non-spendable, restricted, committed, and assigned classifications; and the minimum level of unassigned fund balance in each fund shall be determined during this process.

Chapter 9

Purchasing

Section 9.1 General: The basic responsibilities and procedures for an economical and efficient purchasing system are set forth in TCA § 5-21-118 through 5-21-130. The primary objectives of centralized purchasing are cost savings through uniform consolidated purchasing practices and verification of funds availability prior to obligation.

No contract, purchase, or obligation of Anderson County Government for supplies, materials, equipment, contracted services or rentals shall be made without the prior execution of a purchase order unless the purchase falls within the narrow definition of emergency purchase (as defined in Section 9.6) or the purchase falls within the defined list of goods and services approved for direct payment method found in the Anderson County Government Purchasing Handbook.

All contracts shall be approved as to legal form by the County Law Director. The Law Director shall signify approval as to legal form by affixing approval stamp and original signature along with cover letter as needed.

A primary objective of governmental accounting is to assist the administrator in controlling expenditures, including the prevention of over-spending. In order to maintain the necessary records, encumbrances are recorded when purchase orders are issued for goods and services.

The basic principle of an organized purchasing system is to plan the County's needs, develop minimum specifications, receive bids from the most bidders possible, and make the best use of County resources.

All vendors are required to have a completed W-9 form online prior to the issuance of a purchase order for those services.

All original executed contracts are on file in the Finance Department.

Section 9.1.1 Liability: The County shall be liable for the payment of all purchases of supplies, materials, equipment, and contractual services made in accordance with the policies contained in this manual, but shall not be liable for payment of such purchases made contrary to its provisions.

Section 9.2 Purchases Requiring Competitive Bids: The cost basis for requiring competitive bids is set by the State of Tennessee and further detailed and defined by Anderson County Board of Commissioners through Resolution 15-08-551 carried by unanimous vote at the August 17, 2015 Board of Commissioners meeting.

Section 9.2.1 All County, Highway Departments and Boards of Education: All purchases of \$50,000 and greater require competitive bids and must be publicly advertised in the County to promote open and fair competition. Public notice shall be at least ten (10) days prior to the bid opening date.

Bidders' names and prices will be available after bids are opened. The remainder of the bid responses shall be confidential and only available to evaluators/decision makers until bids are awarded.

Requisitions for items estimated to cost more than the limit for competitive bid shall not be subdivided to circumvent the requirement for competitive bidding.

The competitive bidding process shall include the following essential elements:

- a) Completion of Request for Bid form by requesting department;
- b) Preparation of bid specifications with appropriate department;
- c) Preparation of invitation for bid including clear specifications;
- d) Posting the invitation to bid in a place(s) open to the public at least ten (10) days prior to the bid opening date. Places open to the public may include, but not be limited to, Purchasing Office bulletin board, the County website, online procurement services, Anderson County Television (ACTV), and in newspapers of general circulation;

- e) Provision of adequate time for submission of bids consistent with the size and type of goods or service;
- f) Public opening of the bids;
- g) Pending verification of funds needed to fulfill the purchase contract or obligation, and expenditure approval by the appropriate governing board or official; an award will be made by the Finance Director (or their designee) and the appropriate department head, elected official or agency leader.
- h) Awards will be made based on the most advantageous bid under the facts and circumstances presented for the particular purchase of goods or services at that time taking into account: price, quality, delivery terms, payments and invoicing, unique qualities of goods or services, sole source and proprietary licensing, reputation within the industry or profession, past performance, references (including external input), and other factors considered;
- i) Mandatory pre-bid meetings with prospective bidders may be required as determined by the Finance Director (or their designee).
- j) Additional negotiations are allowable with the winning bidder only.
- k) Proof of liability and worker's compensation insurance must be provided to the Finance Department prior to the bid award and contract execution;
- l) Anderson County Government practices a Drug-Free Workplace policy. Use of alcohol and/or illegal substances while performing work for Anderson County Government is strictly prohibited and will result in immediate contract termination;
- m) Background checks may be required for purchases of certain goods and services as determined by the Finance Director (or their designee);
- n) Anderson County Government reserves the right to reject any and all bids.

Detailed bidding policies and procedures are available in the Purchasing Handbook.

Section 9.2.2 Award Overrides: Department heads, elected officials, and agency leaders may override the award decision of the Finance Director (or their designee) by completing and signing the bid award document identifying all reasons justifying the override. When disputes arise between the decision of the Finance Director (or their designee) and the department head, elected official or agency leader, the County Law Director shall be contacted to provide advice and consultation.

Section 9.2.3 Construction Projects exceeding \$25,000: In the case of construction projects that exceed \$25,000, state law requires that Anderson County Government contract with a licensed engineer or architectural firm in order to ensure compliance with state & federal regulations.

Section 9.3 Exceptions to Bid Requirement: State law provides several exceptions to bid requirements.

Section 9.3.1 Professional Services: Contracts for legal services, auditing services by certified public accountants and similar services by professional persons or groups of high ethical standards shall not be based on competitive bids, but shall be awarded on the basis of recognized qualifications, competence, and integrity. Other professional services also include, but are not limited to engineers, architects, medical doctors, MAI certified appraisers, and similar professions with high ethical standards.

Although nothing contained herein requires the bidding of professional services for the County, the County may still interview eligible persons or firms to determine the capabilities, competence and standard commission rates for the prospective service.

Section 9.3.2 Time and Material Contracts: While Anderson County Government does not make a habit of utilizing “Time and Material Contracts”, the County will utilize them

in situations where no other type of contract can be obtained. These contracts, and all related project activities, are closely managed to ensure the most economical outcome for the County.

Section 9.3.3 Tennessee State Contract Pricing: Purchases through statewide contracts meet the legal requirements for formal competitive bids. The County may purchase materials, supplies, commodities and equipment through any federal, state or local governmental unit or agency's contract or agreement, without conforming to competitive bidding requirements.

Section 9.3.4 Perishable Goods and Commodities: Perishable goods are exempt from competitive bidding requirements when purchases are made in the open market. This exemption is not designed to discourage competitive bidding.

Bids are not required for goods or services for which the rate or price is fixed by a public authority authorized by law to fix such rates and prices.

Section 9.3.5 Cooperative Purchasing: All departments, offices and agencies of Anderson County Government may engage in approved cooperative purchasing programs when goods and services are available at a cost previously negotiated by the State of Tennessee or any local government entity within the state.

Section 9.3.6 Intergovernmental Agreements: In order to avoid unnecessary costs, Anderson County Government, advocates intergovernmental agreements to meet the County's needs when possible. It is imperative that Anderson County Government perform due diligence to ensure the intergovernmental cooperative agreement conforms to the purchasing laws of the State of Tennessee.

Section 9.3.7 Avoidance of Unnecessary or Duplicated Items: To best leverage assets and resources, Anderson County Government advocates cooperation and coordination within the umbrella of Anderson County Government's programs and operations. This includes, but is not limited to: Anderson County Schools, Highway, Solid Waste, and other General Departments. Department heads, elected officials, and agency leaders shall work together in regard to this issue. Coordination on Disposal of Surplus Property shall be included in this process.

Section 9.3.8 Procurement Card Purchases: To help facilitate the efficient purchase of goods and services Anderson County Government has approved the use of procurement cards (P-cards). However, the P-card system shall not be used to circumvent the purchasing statutes and guidelines of the County. Each department head, elected official, and agency leader will be responsible for its proper use. Each cardholder must review and sign the procurement card agreement. The agreement is kept on file in the Finance Department.

Section 9.4 Purchasing Thresholds: All purchases of less than \$10,000, may be made in the open market without advertised or public notice. Purchases between \$10,000 to \$49,999, require three (3) written quotes and must be submitted with the requisition. However, competitive bids may be sought at the discretion of the Finance Director (or their designee). Competitive bids are required for purchases estimated to be \$50,000 or greater.

Requisitions for items estimated to cost more than the minimum bid requirement of \$50,000 will not be subdivided to circumvent the requirement for competitive bidding.

Section 9.5 Requisitions and Purchase Orders: No purchase shall be made until a requisition has been properly approved by the appropriate department head, elected official or agency leader, and approved by the Finance Director (or their designee) verifying the availability of funds. Purchase orders will not be issued without the proper approvals and without verification of available funds.

It shall be the responsibility of each department, office or agency to anticipate their needs for equipment, materials, supplies, contracted services or other requirements and submit requisitions with enough lead-time to facilitate an efficient purchasing process.

Failure to plan does not justify or constitute an emergency purchase or direct pay.

Section 9.6 Emergency Purchases: Emergency purchases are purchases necessary due to uncontrollable or unforeseeable circumstances where any delay would endanger the health or safety of Anderson County residents, cause additional and extensive damage to County property, or adversely affect the operations and programs of Anderson County Government. Emergencies shall not include conditions arising from neglect, poor planning or indifference in anticipating normal needs.

Emergency purchases may be made by any department, office or agency in the open market without obtaining a purchase order. Every attempt must be made to obtain competitive pricing or quotes for the emergency purchase. Informal quotes based upon telephone calls are sufficient, but must be documented. Such purchases shall, whenever possible, be made with the approval of the Finance Department.

A written report of such emergency purchase shall be made to the Finance Director before the close of business the next working day following the date of purchase. A copy of the emergency purchase form is available in the exhibits section of the Purchasing Handbook.

Section 9.7 Contract & Lease Approvals: All unexecuted Anderson County Government contracts and lease agreements must be approved by the department head, elected official, or agency leader and shall be submitted to the Finance Director (or their designee) for review with the County Law Director.

Section 9.7.1 Agreements of Twelve Months or Less in Duration:

All Anderson County Government contract and lease agreements of twelve months or less that utilize funding from current year financial appropriations must

be approved by the department head, elected official, or agency leader, the Finance Director (or their designee), and the County Law Director. If such agreements require funding from future financial appropriations, they must additionally be approved by the Purchasing Committee and the Board of Commissioners, prior to commitment.

Section 9.7.2 Agreements of Greater than Twelve Months in Duration:

All Anderson County Government contract and lease agreements of more than twelve months must be approved by the Purchasing Committee and the Board of Commissioners, whether or not funding is required from future financial appropriations.

Section 9.7.3 Amendments & Renewals:

Contract and lease amendments are subject to the approval requirements detailed above. Contract and lease renewals are subject to the approval requirements detailed above, except they do not require approval by the Law Director.

If an agreement incorporates debt on behalf of the County, the certified resolution must be sent to the Tennessee State Comptroller, Division of State, and Local Finance for prior approval before execution of the document.

All such documents are kept on file with the Finance Director.

Section 9.8 Purchasing Calendar: In order to receive volume discounts and minimize potential delivery and storage issues, the Finance Director (or their designee) will consult with department heads, elected officials, and agency leaders to project their department's, office's, or agency's purchasing needs. From these projections, a purchasing calendar will be developed to coordinate the bidding and purchasing cycle on an annual basis.

Section 9.9 Procedures: The basic purchasing procedures are described in the following paragraphs. A copy of the requisition and purchase order forms, can be found in the forms section of the Purchasing Handbook.

Section 9.9.1 County General: All requisitions must be approved by the appropriate department head, elected official or agency leader. The requisition shall be completed by the requesting party and sent to the Purchasing Office for verification of accurate vendor information, budget codes and for purchase order assignment. The Purchasing Office will send the requisition, along with the assigned purchase order, to the Finance Director (or their designee) for verification of allocated funds and for purchase order approval and signature. Once approved and signed by the Finance Director (or their designee), the purchase order is returned to the Purchasing Office for distribution and processing.

Section 9.9.1(a) Mayor/County Executive: In addition to the County Law Director, Finance Director (or their designee), and appropriate department head or agency leader, all contracts and agreements for the Mayor's Office, Emergency Medical Services (EMS), Emergency Management Agency (EMA), County Historian and Records, Buildings and Grounds, Public Works (i.e., Storm Water Management, Solid Waste, Planning and Zoning, Code Enforcement), Animal Care & Control, Pre-Trial Release, Health Department, Senior Center, and Fleet Maintenance require the Mayor's approval and signature.

Section 9.9.2 Schools: All School requisitions must be approved by the Director of Schools (or their designee). The requisition shall be completed by the requesting party. If originating at the school level, the requisition must be approved by the principal before being forwarded to the Director of Schools (or their designee) for review and approval. Once approved by the Director of Schools (or their designee), the requisition is sent to the Purchasing Office for verification of accurate vendor information, budget codes and for purchase order assignment. The Purchasing Office will send the requisition, along with the assigned purchase order, to the Finance Director (or their designee) for verification of allocated funds and for purchase order approval and signature. Once approved and signed by the Finance Director (or their designee), the purchase order is returned to the Purchasing Office for distribution and processing.

Section 9.9.3 Highways: All Highway requisitions must be approved by the Superintendent of Highways. The requisition shall be completed by the requesting party and sent to the Superintendent of Highways for approval. Once approved by the Superintendent of Highways, the requisition is sent to the Purchasing Office for verification of accurate vendor information and budget codes and for purchase order assignment. The Purchasing Office will send the requisition, along with the assigned purchase order, to the Finance Director (or their designee) for verification of allocated funds and for purchase order approval and signature. Once approved and signed by the Finance Director (or their designee), the purchase order is returned to the Purchasing Office for distribution and processing.

Once the invoice from the vendor is received by the originating party, a copy of the signed purchase order, along with the vendor's invoice, shall be sent to the Finance Department for processing payment.

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. The Purchasing Office will supply these inventory listings to the departments. 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. This includes any donations to inter-governmental agencies.

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.

Chapter 11

Grants

To ensure that all grant funds are sought, received, and managed appropriately, Anderson County Government shall follow the grant policies and procedures set forth in the Anderson County Grant Management and Administration Policies & Procedures Manual.

The Anderson County Grant Management and Administration Policies & Procedures Manual provides a uniform method of applying for grants and a framework for the administration, management, and compliance requirements of grants received by the county.

The purpose of this manual is to develop, implement, and maintain effective grant oversight and coordination for the County; limit the County's exposure to grant-related legal liability; improve the efficiency and impact of programs and services funded through grants; and increase grant-related revenue.

Procedures represent an implementation of policy and will evolve over time as new tools emerge, new processes are designed, and risks change.

The Anderson County Grant Management and Administration Policies & Procedures Manual is located at <https://andersoncountyttn.gov/wp-content/uploads/2023/08/AC-Grant-Management-Policy-7-17-2023.pdf> .

For grant policy and procedure questions, please contact the Grant Coordinator in the Finance Department.

Chapter 12

Risk Management

Section 12.1 General: Anderson County Government recognizes its obligation to its employees to provide a safe place to work; to its constituents to minimize danger to its citizens, and exposure to loss of County assets. TCA § 9-18-102

The Human Resources & Risk Management Department is a primary resource for training, implementation, reporting, and enforcement of all policies and practices related to risk management.

Section 12.2 Employee Safety: Employee safety is addressed by education and training which raises safety and loss prevention awareness and reduces the potential for personal injuries, interruption of job performance, damage to equipment, loss of materials, extra job costs, and increased insurance costs. County employees also have the responsibility of using due care and precaution in the performance of their work.

County personnel must incorporate safety and loss prevention practices in their daily activities. Supervisors must ensure that each staff member understands their particular job, as well as the possible hazards and safety issues.

Education and training classes on safety and risk management will be provided periodically to County employees as appropriate. Departments, offices and agencies are encouraged to develop criteria and subject matter to address their individual needs. Classes will be adapted to the unique needs of the individual departments, and will be developed in conjunction with the Director of Human Resources & Risk Management.

Section 12.3 Loss of Assets and Fraud: Loss of assets may result from pilfering, embezzlement and theft, fire, accidental breakage or destruction, and carelessness. The Human Resources & Risk Management Department shall be notified as soon as any loss is identified for appropriate action. Appropriate action may include notification to an insurance carrier, filing of a police report, amendment of the fixed assets listing, etc.

The Tennessee Comptroller of the Treasury defines fraud as “an intentional deception that violates a law or the public trust for personal benefit or the benefit of others”. If fraud is observed, the observing party should immediately complete and file a Fraud Reporting Form. This form is available on the Comptroller’s website.

Section 12.4 Record Keeping: Anderson County Government follows state law requirements related to maintenance of specific books and records.

Section 12.4.1 Backup of Financial Data: Backup of the financial records of Anderson County Government shall be done daily. Weekly backups shall be maintained for one (1) week and monthly backups for twelve (12) months. Annual backups shall be done prior to close and after closing entries are posted. For security and safety reasons, backup drives shall be stored at an off-site location.

Section 12.4.2 Electronic Data Processing Policy: In order to safeguard electronic data and information produced and utilized by the Finance Department, a “Confidential Non-Disclosure Agreement” has been approved. The objective of this agreement is to ensure that data and information is securely maintained and used in the appropriate manner. It is the Anderson County Government’s policy that all County employees that come in contact with this data and information sign the “Confidential Non-Disclosure Agreement” verifying that they understand and will follow the terms of the agreement. A current copy of this agreement is kept on file with the Finance Director and in the Human Resources & Risk Management Department.

For all software packages utilized by the Finance Department, user activity logging functionality is enabled to the fullest extent available. Employee access to specific functions within these packages must be authorized by the Finance Director, or the Deputy Finance Director, based on the employee's role and responsibilities.

Section 12.5 Accident, Injury and Property Damage Reporting Procedures: Timely and accurate accident and loss reporting is a requirement of proper record keeping. It is the responsibility of each employee and supervisor to report all on the job injuries, accidents, damages and other losses within 24 hours. For risk management and safety reasons all accidents and losses must be reported even if damage or loss is minimal. The Worker's Compensation and Accident Report forms are available on the Human Resources & Risk Management page of the County website.

Reportable losses fall into one of the following categories:

- Injury to an employee while on the job.
- Losses caused to and by Anderson County Government automobiles, trucks, buses and heavy equipment.
- Property damage or bodily injury loss to all persons other than County employees.
- Damage and loss to County buildings, contents and other property.

Reportable losses will be reviewed by the Human Resources & Risk Management Department to assess what could have been done to prevent the loss and to determine if processes need clarification or amendment.

Section 12.6 Legal Actions: Increasingly, lawsuits and other claims are filed against local governments. Such claims include, but are not limited to, violation of employment laws, breach of contract, actions of government personnel, and claims relating to personal injury and property damage.

All lawsuits must be reported to the Law Director within 24 hours of service on any employee or elected official of Anderson County Government. The County Mayor, Director of Schools, Superintendent of Highways and the Law Director shall keep the Director of Human Resources & Risk Management and the Finance Director apprised of all pending lawsuits, settlements, dismissals, judgments, appeals, et al.

Claims against Anderson County Government are contingencies and must be recognized in the financial statements if it is probable that the court case will be settled or adjudicated on behalf of the claimant and if the amount of the loss can be reasonably estimated. If the outcome is uncertain or if the amount of the loss cannot be estimated, the contingency is disclosed in the notes to the financial statements.

Section 12.7 Annual Review: An annual review shall be made of the County's insurance policies (e.g., property insurance, professional liability and workmen's compensation insurance and medical insurance) by the Director of Human Resources & Risk Management to determine if coverage is adequate. Recommendations on improvements to training, protection, loss prevention and safety shall be forwarded to departments, offices, and agencies as appropriate.

Chapter 13

Comprehensive Travel Regulations

Section 13.1 General: Travel may not be undertaken unless it is authorized in advance by the appropriate department head, elected official, agency leader or their designee.

Approved county travel expenses are paid on the basis travel advances and/or reimbursement of out-of-pocket costs incurred for necessary business expenses. All eligible expenses are subject to the limitations and conditions set forth herein. Limits on travel expenses are maximum amounts above which reimbursements cannot be made.

When traveling on county business, employees should be as cost-efficient and economical as circumstances permit.

Travel shall be by the most direct and efficient route possible. Individuals traveling by an indirect route are responsible for any additional expenses incurred.

The department head, elected official or agency leader shall designate the official workstation of an employee. The official workstation is the location at which the employee spends the majority of their working time. Mileage reimbursement shall be calculated from, and back to, the employee's official workstation.

If an employee begins, and/or ends, their trip at their residence without stopping at their official workstation, total reimbursable mileage will be the lesser of the distance from the employee's residence to, and/or from, their destination. If the total mileage to, and/or from, their residence is less than the total mileage to, and/or from, their workstation, no mileage reimbursement may be claimed.

Section 13.2 Claims for Reimbursement of Travel Expenses: Claims for reimbursement of travel expenses must be submitted no later than thirty (30) days after completion of the travel. Claims submitted after this period must provide a written explanation for the delay and may be approved or denied at the discretion of the Finance Director.

The standard Travel Expense Report form, the standard Mileage Expense Report form, or other forms as approved by the Finance Director, shall be used for all travel-related expense claims. Reimbursement of all travel-related expense claims by any other method is not allowed.

Each traveler must file a separate report for expense reimbursement. Travel claims shall be typed, or in ink, and signed by the employee and their supervisor. All signatures on claims for reimbursement must be original. No stamped signatures will be permitted.

Full conference and meeting agendas, if applicable, and supporting itemized receipts must be attached to the Travel Expense Report form when submitted. Itemized receipts are required for all expenses except for per-diem items.

No reimbursement will be made for State of TN sales tax. Traveling employees should obtain a copy of the State of Tennessee Sales and Use Tax Exemption form from the Finance Department prior to making their travel arrangements.

Expenses for books, supplies, postage, or other items that do not constitute actual travel expenses should not be made a part of the travel expense claim.

Section 13.3 Air Travel: The use of commercial air travel is encouraged when time is an important factor, or where the trip is so long that other methods of travel would prove more expensive. The fare must not exceed the regular coach fare charged to the general public. Advantage of advance purchase, round trip, and discount rates must be taken when available. Original documentation of transportation travel expenses, such as receipts, ticket stubs, or boarding passes, must accompany the expense claim when submitted for reimbursement.

Shuttle service to and from airports should be used when available and practical.

If an individual travels by common carrier (e.g., commercial airlines), reasonable ride-share or taxi fares are allowed for necessary local transportation.

Section 13.4 Vehicle Insurance: Each department head, elected official or agency leader shall be responsible for ensuring that employees authorized to use county, personal, or rental vehicles on county business must have a current copy of the employee's valid driver's license and proof of insurance on file.

If a county employee is transporting any other person in a personal vehicle on approved travel, a copy of the insurance certificate issued to the insured indicating liability limits of at least \$100,000/300,000/50,000 is required.

Section 13.5 County Vehicles: County-owned vehicles should be used only for official business. Elected officials and employees should make use of county-owned vehicles whenever practical.

When transportation is by county-owned vehicle, necessary tolls, parking, gasoline, and automobile repair bills are allowable. Detailed receipts must be submitted for reimbursement.

Section 13.6 Personal Vehicles: Each department head, elected official or agency leader shall be responsible for ensuring that the use of personally owned vehicles is properly limited to working conditions which are such that the use of a county-owned vehicle is impossible or impractical.

Employees authorized to use their personal vehicle for business travel should submit for reimbursement based on the standard mileage rate allowance as established annually by the Internal Revenue Service. This allowance covers the cost of all operating expenses such as gas, oil, and repairs. No separate claims for such items are allowed.

Mileage as shown by a reputable on-line mapping system will be regarded as official. A copy of the route and mileage calculation must be submitted with the travel claim.

13.7 Rental Vehicles: Charges for automobile rental shall not be allowed unless specific written authorization is secured in advance from the Finance Director.

13.8 Parking Charges: Necessary charges for airport, hotel, and meeting location parking are allowed. Receipts for parking must be submitted for reimbursement. If self-parking options are available and practical, they must be utilized.

The county is not responsible for any parking or traffic violation tickets or citations. Daily parking fees for employees working at their official workstation are not allowed.

13.9 Vicinity Mileage: Vicinity Mileage authorized by the department head, elected official or agency leader may be claimed under the following conditions:

- (a) If a personal vehicle has been authorized in the routine or periodic performance of county duties, employees shall be reimbursed at the standard mileage rate established annually by the Internal Revenue Service.
- (b) Only mileage for official county business may be claimed for reimbursement and it must be treated in accordance with Internal Revenue Service regulations.
- (c) A mileage expense form, with a detailed account of mileage claimed, must be submitted to the Finance Department.

Section 13.10 Lodging and Meals: Reimbursement for lodging expenses are subject to the following conditions:

- (a) Travel must be authorized in advance by the appropriate department head, elected official, agency leader, or their designee.

- (b) Lodging expenses are allowed only when overnight travel is required beyond a fifty (50) mile distance of the employee's official station.
- (c) The most economical and practical lodging option should be chosen.
- (d) When employees share a hotel room, only one employee should claim the room cost on their expense report. Each employee should make a notation on their expense report indicating the employee(s) with whom the room was shared.

The per diem allowance for meals is \$50.00 per day as follows:

- Breakfast \$10.00
- Lunch \$15.00
- Dinner \$25.00

To claim breakfast per diem, travel must begin before 6:00 a.m. To claim dinner per diem, the traveler must return after 7:00 p.m.

Per Diem for lunch is not allowed unless overnight travel is involved or is beyond a fifty (50) mile distance of the employee's official workstation.

Section 13.11 Miscellaneous: Expenditures for entertainment (employee or others), snacks, laundry, valet service, room service, etc., are personal charges and will not be allowed.

Section 13.12 Travel Advances: Travel advances shall be made as follows:

- (a) The request for a travel advance should be sent to the Finance Director at least five (5) business days prior to the departure date.
- (b) Supporting documentation (meeting agendas, hotel and airline pricing, etc.) must be supplied with the request. An amount equal to the estimated expenditures will be allowed as an advance; however, no advance less than twenty-five dollars (\$25.00) will be made.

- (c) Upon return, the employee should submit an expense claim form detailing his/her actual expenditures. This claim should show the total expenses incurred. If an advance should exceed actual expenses, the employee shall return the excess to the Finance Department for deposit as a credit against the original advance.

- (d) Each employee requesting a travel advance for the first time must sign a “Travel Advance Acknowledgement form”. This form confirms the employee's understanding of the advance policy and their agreement to comply with its terms, including the procedure for returning any unused portion of the advance. This ensures that the county has a formal agreement from the employee regarding the handling of travel advances and establishes a clear process for the recovery of the advance in the event of termination of employment or failure to submit a finalized travel claim. The deduction from payroll will be used as a last resort in the event all other efforts to collect the advance have failed.

Special arrangements should be made in advance with the Finance Director for employees on extended travel whether in state or out-of-state. This provision is intended to cover employees attending schools or institutes and employees performing auditing, investigative or like duties requiring absence from their official workstation for more than one week.

These rules and regulations supersede and rescind all previous travel regulations approved by the Anderson County Board of County Commissioners.

Chapter 14

Code of Ethics

Section 1. Definitions.

(1) “County” means Anderson County Tennessee, which shall include all boards, committees, commissions, authorities, corporations, or any other instrumentalities of Anderson County Government appointed or created by the County, or an official of the County, and including the County School Board, the County Election Commission, the County Health Department, and Utility Districts of the County.

(2) “Official and employee” means and includes any Anderson County official, singular or plural, whether elected or appointed, officer, employee, or any member of any board, agency, commission, authority or corporation (whether compensated or not) or any person employed or appointed by Anderson County.

(3) “Personal interest” means, for the purpose of disclosure of personal interests in accordance with this Code of Ethics, a financial interest of the official or employee, or a financial interest of the official’s or employee’s spouse or child living in the same household, in the matter to be voted upon, regulated, supervised, decided or otherwise acted upon in an official capacity.

Section 2. Disclosure of Personal Interest in Voting Matters.

An official or employee with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and to be included in the minutes of the meeting, any personal interest that affects or that would lead a reasonable person to infer that it affects the official’s or employee’s vote on the measure. In addition, the official or employee may, to the extent allowed by law, abstain from voting on the measure.

Section 3. Disclosure of Personal Interest in Non-Voting Matters.

An official or employee who must exercise discretion relative to any matter other than casting a vote; including but not limited to, managing, supervising, or awarding any contract, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of discretion shall disclose, before the exercise of discretion when possible, the personal interest on the authorized Disclosure

Form and file that form with the County Clerk. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from the exercise of discretion in the matter.

Section 4. Acceptance of Gifts and Other Things of Value.

An official or employee, or an official's or employee's spouse or child living in the same household, may not accept, directly or indirectly, any gift, money, gratuity, or other consideration or favor of any kind from anyone other than the County:

- (1) For the performance of an act, or refraining from performance from an act, that he or she would be expected to perform or refrain from performing in the regular course of his or her County duties; or
- (2) That a reasonable person would understand was intended to influence the vote, official action, or judgment of the official or employee in executing County business.

It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screens, immunizations, vaccines, amenities, or items necessary to the performance of the official or employees' duties that are provided by the County, or in connection with a conference, meeting, or employee fair sponsored by the County, other governmental entity, or an established and recognized state-wide association of county government officials or by an umbrella or affiliate organization of such state-wide association of county government officials, or professional organization, association, licensing board or Chamber of Commerce sponsored event.

Nothing contained within this policy shall prevent employees from obtaining secondary employment for off-duty time, provided that such employment is approved by the supervising department director or elected official.

Section 5. County Ethics Commission.

A County Ethics Commission (hereinafter "Commission") consisting of sixteen (16) voting members shall be appointed to serve two (2) year terms, subject to the initial term provision recited below, with no term limits, and shall consist of the following membership:

- A) County Mayor, or designee;
- B) Chairman of the County Legislative Body, or designee;
- C) County Clerk, or designee;
- D) Circuit Court Clerk, or designee;
- E) Clerk and Master, or designee;
- F) Director of Schools, or designee

- G) Highway Superintendent, or designee;
- H) Member of the Judiciary – as selected by the Honorable Judges of the County and Seventh (7th) Judicial District, or designee;
- I) Assessor of Property, or designee;
- J) Register of Deeds, or designee;
- K) Sheriff, or designee;
- L) Trustee, or designee;
- M) Member of the County Legislative Body as selected by their membership, or designee;
- N) Member of the County School Board as selected by their membership, or designee;
- O) County Mayor Appointment;
- P) County Legislative Body Appointment; and
- Q) Ombudsman/Law Director, ex officio.

Designees and appointees can be selected from other County Officials, employees or citizens.

Initial Terms shall run from July 1, 2007 until September 30, 2010. Subsequent two (2) year membership terms shall begin on October 1, 2010.

The Commission shall convene as soon as practical after their appointment and elect a Chair and Secretary. All meetings, with the exception of executive sessions, shall be open to the public and publicly noticed in a newspaper of general circulation in the County for at least one time no less than five (5) days prior to the meeting. The Ethics Commission Secretary shall prepare an agenda for each meeting subject to approval by the Commission Chair. All meeting notices, agendas and supporting materials shall be mailed or hand-delivered to members no less than five (5) days prior to the scheduled meeting.

A majority of Commission members present shall constitute a quorum. The Commission shall act officially by majority vote of the entire membership. Death of a member and abstentions for stated cause shall reduce the needed majority vote accordingly.

The Commission shall have original jurisdiction to hear and decide all violations of this Code.

Unless specifically governed herein, or by state law, the Commission shall conduct all meetings in accordance with Robert’s Rules of Order, most recent edition.

The official records, minutes and closed investigations of the Commission shall be maintained by the Secretary and filed in the Office of the Anderson County Clerk, where they shall be open for public inspection during reasonable business hours.

Section 6. Complaints.

Questions and complaints regarding violations of this Code of Ethics or any violation of state law governing ethical conduct should be directed to the Ombudsman for the Commission. Complaints shall be in writing and signed by the person making the complaint. At least one witness shall sign the complaint attesting to the authenticity of the signature only. All complaints shall be as specific as possible and shall set forth in reasonable detail the facts upon which the complaint is based. Complaints will be received by U.S. Mail only addressed to the following:

Anderson County Ethics Commission
101 South Main Street, Suite 310
Clinton, TN 37716

The Commission or Ombudsman shall investigate any credible complaint against an official or employee charging any violation of this Code of Ethics, or may undertake an investigation on its own initiative when it acquires information indicating a possible violation, and make recommendations for such action to end or seek retribution and/or restitution for any activity that, in the Commission's judgment constitutes a violation of this Code of Ethics. If a member of the Commission or the Ombudsman is the subject of a complaint, such member shall recuse himself or herself from all proceedings involving such complaint. If the Ombudsman is the subject of the complaint, the Chair of the Ethics Commission shall receive and investigate the complaint and otherwise serve and act in the role of Ombudsman.

Section 7. Ombudsman.

The County Law Director shall serve in the position of Ombudsman and shall receive and investigate all complaints regarding violations of this Code of Ethics. The Ombudsman shall make an initial inquiry to determine if the act complained of lies within the original jurisdiction of this Code and Commission, as defined herein. If the Ombudsman determines that jurisdiction is vested with the Commission, then the alleged violation will be investigated and referred to the Commission for further action. The Ombudsman is charged with presenting evidence and prosecuting cases brought before the Commission for a requested hearing. The Ombudsman shall cause reasonable notice to be given to the affected official or supervising department head when an ethics complaint is received. All ethical violations defined herein will be referred the Commission.

After the investigation is complete, or within ninety (90) days of the postmark on the complaint, whichever comes first, the Ombudsman shall report the matter to:

- 1) The Commission, if the act complained of falls within the original jurisdiction of the Commission; and

- 2) The Department Head or Elected Official, Board, or Commission supervising the official or employee for additional action; and/or
- 3) Local law enforcement agency or the District Attorney General if criminal activity is suspected; and/or
- 4) State Ethics Commission or the State Election Commission if the act complained of falls within the appropriate jurisdiction; and/or
- 5) The District Attorney General or Law Director for ouster investigation and appropriate action; or
- 6) The Ombudsman shall dismiss the complaint for lack of reasonable supporting and corroborating evidence, lack of jurisdiction, lack of merit, lack of cooperation from the complainant, or complainant's unwillingness to testify before the Commission or Court of law, or withdrawal of the complaint by the complainant.

Section 8. Enforcement Options.

Prior to making a decision on any available enforcement options the Ethics Commission may, by majority vote, request a hearing to receive additional information regarding any ethics complaint noticed to the Commission by the Ombudsman. When Ethics Commission hearings are conducted the accused employee or official shall have the right to be represented by counsel, appear and be heard before the Commission and present all relevant evidence in support or defense of their alleged conduct. Accused employees or officials shall be notified by certified mail of the hearing date no less than five (5) days prior to the hearing. Continuances shall be granted for good cause only. Continuance requests shall be in writing and directed to the Commission Chair for decision.

The Commission may, upon majority vote:

- 1) Refer the matter to the Law Director for a legal opinion and/or recommendation for action; or
- 2) In the case of an official, refer the matter to the County Legislative Body for possible public censure by resolution of the County Legislative Body if such body finds such action warranted;
- 3) In the case of an employee, refer the matter to the official or department head responsible for supervision and control of that employee for possible disciplinary action if the official or department head finds such discipline warranted;
- 4) In a case involving possible violations of state statute, refer the matter to the District Attorney General for possible ouster or criminal prosecution.

When interpreting and enforcing the provisions of this Code the Commission and/or Ombudsman shall use the standard of what an objective reasonable person would have done, or would have perceived was done, under the facts and circumstances given. When a violation of this policy also constitutes a violation of a personnel policy or civil

service policy, the violation shall be dealt with as a violation of the personnel or civil service policy provisions rather than a violation of this policy.

Section 9. Applicable State Laws.

In addition to the ethical principles set out in this Code, state law also provides a framework for the ethical behavior of County officials and employees in the performance of their duties. Officials and employees should familiarize themselves with state laws applicable to their office, position and the performance of their duties. To the extent that an issue is addressed by state law, (law of general application, public law of local application, local option law, or private act), the provisions of state law, to the extent they are more restrictive, shall control. The following is a brief nonexclusive survey of selected state laws concerning ethics in County government. For the full text of these statutes see the identified Tennessee Code Annotated (T.C.A.) sections.

Campaign Finance – T.C.A. Title 2, Chapter 10. Part 1 (Campaign Financial Disclosure) requires candidates for public office to disclose contributions and contributors to their campaigns. **Part 3** (Campaign Contribution Limits) limits the total amount of campaign contributions a candidate may receive from an individual and sets limits on the amount a candidate may receive in cash.

Conflict of Interest – T.C.A. §12-4-101 is the general conflict of interest statute that applies in all counties. It prohibits anyone who votes for, lets out, or in any manner supervises any work or contract from having a direct financial interest in that contract, purchase, or work, and it requires disclosure of indirect financial interests by public acknowledgment.

Conflict of Interest – T.C.A. §49-6-203 applies to the Department of Education or School Board in all counties and prohibits the direct and indirect conflict of interest in the sale of supplies for use in public schools.

Conflict of Interest – T.C.A. §5-1-125 applies in all counties and prohibits county officials and employees from purchasing surplus county property except where it is sold by public bid.

Conflict of Interest – T.C.A. §54-7-203 applies in all counties that are governed by the County Uniform Highway Law. It prohibits officials and employees in the Highway Department and members of the County Legislative Body from having any personal interest in purchases of supplies, materials, machinery, and equipment for the Highway Department.

Conflict of Interest – T.C.A. §5-21-121 is part of the **County Financial Management System of 1981**, lawfully adopted and in effect in Anderson County. It prohibits the director, purchasing agent, members the committee, members of the county legislative body, or other officials, employees, or members of the board of education or highway commission from being financially interested or have any personal interest, either directly or indirectly, in the purchase of any supplies, materials or equipment for the county.

Conflict of Interest – T.C.A. § 12-4-101 govern disclosures and abstentions from voting due to conflicts of interest related to members of the County Legislative Body.

Conflict of Interest Disclosure Statements – T.C.A. §§8-50-501 et seq. requires candidates and appointees to local public offices to file a disclosure statement with the State Ethics Commission listing major sources of income, investments, lobbying activities, professional services provided, bankruptcies, certain loans, and other information, and to keep these statements up to date.

Gifts – T.C.A. § 5-21-121 provides that no firm, corporation, partnership, association or individual furnishing any such supplies, materials or equipment, shall give or offer not shall the director or purchasing agent or any assistant or employee accept or receive directly or indirectly from any person, firm, corporation, partnership or association to whom any contract may be awarded, by rebate, gift or otherwise, any money or other things of value whatsoever, or any promise, obligation or contract for future reward or compensation.

Honorarium – T.C.A. §2-10-116 prohibits elected officials from accepting an honorarium, (including money or anything of value, but not including reimbursement for actual expenses) for an appearance, speech, or written article in their official capacity.

Private Use of Public Property – T.C.A. §54-7-202 applies to the Anderson County Highway Department. It prohibits the private use of equipment, rock, and other highway materials.

Court Sales – T.C.A. §39-16-405 prohibits judges, clerks of the court, court officers, and employees of court from bidding on or purchasing any property sold through the court for which such person discharges official duties.

Rules of the Supreme Court – Rule 10, Cannon 5, (Code of Judicial Conduct), establishes ethical rules for Judges and other court personnel when exercising judicial functions.

Rules of the Supreme Court – Tennessee Rules of Professional Conduct, establishes ethical rules for Tennessee attorneys.

Fee Statutes – T.C.A. §§8-21-101, 8-21-102, and 8-21-103 set out circumstances where fees are authorized, prohibit officials from requiring payment of fees in advance of

performance of services except where specifically authorized and set penalties for charging excessive or unauthorized fees.

Consulting Fee Prohibition for Elected County Officials – T.C.A. §§2-10-122 and 2-10-124 prohibit officials from receiving compensation for advising or assisting a person or entity in influencing County legislative or administrative action.

Crimes Involving Public Officials – T.C.A. §§39-16-101 et seq. and the following sections prohibit bribery, soliciting unlawful compensation, and buying and selling in regard to offices.

Official Misconduct – T.C.A. §39-16-402 applies to public servants and candidates for office and prohibits the unauthorized exercise of official power acting in an official capacity exceeding the servant’s power, refusal to perform a duty imposed by law, violating a law relating to the servant’s office or employment, and receiving a benefit not provided by law.

Official Oppression – T.C.A. §39-16-403 prohibits abuse of power by a public servant.

Bribery for Votes – T.C.A. §§2-19-121, 2-19-126, and 2-19-127 prohibit bribery of voters in an election.

Misuse of Official Information – T.C.A. §39-16-404 prohibits a public servant from obtaining a benefit or aiding another person in obtaining a benefit from information which was obtained in his/her official capacity and is not available to the public.

Public Official Ouster Law – T.C.A. §8-47-101 sets out conduct that is punishable by ouster from office, including misconduct in office and neglect of duties. Ouster cases may be filed by either the Law Director or District Attorney General.