# *Anderson County Board of Commissioners*
# *Financial Management Committee*
# *Meeting Agenda*

April 14, 2025
4:00 PM, Room 312

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

Meeting Facilitator: Terry Frank (Committee Chair)

Invitees: Tracy Wandell (Vice-Chair), Josh Anderson, Phil Yager, Tim Isbel, Gary Long, and Tim Parrott

I. Appearance of Citizens

II. Approval of Agenda

III. Claxton School Project Update

IV. Animal Shelter Update/Resolution

V. Purchasing Card RFP/US Bank State Contract

VI. Policy Updates & Changes/Chapters 5 & 8 in FMPP

VII. New Business

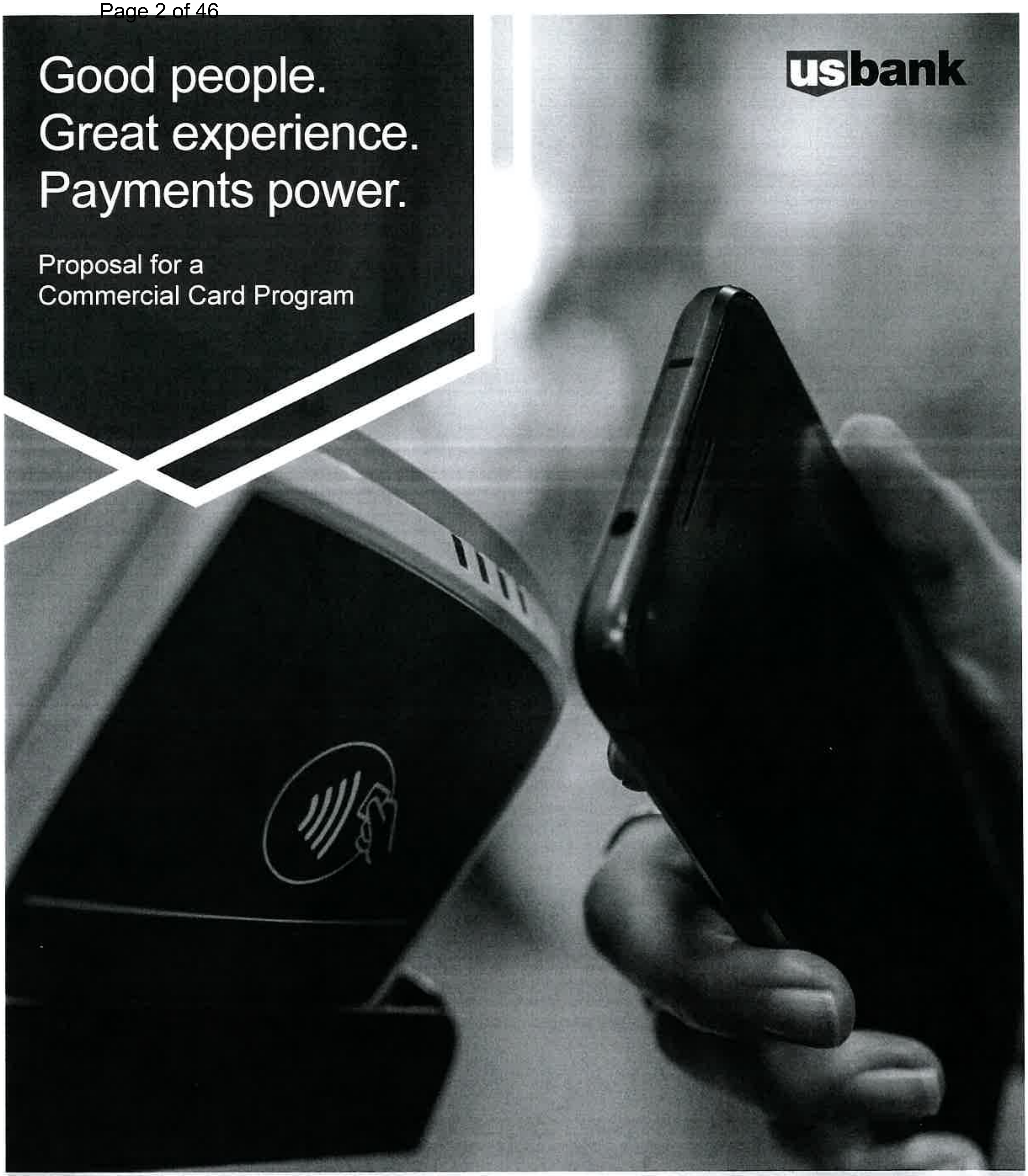
VIII. Unfinished Business

IX. Adjourn

# Good people. Great experience. Payments power.

Proposal for a Commercial Card Program

usbank



**PRESENTED TO**
Anderson County Government
**Robert Holbrook**
*Finance Director*

**SUBMITTED BY**
Ryan Calloway
*Vice President—Business Development*

**February 19, 2025**

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# Cover letter

February 19, 2025

Robert Holbrook
Finance Director
Anderson County Government
100 North Main Street
Clinton, TN 37716

Dear Robert,

On behalf of U.S. Bank Corporate Payment Systems, thank you for the opportunity to discuss our commercial card program. We understand Anderson County Government (the County) seeks to streamline how you do business, and an efficient commercial card program can help cut costs. We will leverage our unmatched industry experience, comprehensive service structure and superior products to deliver an effective commercial card program.

U.S. Bank Corporate Payment Systems is a component of Payment Services, a division that represents more than 25% of our overall revenue, and the public sector is a large portion of that. U.S. Bank was the first to issue purchasing cards to Federal Government, and we continue to have more than 60% of its spend today. In addition, we manage 26 state programs, including the State of Tennessee program, which is under the NASPO ValuePoint program, a competitively bid and awarded consortium program. This program was publicly bid, so it does not require an RFP, and it has one of the best rebate programs in the country. Under many of the state programs, we manage thousands of local governments including cities, counties and school districts.

With more than 150 million accepting locations in 221 countries and territories, our Visa commercial cards provide cardholders with worry-free access to merchant locations worldwide.

Our proprietary online tool, U.S. Bank Access® Online, offers increased visibility into your card program and provides all the tools you need to manage it. For effective program management, Access Online provides flexible reporting capabilities and allows you to set limits and controls to minimize card misuse, further ensuring the security of your program.

In addition to convenience and security, you will have the support of U.S. Bank, the fifth largest commercial bank in the United States. We are recognized as a financially sound top performer, with financial ratios that consistently rank among the best in the banking industry. By choosing U.S. Bank, you will not only benefit from a comprehensive payment card program but will also have a trusted and dependable financial provider.

We invite you to visit our Corporate Payment Services site to view our entire suite of solutions, and we look forward to continuing our conversation about your program. Please contact me directly to schedule a presentation of our offering.

Looking forward together,

Ryan Calloway

Ryan Calloway
Vice President—Business Development
U.S. Bank Corporate Payment Systems

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**Confidentiality; Disclosures**

U.S. Bank appreciates the opportunity to review the Request for Proposal (RFP) for Anderson County Government commercial card program. We have attached a copy of the NASPO ValuePoint Agreement for your review and consideration. Please note that the agreement offers the following benefits:

- It is specifically tailored for the financial services and solutions offered in this proposal.
- It contains terms and conditions designed to promote compliance with federal and state laws and regulations such as the USA PATRIOT Act, FCRA, BSA/AML, etc.
- It provides U.S. Bank with the ability to offer more favorable economic incentives due to efficiencies gained in the contracting process and the administration of the program.

If the RFP results in a contract award to U.S. Bank, we propose that the NASPO ValuePoint Agreement govern this relationship. Accordingly, please note that we do not agree to be bound by any of the terms and conditions contained in the RFP unless and until such terms are incorporated into a final written agreement between the parties. This proposal represents the basis for a proposed business relationship and is not a contract for services. The incentive and fees provided in this proposal are predicated on the State of Tennessee's ongoing participation in the NASPO ValuePoint Agreement led by the State of Washington. Please note that the current NASPO ValuePoint Agreement is effective January 1, 2021 through December 31, 2025. All pricing elements, including incentives, are subject to final credit approval by U.S. Bank, and are subject to change if credit is conditional upon collateral pledge, pre-payment or guarantor.

The documents provided in this proposal contain proprietary and confidential information of U.S. Bancorp and its affiliates and shall not be duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate this proposal. U.S. Bancorp, its affiliates and subsidiaries retain ownership of the information contained in these documents. Any disclosure, publication or dissemination of the information by the recipient is prohibited without the prior written consent of U.S. Bank. If this proposal is subject to disclosure under a Freedom of Information Act, Sunshine Act or other applicable law, we request that these documents be afforded protection from disclosure to the maximum extent permissible under law as proprietary and confidential information.

Finally, please note that U.S. Bank National Association offers commercial card payment products in its own name and on behalf of its correspondent bank partners under the assumed name of Elan Financial Services (Elan). Please be advised that Elan, at the request of one or more of its partner banks, may submit separate responses to the RFP.

# Introduction

U.S. Bank Corporate Payment Systems is a business unit of U.S. Bank National Association. Our parent company, U.S. Bancorp (NYSE: USB), is a diversified *Fortune* 500 financial services company headquartered in Minneapolis, Minnesota. Corporate Payment Systems is a part of the larger Payment Services division. We are committed to the continued growth of our Payment Services division, which has been one of the key growth units of U.S. Bank over the past five years and accounts for approximately 28% of the total revenue at U.S. Bank.

We lead the industry on multiple levels: the nation's first bankcard issuer of commercial card programs (1989), the U.S. Federal Government's largest commercial card issuer and payment processor, and one of the largest commercial bankcard issuers in the world. Fundamental to our success is the singular vision of our division: to create frictionless experiences that position U.S. Bank as the market leader in business payments, disbursements and treasury management solutions. The scope of this vision ensures that, as a client, the County's program will never stagnate, but rather evolve in a manner that leads and challenges the industry.

By implementing our commercial card programs, the County will have a solution that streamlines and automates your payment process. Our travel payment programs provide global scalability with localized expertise regarding unique local needs and business practices to integrate globally with your end-to-end travel process. Within our payables program, both traditional and virtual card products provide data for you to leverage to ensure policy compliance and manage relationships with preferred suppliers.

## Savings

You can be assured that with U.S. Bank you will realize the greatest possible return on existing expenditures. The full financial impact of our commercial card programs includes competitive incentive programs, proven strategies for increasing program volume and tools for cutting procurement costs. We offer an A/P analysis free of charge that will:

- Provide visibility into hard and soft dollar savings.
- Implement industry best practices.
- Lower expenses in commercial card programs.
- Further maximize the overall incentive potential for your organization.

The results of the A/P analysis identify opportunities that support strategic sourcing, compliance and supplier management initiatives in the beginning stages of our commercial card relationship.

You will also receive in-depth spend analysis as part of our comprehensive strategic account management services, which is offered at no cost and allows you to leverage the resources and vast client and best-practice experience of your U.S. Bank card program Relationship Manager.

In addition, we provide the highest caliber commercial card programs with competitive financial incentives to match. For your commercial card program, U.S. Bank proposes that the County participate in the NASPO ValuePoint program, a competitively bid and awarded consortium program for commercial card services available to political subdivisions in the State of Tennessee. Our **Financial Proposal** can be found on **page 19** with complete incentive and fee details.

# The County's U.S. Bank Team

We provide a higher ratio of dedicated resources assigned to your account than anyone else in the business. The sheer number of resources committed to your relationship will give you peace of mind both during implementation and throughout the life of our relationship. You will be assigned the following resources to manage your program's implementation and ongoing maintenance:

## Sales Representative—Ryan Calloway

- Builds the initial relationship with the County.
- Helps you determine program needs and identify opportunities for use.
- Introduces the implementation process.

## Relationship Manager

- Acts as single high-level point of contact for your entire program.
- Provides direction during program implementation.
- Develops and monitors mutually determined account performance goals.
- Delivers account performance reviews, program updates and product enhancements.

## Implementation Project Manager

- Designs a detailed implementation project plan.
- Conducts interviews with the County's personnel to refine program needs from the outset.
- Monitors the progress of your program's implementation and works with you to resolve any issues that may arise.

## Solutions Engineer

- Makes recommendations on technical needs during the discovery phase of the implementation.
- Hands off to the Technology Consultant during the define phase of the implementation.

## Technology Consultant

- Owns technical portion of your relationship once the sales cycle is complete.
- Consults with you on technical program setup.
- Prepares for and leads technical discussions during meetings with you.
- Coordinates the connectivity of U.S. Bank Virtual Pay, our ePayables solution.

## Supplier Enablement Resources

- Manages the transition of your current supplier payment program to our platform.
- Develops strategies to target optimal opportunity in virtual card spend.
- Oversees the onboarding of new suppliers throughout the life of your program.

## Account Coordinator Team

- Assists with all aspects of day-to-day program management.
- Trains the County's personnel on our program tools and best practices.
- Provides a mastery of commercial card programs, enabling superior service and ongoing support.

## Customer Support

Our in-house, 24/7 Customer Service Center is available toll-free and is fully dedicated to our cardholders. Our two U.S.-based call centers are in Fargo, North Dakota, and Overland Park, Kansas.

Customer Service Representatives can assist with:

- General information.
- Account balance and status.
- Card replacement.
- Lost or stolen card reports.
- Card delivery inquires.
- Manual authorization.
- Resetting passwords for Access Online.
- Card activation support.
- Address changes.
- Account closures.
- Decline transaction inquiries.
- Spending limit availability.
- Payment due dates and mailing addresses.
- Sales draft and dispute requests and inquires.
- Statement transaction inquires.
- General cardholder navigation for Access Online.
- Making a payment.

In addition, our Technical Help Desk is staffed 24/7 for Program Administrators via a toll-free number, email or online chat. Program Administrators would contact the Technical Help Desk with all Access Online system-related questions.

# U.S. Bank Purchasing Card

Our purchasing card provides a cost effective, time saving payment option for your business-to-business procurement needs, while streamlining the purchasing process and supporting your supply chain management strategies. By using purchasing cards to place orders, the costs associated with processing requisitions, purchase orders and check requests are dramatically reduced. Simplification of the purchasing process includes policy compliance, supplier negotiations, transaction monitoring, security, reporting and payment.

Additional features include:

- Worldwide acceptance.
- Online reallocation tool.
- Comprehensive spend reporting.
- Financial systems integration.
- Tokenization for mobile payments.
- Transaction and spend limits.
- Enhanced data capabilities.
- Experienced technical consultants.
- Tax and compliance management tools.

Complex purchasing programs require a comprehensive array of payment products. U.S. Bank matches the products to your needs. Side-by-side with traditional purchasing card accounts, we offer global solutions, procurement solutions for high dollar purchases and solutions that provide sophisticated order management and integration with financial systems. Our purchasing solutions offer sophisticated spending controls at the cardholder and billing account levels as well as card integration and reconciliation capabilities with leading eProcurement providers.

## Central bill accounts

We also offer a variety of central bill accounts (CBAs) to meet specific spending needs:

- **Ghost accounts**—Offer organizations all the same features and benefits of commercial cards, but without the actual plastic card. This provides an added degree of protection against potential card misuse.
- **Central Travel System (CTS) accounts**—Centrally billed charge accounts to which all airline ticket purchases can be made. No card is issued; only your organization and/or your travel agency can issue airline tickets against the account. You will receive one easy-to-understand billing statement that outlines transaction detail for each charge. In addition, CTS offers the flexibility of unlimited subaccounts, so you can budget and separate expenses accordingly.
- **Event Planner cards**—Created to meet the unique needs of your event and meeting planners. Our clients use event planner cards for charges such as room rental, audio-visual equipment, internet and teleconferencing services, transportation/group shuttles, event food and beverage, special event admission fees, or any other meeting-related expenditure not normally covered using an individual corporate travel card. (U.S. programs only.)
- **Supplier accounts**—Designated accounts assigned to key suppliers which your employees can use to make purchases exclusively at the designated supplier. Other suppliers in the merchant category code (MCC) could be blocked from individual accounts to discourage spending at competing suppliers.

# U.S. Bank One Card

Our one card program unites the power of our purchasing and corporate travel card programs by allowing you to manage your travel and procurement with just one process, one staff, one card issuer and only one bill. Program features include:

- Definable individual credit limits.
- Enhanced data capabilities.
- Automatic travel insurance and emergency travel services.
- Full reporting for complete expense management.
- Current accounting system integration.
- Cash advances.

# One card as a corporate travel card

The one card provides a comprehensive, simplified way to monitor and control corporate travel and entertainment expenses, while providing complete insurance protection, travel assistance and emergency assistance services for cardholders. Our card solution offers extensive reporting functions that yield valuable information to help monitor T&E spending, as well as aid with supplier negotiations.

## Mobile payments

Mobile purchasing technology is growing rapidly, and U.S. Bank is there every step of the way. In fact, we were the very first to offer a mobile wallet payment solution for commercial card transactions. We want to make it as convenient as possible for your cardholders to use their cards in any way the County allows.

- Cardholders add the U.S. Bank One Card to their device.
- Cardholders use their device to make purchases with a mobile wallet app.
- Payment is as simple as a touch or a wave.

Whatever device your cardholders use, they can conveniently and securely pay for expenses on the go using their mobile wallet apps.

Mobile wallet payment technologies use a combination of sophisticated software and hardware to ensure every purchase made is protected. Below are some of the key security advantages of the most popular technologies—in addition to the 24/7 fraud protection that customers receive automatically:

- Physical card is digitally encrypted or disguised.
- Phone stores encrypted card numbers in memory that is inaccessible.
- Fingerprint or a code is required for purchase.
- Tokenization of the account number makes these payments more secure since the account number is never shared with the merchant.

For additional information on mobile purchasing options (Apple Pay®, Google Pay™, Samsung Pay, Fitbit Pay™ and Garmin Pay™), visit the Mobile Payments section of our website.

## Travel Virtual Pay

Travel Virtual Pay, powered by Conferma, integrates virtual payment technology with the travel booking process, applying a unique virtual account number to every booking to facilitate automated matching of booking data with associated financial transactions. By utilizing virtual card technology, the County will facilitate automated matching of booking data and eliminate the need for manual reconciliation of central bill/lodge cards, direct bill and invoicing.

With Travel Virtual Pay, you will:

- **Increase control**—Checks, travel supplier invoices, hotel direct bills and other centralized ghost/lodge accounts are converted to single-use virtual account numbers with pre-set authorization controls and credit limits for each account.
- **Drive travel agency compliance**—The County's travelers are required to book through designated channels, with preferred suppliers and utilizing your negotiated contracts for tier one travel spend.
- **Maximize spend capture**—The County will capture spend that currently falls outside your corporate travel card program.
- **Eliminate manual reconciliation**—Automate and streamline the payment processes, eliminating manual reconciliation and intervention required to post financial data to the appropriate general ledger cost center.

Travel Virtual Pay replaces all other central billing structures (e.g., central travel accounts, invoice and direct bill arrangements) and expands the card program to infrequent travelers (e.g., infrequent travelers, contractors or job applicants) without the need to issue a physical card.

# One card as a purchasing card

Our one card program also streamlines the purchasing process and empowers your supply chain management strategies. The program reduces or eliminates costs associated with processing requisitions, purchase orders and check requests, and simplifies and enhances all aspects of the purchasing process, including policy compliance, vendor negotiations, transaction monitoring, security, reporting and payment.

## Central bill accounts

We also offer a variety of central bill accounts (CBAs) to meet specific spending needs:

- **Ghost accounts**—Offer organizations all the same features and benefits of commercial cards, but without the actual plastic card. This provides an added degree of protection against potential card misuse.
- **Central Travel System (CTS) accounts**—Centrally billed charge accounts to which all airline ticket purchases can be made. No card is issued; only your organization and/or your travel agency can issue airline tickets against the account. You will receive one easy-to-understand billing statement that outlines transaction detail for each charge. In addition, CTS offers the flexibility of unlimited subaccounts, so you can budget and separate expenses accordingly.
- **Event Planner cards**—Created to meet the unique needs of your event and meeting planners. Our clients use event planner cards for charges such as room rental, audio-visual equipment, internet and teleconferencing services, transportation/group shuttles, event food and beverage, special event admission fees, or any other meeting-related expenditure not normally covered using an individual corporate travel card. (U.S. programs only.)
- **Supplier accounts**—Designated accounts assigned to key suppliers which your employees can use to make purchases exclusively at the designated supplier. Other suppliers in the merchant category code (MCC) could be blocked from individual accounts to discourage spending at competing suppliers.

# U.S. Bank Virtual Pay

U.S. Bank Virtual Pay is a commercial card payment solution that combines the control and automation of client purchasing and payables systems with the simplified payment and incentive opportunity of virtual cards. Virtual Pay extends the value of purchasing card programs by further automating your Accounts Payable payment processes, replacing traditional paper check payments with cardless U.S. Bank virtual accounts.

Virtual Pay allows you to use your current business practices, which may include processing purchase orders, receipts, approvals, coding and invoices in your system. Once approved, payments are ready for processing. The County provides these payments to U.S. Bank via a file, online form or through an API. We then use one or a combination of the options below, depending on supplier preference, to accommodate payment to your suppliers:

## Supplier-initiated payments

- **Single-Use Accounts (SUAs)**—Unique account numbers are assigned to each approved payment transaction; users can request and access a virtual account on their mobile device.
- **Pre-Authorized Limit (PAL) accounts**—We dynamically raise credit limits on supplier-dedicated cards from zero to the amount of the payment appearing on the approved payment file.

Supplier-initiated payments process flow:


## Buyer-initiated payments (Straight-Through Processing—STP)

- Funds are automatically deposited into a merchant bank account, less interchange.
- We provide reconciliation functionality in our tools to automatically match processed supplier payment transactions with your authorized payments.

Buyer-initiated payments process flow:


Virtual Pay can accommodate both supplier-initiated and buyer-initiated payments without the need for separate file integration.

## Benefits

Virtual Pay provides significant benefits for the County, including:

- Increased control and security through SUAs and authorization controls.
- Extended days payable outstanding.
- Reduced costs for the County by eliminating checks.
- Increased savings for the County by using a streamlined automated reconciliation process.
- Potential for additional incentive.

In addition, your suppliers will benefit by:

- Reduced days sales outstanding.
- Receives payment typically within 48 hours of processed payment.
- Automated payment reconciliation.

## Virtual Pay supplier participation

We currently have more than 377,000 suppliers participating in Virtual Pay and purchasing card programs, and the list of suppliers is growing daily. In 2023, we processed more than 5.5 million Virtual Pay transactions for a total of approximately $15 billion in spend volume.

# Supplier enablement and support

We have a robust and unique supplier enablement program that provides many tools at the County's disposal for gaining the maximum virtual card adoption. Through collaboration with our wholly-owned subsidiary—Elavon Merchant Services (Elavon)—as well as other innovative approaches, we have access to exclusive merchant acceptance.

In consultation with the County, your dedicated U.S. Bank Supplier Enablement Manager develops a custom program that targets both accepting and non-accepting merchants through our broad solution set, described below:

- **Elavon merchant acquiring business**—U.S. Bank is one of only two financial institutions that owns its own payment acquiring business. We have trained a specific subset of our sales team to be versed in supplier enablement and business-to-business solutions; specifically, with calling suppliers that do not currently accept credit cards. This team can navigate a payment acceptance discussion and offer the full suite of payment acquiring solutions, including STP (push payments).
- **Preferred supplier pricing program**—Through collaboration with Elavon we can offer proprietary interchange rates negotiated with the card networks to attract and retain key suppliers for your Virtual Pay program. Lower acceptance costs can neutralize price objections and make virtual payment more attractive to strategically targeted suppliers.
- **Merchant online self-enrollment portal**—During supplier enablement campaigns, we offer the option to send suppliers a simple online link to enroll in the program. This often serves as an effective "phase one", quickly and efficiently enrolling those suppliers who are already educated on the benefits of card acceptance.
- **Supplier Proxy Pay**—We recognize that some strategic suppliers will only accept card payments via receivables websites, IVRs and call centers. As a result, we offer Proxy Pay as a complimentary service in which the County provides authorization for U.S. Bank to process payments, and our supplier enablement team will take care of the rest.

Your U.S. Bank Relationship Manager and assigned Supplier Enablement Manager will work with you to target suppliers. Our Supplier Enablement strategy, which mirrors our implementation methodology, will be specifically tailored to the County and your suppliers and includes the following steps:

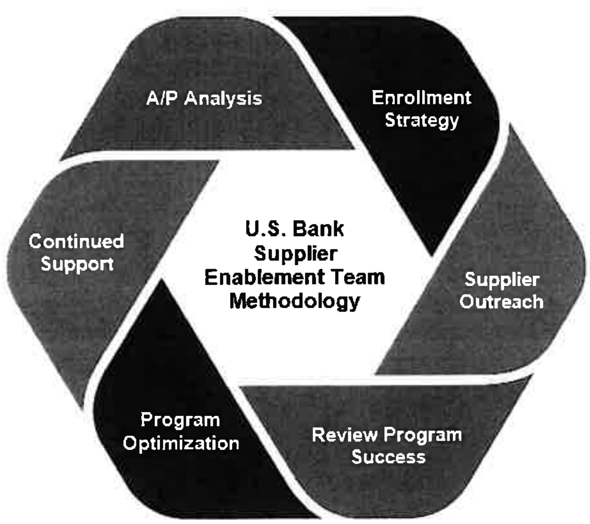
| Discovery | Design | Execute | Analyze |
|---|---|---|---|
| • **Review** strategic initiatives<br>• **Understand** your program goals and objectives<br>• **Conduct** A/P Analysis from your supplier system | • **Present** A/P Analysis findings<br>• **Develop** Enrollment strategy with the County<br>• **Determine** targeted suppliers<br>• **Create** campaigns (letter, email and calling plans) | • **Contact** your suppliers through selected campaigns<br>• **Enroll** suppliers through telephone or online portal<br>• **Setup** supplier in Virtual Pay<br>• **Notify the County** of suppliers' enrollment | • **Transition** suppliers to our Supplier Support Team<br>• **Review** enablement progress<br>• **Identify** suppliers for future enablement phases |

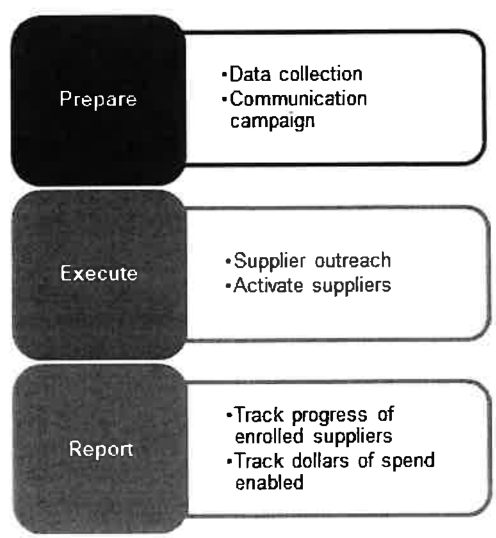
Our supplier enablement team will handle all contact with the suppliers to support your enablement needs and will also work with you on shared contact strategies to leverage your supplier relationships.

## Supplier outreach

We conduct supplier outreach by sending an announcement letter to the suppliers and following up via telephone with specific suppliers within that population that we anticipate coming into the program at a higher rate. Calling is usually conducted over a six to eight-week period and results are delivered weekly to the County by your dedicated Supplier Enablement Manager. They will work with you to analyze the results and will provide recommended next steps and strategies for suppliers who may decline the initial outreach.

Our process flow is as follows:



# Program Optimization Service

To support our commitment to your success and to maximize the benefits of your commercial card program, we provide a unique consultative Program Optimization Service. Industry experts regularly describe our Optimization Service strategy and execution as one of the best in the industry. U.S. Bank employs a team of Enablement Consultants dedicated to assist our Relationship Managers with the benchmarking and best practice analysis of their clients' programs.

Our Optimization Service has been a key part of our client engagement strategy for more than 10 years and drives significant opportunities for our clients. Each year we helped hundreds of clients achieve best practice results with the average client realizing more than $4 million in growth. We continue to invest in developing new technologies in artificial intelligence (AI) and machine learning (ML) to continually improve upon the success of our clients' programs. There is no fee for the program and development of best practice recommendations, targeted opportunities, business cases and action plans require minimal commitment of your time or resources.

Unlike the off-the-shelf benchmarking tools offered by others, our unique process covers a best practice diagnostic, accounts payable analysis and access to industry benchmark data, offering:

- Benchmarks of your performance against leading-industry measures for commercial card program operations.
- Scorecard metrics with a focus on program management and merchant category spend in comparison to peer industries across the U.S. Bank portfolio.
- Best-practice recommendations for process improvement and program expansion while addressing the optimal payment strategy to apply to each type of expenditure for a cost-effective payment solution.
- Targeted supplier opportunity reports used to capture and enable suppliers that are currently paid by more than one payment method while addressing suppliers that more consistently support your Optimization Service initiative.
- Actionable business cases that demonstrate the financial value of program improvements by offering detailed recommendations for implementation that share both a strategy for optimization as well as the anticipated business value.
- Visibility and tracking of implementation efforts through progress reporting used to track alignment to optimization goals while offering insight into potential changes needed to meet your planned Optimization Service outcomes.
- Ongoing analysis of A/P operations to identify best practice opportunities for the County.

# Implementation

Our implementation process is flexible and focused to deliver the County the solutions you need in a timeframe that works for you across all your markets. While our process methodology follows a rigorous standard developed over our more than 35 years of implementing commercial card programs, we tailor our execution to each individual implementation. We will take the lead to determine the nuances of your current program, develop a complete understanding of your needs and bring you to full capability with U.S. Bank.

The major milestones of our implementation process include:

| Discovery | Define | Design | Deliver | Review |
|---|---|---|---|---|
| • **Understand** the program needs and goals<br>• **Recommend** solutions<br>• **Demonstrate** solutions<br>• **Obtain** commitment | • **Kick-off** project<br>• **Review** detailed requirements<br>• **Determine** implementation approach | • **Identify** deliverables<br>• **Design** detailed solution<br>• **Create** tailored project plan<br>• **Establish** go-live date | • **Build** program on U.S. Bank systems<br>• **Issue** cards and accounts<br>• **Establish** data connections and integration<br>• **Launch** program | • **Monitor** program activity<br>• **Transition** to Servicing Team<br>• **Identify** program opportunities |

Led by the Implementation Project Manager, an Implementation Team is engaged to transfer knowledge developed throughout the sales process. These discussions provide the groundwork to ensure the entire team has the same level of knowledge about the County.

The U.S. Bank sales team will begin the implementation phase with an internal **Discovery** phase, where they gather knowledge of the County's program and prepare for client engagement.

The sales team will meet with the implementation team during the **Define** phase to transfer knowledge and ensure all parties understand the County's needs. Both the key stakeholders from the County and the U.S. Bank implementation team will then meet to jointly define the overall scope of the project. The team will discuss the goals, objectives and your needs, and, in return, recommend the best overall strategy and timeframe for the full program implementation.

The **Design** phase is the most critical and collaborative phase of the implementation. During this phase, your Implementation Team provides guidance regarding the available features and functionality for your program, including the overall program structure, limits and controls, branding and payment options. The flexibility of our solution gives the County the power to determine what works for best for you.

Behind the scenes, the County's implementation team works with various departments within Corporate Payment Systems to move your implementation to the **Delivery** phase. During this phase, your program is set up on our systems with the options you selected during the design phase. Your cards will be printed and delivered, and all files will be setup in your system during this phase. We also determine your training requirements and make recommendations.

Typically, one billing cycle after the initial roll-out and successful payment, the County's implementation transitions to the **Review** phase, which brings the project team back together for a final meeting to ensure all items have been completed. During this phase, your program will be fully transferred to the County's Relationship Manager for program management and optimization as well as to your Account Coordinator team for daily servicing and support.

# Tools, reporting and data

To improve process efficiencies and manage your payables program, the County will be able to utilize our Access Online platform, which easily integrates with your ERP system to improve your data capture and minimize the time spent on implementation.

## Tools

### Access Online

Access Online, our proprietary system for program management and reporting, is the backbone of our commercial payment solutions and provides the tools our clients need to manage their commercial card programs. Access Online offers a feature-rich platform that is easily tailored to meet the unique needs of our clients. We will assist the County with choosing the features and functionality that best support and enhance your business processes. Access Online offers effective and efficient management controls as well as complete integration with client financial systems.

The core Access Online functionality includes:

- **Account setup and maintenance**—Set up and edit accounts and user profiles in real-time.
- **Transaction management and approval**—Leverage transaction management capabilities to reflect your processes and requirements.
- **Accounting code validation**—Automate the allocation process and reduce manual intervention.
- **Reporting**—Run comprehensive standard reports in real-time, define ad hoc reports and schedule recurring report delivery.
- **Financial extracts**—Extract the data you need in a format that integrates with your financial system.
- **Data exchange**—Transfer frequently used files such as statement billing files, general ledger data feeds and custom reports.
- **Order management**—Connect your commercial card program and eProcurement solution by automating accounting code allocation and facilitating order and transaction reconciliation.
- **U.S. Bank Virtual Pay**—A solution that combines the control and automation of client purchasing and payables systems with the simplified payment and incentive opportunity of purchasing cards.

### Mobile capabilities

In continuing to develop our mobile capabilities, our goal is to provide our customers with the most user-friendly, intuitive system functionality in the industry. We have taken the time to understand the needs of our clients and have developed the following capabilities to enhance the user experience for your cardholders:

#### Cardholder alerts

Cardholders can enroll to have fraud, event and purchase alerts sent to them via email or text message. In the event of suspicious activity, an email or text message is sent to the cardholder to immediately to verify if the transaction is valid. In the event of fraud, proper procedures are in place to close the account and prevent further fraudulent activity. Event related alerts allow cardholders to be notified if a payment posts, personal information has changed, etc. Cardholders may also enroll to be alerted for specific purchase activity, such as an internet purchase or a transaction over a certain dollar amount. There are more than 20 alerts available.

Program Administrators can also submit a file with the email addresses they would like registered to receive alerts for specified accounts (they can register themselves and/or others).

### Access Online cardholder mobile app

The Access Online Mobile app gives cardholders anytime access to their account, so they can quickly manage and stay on top of business expenses. It is a great tool for encouraging good account management—and reducing the number of inquiries program administrators receive every day.

Cardholders download the free app from Apple® or Android™ and begin using their smartphone to:

- Use the convenient ePay service to pay for expenses that are not reimbursable under your corporate guidelines.
- View their account status, balance, payment due date, available credit balance and credit limit.
- Search, filter and sort their 99 most recent transactions, including credits and debits, by merchant, amount or date. Drill down to transaction details, such as merchant name, city and state, transaction amount and postdate as well as upload transaction receipts.
- Upload transaction receipts.
- Dispute a transaction right within the app with just a few simple steps.
- Request a virtual account and receive it on their mobile device to make a payment over the phone or online.
- Find card information easily, even when the plastic card is not with them. All the cardholder's details are stored in the app for convenient but secure access.

### Access Online Program Administrator mobile app

Allows your Program Administrators to manage account maintenance and transaction declines on the go. Program Administrators have access to real-time information and account updates. They can view authorization declines and reasons for the decline and can modify credit limits and single purchase limits, close and reopen accounts. The app offers the convenience of managing critical tasks without the need to be at a computer.

# Reporting

Access Online provides immediate access to your transaction data, allowing you to run reports whenever needed. The highly intuitive user interface makes it easy for you to access vital program data. Users simply select from a list of reports, define specific selection and sort options and choose an output type.

## Report categories

Available report categories include:

- **Program Management reports**—Support general program management activities and allows you to monitor compliance with organization policy. Program performance indicators highlight important trends that you can use to proactively manage your accounts. Program Administrators gain access to information on every type of account activity.
- **Financial Management reports**—Allow you to access transaction management activity information; can be used to determine if cardholders are properly managing their accounts and ensure that expenses are assigned to the proper cost centers.
- **Supplier Management reports**—Allow you to manage supplier relationships, support supplier negotiations and manage spending by category. Used to analyze the overall effectiveness of your supplier strategies and identify overall performance issues and opportunities. The County is armed with actual program performance information that can be leveraged to drive supplier behavior and positively impact supplier negotiations.
- **Tax and Compliance Management reports**—Assist you with monitoring expenditures, tracking variances and managing account allocations; can be used to ensure your programs are operating in accordance with government standards and requirements.

- **Administration reports**—Provide Program Administrators easy access to basic program configuration information and helps them determine the impact the program structure may have on performance and utilization, including accounting code and user management.
- **User Activity Audit reports**—Provide details of user actions taken within Access Online for transaction management related items, such as approval, rejection, reallocation and extraction, as well as user profile actions, such as login, account assignments, contact information, hierarchy changes and approval manager information.

## Access Online Data Analytics

Use our interactive Data Analytics dashboard to:

- Analyze your program through five dynamic charts: Spend Analysis, Delinquency Management, Merchant Category Spend, Declined Authorizations and Average Purchase.
- All charts and tables are interactive, allowing you to explore your data.
- Easily identify trends and outliers through up to two years of spend history.
- Filters allow you to focus on time periods ranging from annual to monthly.
- Flexibility to view your data from the program level, or down to the lowest hierarchy.
- Manage delinquency through intuitive charts that allow you to initiate an email directly to a cardholder.

## Custom reporting

In addition to the standard reports, Access Online offers Flex Data Reporting, which puts the control in the user's hands, so they can define what they want to see in a report. By setting the report context—date ranges, processing or reporting hierarchies and more—users can choose the amount of data they need. By defining report content (fields to include or calculate) users ensure only the information they need is in the report. Users can also define a logical grouping of data and at what level it should be subtotaled.

## Report Scheduler

Available with our standard and ad hoc reports, Report Scheduler allows Program Administrators to schedule reports to run once or on a recurring basis. Additional features include:

- Reports can be delivered to multiple recipients via a secure mailbox.
- Recipients can be notified via email when the report is available.
- Access to functionality is controlled by Report Scheduler entitlement.

# Data

## Enhanced data capture

Level I financial record data is captured with every transaction, but Level II or III enhanced data capture is dependent on the capability of the merchant that accepts the card. Our Elavon Merchant Payment Services and Corporate Payment Systems divisions are both capable of receiving and storing specific enhanced data elements for commercial card transactions, and these data elements can be accessed through Access Online. In addition, every merchant that our Merchant Payment Services division implements to accept cards as payment is set up to be Level II capable.

## 1099 reporting

With the passing of IRC section 6050W, the responsibility for 1099-MISC reporting now resides with the merchant processor for reportable payments made with a payment card. Should you choose to utilize 1099-MISC reports for internal and/or auditing purposes, the following reporting solutions are available to support your 1099-MISC reporting requirements:

- Supplier summary for form 1099-MISC.
- Unmatched transaction analysis for form 1099-MISC.
- Supplier summary by socioeconomic indicator.
- 1099/socioeconomic electronic data file.

## Tax reporting

We offer Tax Management tools to help the County filter transaction data and to leverage order data and applicable user information to assist in use tax accrual.

We provide reporting and models to assist you with the proper assessment and exemption from sales tax. Merchants that capture sales tax (Level II data) at the point of sale will pass this information on to us and we pass it to you through reporting and transaction data files. Because not all merchants capture Level II data at the point of sale, it is important for the County to develop a tax accrual program. Once established, a tax accrual program will help eliminate the need to make a tax decision on each purchase transaction.

Although no card program can exact compliance with non-exempt tax status for non-profit or government clients, most merchants will work with companies that are tax-exempt to ensure no tax is assessed for eligible purchases.

# Alliances

We have an alliance with the organizations below to support our commercial card and virtual payment programs for our clients:

- **Visa**—Considered a staple of the commercial card industry, Visa and U.S. Bank have a long-standing alliance. We are one of Visa's largest corporate travel card partners; in fact, Visa's employees exclusively carry our cards. Globally, our strategic alliance with Visa allows our clients the greatest opportunity for success because we have developed a relationship specifically with global solutions in mind.
- **SAP Concur**—With more than 1,000 mutual clients, U.S. Bank and SAP Concur have enjoyed a long relationship that results in a smooth implementation and maximized data integration for our mutual clients. SAP Concur is also data-certified to receive our global consolidated data feed to support the international reporting needs of our clients.
- **Chrome River**—For clients who require comprehensive expense management solutions, we have developed a relationship with Chrome River. By working with Chrome River, we can collaborate closely to support our mutual clients, whether that involves simple sharing of a data feed or coordination to support unique client requirements. Our strategic agreement allows clients to fully integrate business travel payment and data-reporting tools with Chrome River's expense management solution.
- **Amadeus**—U.S. Bank has a strategic relationship with Amadeus, the largest Global Distribution System (GDS) in the world, which allows us to jointly service the U.S. travel markets with our B2B wallet solution.

In addition, we support all electronic expense report and management systems, whether commercially available or developed by in-house MIS departments. All posted cardholder transactions can be sent electronically to your system daily, weekly or monthly. Pre-population abilities save time with expense report preparation, approval, audit and reconciliation. The enhanced data capture provided through our pre-population data file also allows you to manage your spend data, perform trending analysis and have the information necessary to negotiate more effectively with suppliers. We assess no fee to provide charge data for expense report pre-population.

We work seamlessly with the following industry leaders in expense reporting, as well as others: SAP Concur, Chrome River, Certify, Expensify and Workday.

# Controls

## Card controls

Our commercial card programs allow you to predetermine spending and transaction limits on each card, eliminating the need for requisition and purchase order approvals while enhancing security. We authorize every transaction at the point of sale, using controls your Program Administrators have specified. You decide how tight controls should be and we customize the program. All controls can be set down to the individual cardholder level and can be modified on an ongoing basis.

Some of the control features we provide include:

- **MCC blocking**—Prevents purchases of specific commodities and services.
- **Velocity monitoring**—Limits the number of transactions or the dollar amounts spent on transactions within a specified period, such as daily or monthly.
- **Single purchase limit**—Restricts the dollar amount spent on any single purchase.
- **Monthly spending limit**—The maximum dollar amount authorized within a billing cycle; spending limits are replenished automatically the day following the established cycle date.
- **Declining balance capability**—Allows clients to impose a pre-determined credit limit on their corporate-billed accounts; the card becomes inactive at the expiration date or when the declining balance limit is depleted.
- **ATM (cash) blocking**—Cash advance capability may be blocked universally or at the account level.
- **Expiration dates**—Can be pre-determined and set on cards used for specific projects.

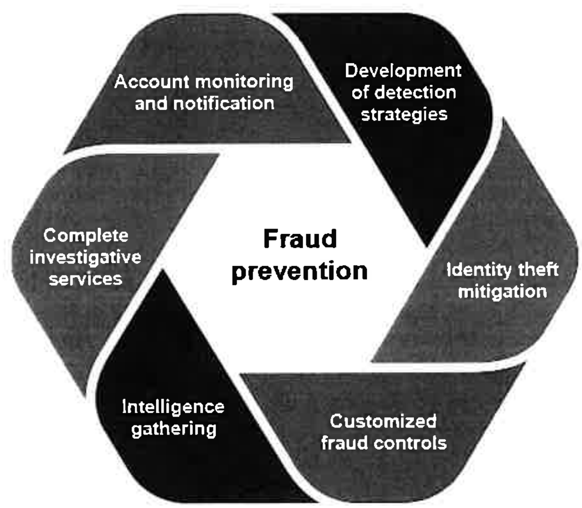
Access Online Account Maintenance Effective Dating provides entitled users with the ability to define effective dates for temporary and future permanent account maintenance requests. Users may use effective dating to change authorization limits, demographic information, account information, default accounting code and MCC blocking.

## Fraud prevention

We offer a full range of fraud prevention and investigative services as part of our standard offering to clients. The core service is driven by a team of dedicated fraud professionals focused on superior service and results for our clients.

### Fraud initiatives

We have a Fraud Analytics team that is specifically focused on the card portfolio. The team monitors account activity in real-time and makes necessary adjustments to our fraud strategies based on activity within our overall product set or within a specific client.



We continually work to enhance our fraud detection capability and the overall customer experience, with some of our fraud initiatives highlighted below:

- **Visa Travel Notification Service**—When a cardholder books their business trip or checks into a hotel on a U.S. Bank Corporate Travel Card, the itinerary data (dates of travel, destination, etc.) creates a travel tag on the cardholder's account. When the card is used at a merchant, we check the cardholder's travel tag in real-time to confirm that the authorization information matches the travel dates and destination. This process provides us with enhanced data to be used with fraud detection rules and provides cardholders with a better experience.
- **3-D Secure**—A protocol designed to be an additional security layer for online credit and debit card transactions, 3-D Secure supports our authentication strategy within the U.S. Bank 3-D Secure program by providing real-time risk assessment against ecommerce fraud. 3-D Secure works behind the scenes evaluating each transaction based on data from Visa, the merchant and U.S. Bank. Available for both Visa Consumer Authentication Service (VCAS) and Visa Secure transactions and Mastercard SecureCode transactions.
- **Fraud alerts**—When a transaction occurs and hits a fraud strategy, that transaction is declined, and the cardholder receives a two-way text message or an email alert instantly to verify if the transaction is legitimate. If the cardholder verifies the transaction, the system automatically removes the block, and the cardholder can attempt the transaction again. If the cardholder declines the transaction, a fraud block remains on the account and the cardholder is prompted to call customer service. A bulk alert enrollment file may be submitted to U.S. Bank to enroll cardholder email addresses in fraud alerts quickly and easily.
- **Voice Print technology**—Pindrop is a voice printing technology that provides additional protection against account take-over-phone attempts. It is a risk-based technology that listens to and assigns a risk score to each call by analyzing approximately 150 factors. Pindrop also identifies the true location of the caller (i.e., flagging spoofed calls where the caller is utilizing a tool to mask the true caller ID), the device type (e.g., land line, mobile phone, Voice Over Internet Protocol), the voice print and the reputation of the phone number. High risk calls are identified by the risk score assigned by Pindrop and can then be evaluated for further action. Once a fraudulent caller is identified, Pindrop allows for the creation of caller profiles within the system using the recorded call to identify subsequent calls from a specific fraudster.

# U.S. Bank Program Monitor

Access Online's Program Monitor is a web-based solution that enhances auditing practices by looking beyond the traditional card controls to provide 100% commercial card transaction monitoring. Utilizing customizable rules, the County will automatically review all card transactions and flag suspected card misuse and out-of-policy spending. By automatically running policy rules on all transactions, Program Monitor dramatically makes cardholder transaction monitoring more targeted, efficient and effective. Program Administrators will receive email notifications of possible non-compliance and spend violations, so they can safeguard against commercial card misuse and improve purchasing practices.

# Visa Liability Waiver protection

Your cardholders are automatically covered by complete fraud protection at no cost. Neither you nor your cardholders will be held liable for fraudulent charges made to a promptly reported lost or stolen card.

In addition, All U.S. Bank liability options qualify for the Visa Liability Waiver Program, which protects against losses associated with terminated employees (maximum coverage is $100,000 per employee). Coverage is effective 75 days prior to notification of termination and 14 days after notification. There is no cost for this coverage.

# Financial proposal

U.S. Bank proposes that the County participate in the NASPO ValuePoint program, a competitively bid and awarded consortium program for commercial card services available to political subdivisions in the State of Tennessee. This program has an established footing among many states and their political subdivisions and allows for participation by those entities that assume all responsibility and liability for their performance under the terms and conditions of the program. Each political subdivision must be credit-qualified on its own and must sign a document developed by U.S. Bank for participation. The NASPO ValuePoint program offers the following incentives based on the projections provided by the County. If these projections are inaccurate, we reserve the right to revisit this offer.

We are committed to providing competitive financial incentives to political subdivisions. The following financial proposal details the volume and prompt payment incentive. The full picture of financial impact of U.S. Bank commercial card programs is made up of three components:

- Competitive incentive program
- Proven strategies for increasing program volume
- Tools for cutting procurement costs

The savings that can be accrued are significant, often far surpassing the incentive that a political subdivision earns.

## Components for calculation

Our financial proposal uses three components to calculate incentives:

- **Volume incentive**—An incentive based on the County's quarterly spend.
- **Prompt payment incentive**—A client held days[1] incentive based on the County's payment performance.
- **National volume incentive**—For all volume charged by the County, an additional **0.3475%** will be paid.

## Additional incentive and pricing provisions

The following provisions apply separately to each program in which organizations participate:

- Incentives are paid less credit losses. Fraud losses are absorbed by U.S. Bank.
- Political subdivisions with client held days in excess of 45 days will be ineligible for an incentive.
- Incentives are to be paid quarterly.

[1] Client held days are the number of days from the day U.S. Bank funds a charge transaction to the day payment for that transaction is posted, inclusive of the beginning and ending days, minus 15.

# Volume incentive

The volume incentive is determined by the table below.

**Standard Volume Incentive**

| Percentage |
|---|
| 1.3500% |

*Client Held Days Payment Performance must be 45 or less*

*Credit Losses deducted from Rebate*

*Fraud Losses absorbed by U.S. Bank*

*Rebate payment: Quarterly*

# Prompt payment incentive

The prompt payment incentive is determined by the table below.

**Prompt Payment Incentive**

| Client Held Days Payment Performance | Percentage | Client Held Days Payment Performance | Percentage | Client Held Days Payment Performance | Percentage |
|---|---|---|---|---|---|
| 45 | 0.0000% | 29 | 0.1600% | 14 | 0.3100% |
| 44 | 0.0100% | 28 | 0.1700% | 13 | 0.3200% |
| 43 | 0.0200% | 27 | 0.1800% | 12 | 0.3300% |
| 42 | 0.0300% | 26 | 0.1900% | 11 | 0.3400% |
| 41 | 0.0400% | 25 | 0.2000% | 10 | 0.3500% |
| 40 | 0.0500% | 24 | 0.2100% | 9 | 0.3600% |
| 39 | 0.0600% | 23 | 0.2200% | 8 | 0.3700% |
| 38 | 0.0700% | 22 | 0.2300% | 7 | 0.3800% |
| 37 | 0.0800% | 21 | 0.2400% | 6 | 0.3900% |
| 36 | 0.0900% | 20 | 0.2500% | 5 | 0.4000% |
| 35 | 0.1000% | 19 | 0.2600% | 4 | 0.4100% |
| 34 | 0.1100% | 18 | 0.2700% | 3 | 0.4200% |
| 33 | 0.1200% | 17 | 0.2800% | 2 | 0.4300% |
| 32 | 0.1300% | 16 | 0.2900% | 1 | 0.4400% |
| 31 | 0.1400% | 15 | 0.3000% | 0 | 0.4500% |
| 30 | 0.1500% | | | | |

# Discount interchange programs

Current discount interchange includes large ticket transactions, merchant specific negotiated rates with the card networks, transactions made in a foreign jurisdiction and merchant discounts for providing Level III data. We offer the County the following incentive on your discount interchange transactions:

**Non-Standard Volume Incentive**

| Percentage |
|---|
| 1.3500% |

*Client Held Days Payment Performance must be 45 or less*

*Credit Losses deducted from Rebate*

*Fraud Losses absorbed by U.S. Bank*

*Rebate payment: Quarterly*

Recent modifications to interchange rates between the card networks for a particular merchant (referred to as the "Ultra-Low Merchant") precipitated an amendment to the NASPO agreement impacting the Non-Standard Volume and the Prompt Payment Incentive percentages. As a result, the County will earn rebates at a reduced rate (19% under the percentages quoted for previously recognized discount interchange transactions) on transactions with the Ultra-Low Merchant. Currently, the change only impacts transactions with the Ultra Low Merchant; transactions from all other merchants are unaffected. You can find additional details regarding this change in the amendments posted online, if desired.

# Proposed fees

Below are our proposed fees for the County's program:

| Commercial Card Program | |
|---|---|
| **Feature** | **Fee** |
| Annual Card Fee | **No Fee** |
| Non-Sufficient Funds Fee | $15.00 per occurrence |
| Cash Advance | 2% ($2.00 minimum) |
| Logo Embossing Fee; a two-week delay may occur with card issuance and implementation | **No Fee** |
| Delinquency Fee:<br>▪ Not Paid by Due Date on entire past due amount<br>▪ Not Paid by each subsequent Billing Cycle on the entire past due amount<br>▪ Minimum Late Fee | <br>▪ 1%<br>▪ 1%<br>▪ $2.00 |
| Travel Accident Insurance Fee. Common Carrier Travel Accident Insurance for Corporate Travel and/or One Cards is provided at no charge with a benefit amount of two hundred fifty thousand U.S. Dollars ($250,000.00). Entity and/or Participant must notify U.S. Bank of the use of Central Billing Accounts for booking of travel to ensure appropriate insurance coverage is in place. | **No Fee** |
| Foreign Transaction Fee, all Products. Fee applies to transactions taking place outside the United States not in U.S. dollars. U.S. Bank reserves the right to raise fee with sixty (60) days prior written notice to Entity. | 1% |

| Aggregate Program Incentive* | | *State of Tennessee is sharing 100% of Aggregate Program incentive | | Std & DIRP Rebate Incentive | |
|---|---|---|---|---|---|
| 0.3475% | | | | 1.3500% | |
| Speed of Pay | | | | | |
| Client Days | Rate | Client Days | Rate | Client Days | Rate |
| 45 | 0.0000% | 30 | 0.1500% | 15 | 0.3000% |
| 44 | 0.0100% | 29 | 0.1600% | 14 | 0.3100% |
| 43 | 0.0200% | 28 | 0.1700% | 13 | 0.3200% |
| 42 | 0.0300% | 27 | 0.1800% | 12 | 0.3300% |
| 41 | 0.0400% | 26 | 0.1900% | 11 | 0.3400% |
| 40 | 0.0500% | 25 | 0.2000% | 10 | 0.3500% |
| 39 | 0.0600% | 24 | 0.2100% | 9 | 0.3600% |
| 38 | 0.0700% | 23 | 0.2200% | 8 | 0.3700% |
| 37 | 0.0800% | 22 | 0.2300% | 7 | 0.3800% |
| 36 | 0.0900% | 21 | 0.2400% | 6 | 0.3900% |
| 35 | 0.1000% | 20 | 0.2500% | 5 | 0.4000% |
| 34 | 0.1100% | 19 | 0.2600% | 4 | 0.4100% |
| 33 | 0.1200% | 18 | 0.2700% | 3 | 0.4200% |
| 32 | 0.1300% | 17 | 0.2800% | 2 | 0.4300% |
| 31 | 0.1400% | 16 | 0.2900% | 1 | 0.4400% |
| | | | | 0 | 0.4500% |

| Annual Spend | Speed of Pay | Rebate % | Rebate $ |
|---|---|---|---|
| $ 1,500,000 | 2 | 2.1275% | $ 31,913 |
| $ 1,500,000 | 14 | 2.0075% | $ 30,113 |
| $ 1,500,000 | 25 | 1.8975% | $ 28,463 |

SEC V

SECV

SunTrust Bank Card Rebate Receipt to 44170
FY 2024 (Calendar Year)

| | Jul-23 | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | Jun-24 | | TOTAL | | Total Due Funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 101 | 6,538.52 | 15,693.94 | 15,926.33 | 7,911.95 | 14,905.38 | 8,992.08 | 14,525.45 | 11,043.44 | 82,132.59 | 14,126.25 | 17,923.42 | 41,508.82 | | 251,228.17 | 0.222329871 | $2,791.69 |
| 115 | | 496.33 | 957.03 | 1,317.14 | 400.96 | 896.95 | 351.62 | 353.24 | 2,241.88 | 2,286.89 | 1,451.67 | 697.78 | | 11,451.49 | 0.010134247 | $127.25 |
| 116 | | | | | | | 50.00 | 50.00 | 98.54 | 187.18 | 50.00 | 315.88 | | 751.60 | 0.000665145 | $8.35 |
| 118 | 9,207.78 | 8,395.96 | 7,079.80 | 12,876.52 | 5,771.07 | 10,789.91 | 17,621.06 | 13,382.59 | 23,419.24 | 29,326.58 | 17,179.62 | 43,905.18 | | 198,955.31 | 0.176069859 | $2,210.83 |
| 121 | | | 1,809.30 | 1,457.78 | 2,555.40 | 2,554.78 | 2,531.40 | 2,530.58 | 2,493.87 | 2,757.33 | 2,691.48 | 2,156.54 | | 23,538.46 | 0.020830876 | $261.56 |
| 122 | | | | | | 121.95 | 147.93 | -11.57 | | | | | | 258.31 | 0.000228597 | $2.87 |
| 127 | 4,423.20 | 2,739.68 | 652.23 | 475.71 | 1,610.78 | 481.90 | 268.31 | 97.46 | 1,139.00 | 52.95 | 4,107.93 | 734.10 | | 16,783.25 | 0.014852705 | $186.50 |
| 128 | 4,465.37 | 1,789.08 | 1,875.88 | 1,070.72 | 1,602.53 | 2,998.04 | 5,467.07 | 11,665.10 | 9,546.70 | 11,179.31 | 14,261.98 | 15,815.53 | | 81,737.31 | 0.072335223 | $908.28 |
| 131 | | | 158.04 | | 104.95 | | 249.99 | 822.19 | 1,059.07 | 3,225.91 | | | | 5,620.15 | 0.004973675 | $62.45 |
| 141 | 20,250.09 | 18,538.60 | 17,897.04 | 68,871.97 | 15,394.60 | 6,624.41 | 14,784.81 | 17,674.57 | 7,702.41 | 19,726.12 | 24,258.56 | 20,644.27 | | 252,367.45 | 0.223338102 | $2,804.35 |
| 142.011 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.101 | | 1,277.09 | | | | 1,361.41 | 3,279.37 | 7,188.31 | 3,721.44 | 116.40 | 176.10 | | | 17,120.12 | 0.015150825 | $190.24 |
| 142.171 | | | | | | | | | | 3,442.50 | 1,571.50 | | | 5,014.00 | 0.004437249 | $55.72 |
| 142.201 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.301 | | | | | | 178.16 | | | | | | | | 178.16 | 0.000157667 | $1.98 |
| 142.433 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.441 | | | | | | | | | 2,141.80 | | | | | 2,141.80 | 0.001895433 | $23.80 |
| 142.701 | | | 7,927.00 | | 19,403.20 | 4,420.37 | | | | | | | | 31,750.57 | 0.028098362 | $352.82 |
| 142.802 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.805 | | | | | | | | | | 709.05 | | 179.01 | | 888.06 | 0.000785908 | $9.87 |
| 142.892 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.894 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.901 | | 3,007.37 | 3,251.04 | 2,500.25 | 2,568.86 | 1,193.99 | 1,222.11 | 684.65 | 386.06 | 3,144.45 | 1,342.03 | 350.27 | | 19,651.08 | 0.017390654 | $218.37 |
| 142.903 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.911 | | 568.18 | | | | 78.28 | 156.18 | | 79.98 | 570.74 | 388.42 | | | 1,841.78 | 0.001629924 | $20.47 |
| 142.912 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.933 | | 515.76 | 3,248.09 | | | | | | | | | | | 3,763.85 | 0.003330901 | $41.82 |
| 142.934 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.935 | | | | | | 3,826.43 | | | | | 2,178.04 | | | 6,004.47 | 0.005313787 | $66.72 |
| 142.941 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.942 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.951 | | | | | | | | 3,312.00 | 3,888.00 | | | | | 7,200.00 | 0.006371798 | $80.01 |
| 142.961 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.963 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.964 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 142.965 | 5,127.35 | 2,663.56 | 5,335.97 | 1,246.71 | 5,609.17 | 2,744.45 | 8,785.26 | 8,736.25 | 9,507.62 | 2,204.39 | 5,894.80 | 829.49 | | 58,685.02 | 0.051934594 | $652.12 |
| 142.966 | | | | | | 10.34 | | | | | | | | 10.34 | 9.15061E-06 | $0.11 |
| 143 | 8,798.32 | 137.59 | 1,906.90 | 2,373.33 | 5,131.73 | 4,422.36 | 5,796.80 | 4,500.19 | 11,623.74 | 4,833.31 | 3,447.15 | 2082.81 | | 55,054.23 | 0.048721447 | $611.77 |
| 145.11 | 244.55 | 74.14 | 39.34 | 45.97 | 579.05 | | 26.84 | | 47.15 | 153.81 | 54.54 | 492.26 | | 1,757.65 | 0.001555471 | $19.53 |
| 145.12 | | 61.91 | | 17.70 | 627.66 | 29.97 | | | 136.38 | 105.24 | 128.64 | 138.15 | | 1,245.65 | 0.001102365 | $13.84 |
| 145.13 | 518.00 | 662.70 | 491.38 | 547.50 | 750.93 | 325.28 | 576.19 | 406.61 | 1,570.95 | 2,165.25 | 464.15 | 3144.62 | | 11,623.56 | 0.010286524 | $129.16 |
| 145.14 | 1,329.60 | 1,944.41 | 2,162.67 | 1,587.12 | 877.61 | 638.83 | 1,579.78 | 3,664.27 | 2,279.26 | 681.86 | 4,932.32 | 7328.02 | | 29,005.75 | 0.025669274 | $322.32 |
| 145.15 | 49.00 | 250.00 | 125.00 | 125.00 | | | 970.00 | 1,748.46 | 901.63 | | 578.31 | 326 | | 5,073.40 | 0.004489816 | $56.38 |
| 145.16 | 853.00 | 1,298.72 | 857.59 | 639.38 | 656.51 | 58.75 | 306.05 | 239.21 | 414.06 | 236.82 | 418.03 | | | 5,978.12 | 0.005290468 | $66.43 |
| 145.17 | | 370.72 | | 93.81 | 47.24 | 26.34 | | 143.02 | 238.47 | 191.87 | 327.35 | 1289.3 | | 2,728.12 | 0.00241431 | $30.32 |
| 145.18 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 145.19 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 171 | 656.86 | | | 3,861.67 | 5,364.00 | | | | | | 84.96 | | | 9,967.49 | 0.008820949 | $110.76 |
| 177 | | | | | | | | | | | | | | 0.00 | 0 | $0.00 |
| 263 | | 410.44 | | 643.70 | | | | 3,091.29 | 1,489.85 | 306.86 | 2,514.59 | | | 8,456.73 | 0.007483968 | $93.97 |
| 363 | | | | | | | | 1,505.93 | | | 642.00 | | | 2,147.93 | 0.001900858 | $23.87 |
| | | | | | | | | | | | | | | 0.00 | 1 | $12,556.54 |
| | | | | | | | | | | | | | | 0.00 | | |
| | 62,461.64 | 60,896.18 | 71,700.63 | 107,663.93 | 83,961.63 | 52,774.98 | 78,696.22 | 92,827.79 | 168,259.69 | 101,731.07 | 107,067.59 | 141,938.03 | | 1,129,979.38 | $12,556.54 | Rebate |
| Communications | 8,361.77 | 6,498.13 | 8,016.63 | 6,750.54 | 5,942.57 | 11,153.13 | 6,538.88 | 7,138.19 | 6,861.95 | 7495.54 | 6863.48 | 7394.33 | | 89,015.14 | | |
| GRAND TOTAL | 70,823.41 | 67,394.31 | 79,717.26 | 114,414.47 | 89,904.20 | 63,928.11 | 85,235.10 | 99,965.98 | 175,121.64 | 109,226.61 | 113,931.07 | 149,332.36 | 0.00 | 1,218,994.52 | | |

+ up $2,300 this year for FY 23/24

# Chapter 5: Personnel Policies – Before and After Comparison

## Section 5.1 General

**Before Version:**

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.

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**After Version:**

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 Sheriff's Department and the School System.

State statutes, as defined in T.C.A. § 5-23-102(4), grant elected officials authority over personnel matters within their offices. Elected officials have the authority to create, maintain, and administer separate personnel policies and procedures, and may, at their discretion, supplement the policies set out in the Anderson County Government Employee Handbook. Any separate or supplemental policies created by an elected official shall not 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, as required by law. These policies do not require prior approval from the County Commission or the Human Resources Advisory Board, but must comply with the base personnel policy requirements outlined in T.C.A. § 5-23-104. They must also be reviewed by the County Law Director to ensure compliance with applicable legal requirements. Elected officials must submit copies of any separate or supplemental policies, as well as any updates, to the Human Resources & Risk Management Department and the Finance Department to ensure these departments can properly administer payroll, benefits, and compliance with applicable laws. T.C.A. § 5-23-106.

The Civil Service Commission establishes personnel policies for the Sheriff's Department. The sheriff has authority to hire and fire employees pursuant to those policies. T.C.A. § 8-8-401. The Sheriff's Department is exempt from the personnel policy requirements under T.C.A. Chapter 5-23, as specified in T.C.A. § 5-23-112.

The County Board of Education is responsible for establishing personnel policies for both certified and classified personnel and is responsible for personnel matters pertaining to the Department of Education. T.C.A. § 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. Non-elected department heads, such as the Finance Director and IT Director, must follow the county-wide personnel policies and do not have the authority to develop separate personnel policies for their respective departments.

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

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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.

### Key Updates and Rationale:

- - Clarified that the Sheriff's Department is exempt from the county-wide handbook.
- - Added statutory references (T.C.A. §§ 5-23-102(4), 5-23-104, 5-23-106, 5-23-112) for precision and legal backing.
- - Included a requirement for Law Director review of separate policies.
- - Explicitly stated that non-elected department heads cannot create their own personnel policies.
- - Updated formatting for legal citations and improved phrasing for clarity and flow.

## Section 5.2 Employee Handbooks

### Before Version:

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.

### After Version:

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 policies may be directed to the department head, elected official,

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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 Secure Employee Portal, with a link provided on the Human Resources & Risk Management page of the County website. Once approved, updates to the Anderson County Employee Handbook will be made available to all employees via the Secure Employee Portal.

### Key Updates and Rationale:

- - Clarified wording for readability (e.g., 'may be directed to' instead of 'may be answered by').
- - Hyphenated compound modifiers for accuracy ('payroll-related').
- - Specified that the electronic handbook is hosted on the Secure Employee Portal with an access link.
- - Clarified that updates are distributed via the Secure Employee Portal after approval.

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**Finance Committee Review Document**

## Chapter 8 – Budgeting

### Section 8.1 – General

***Before Version***

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

***After Version***

(Tennessee Code Annotated (TCA) § 5-21-110 and § 5-21-111)
The annual budgetary process serves as a strategic financial management tool that aligns resources with the County's objectives, ensures fiscal responsibility, and maintains long-term financial stability. The budget represents the County's plan for balancing revenues with expenditures to provide public services effectively. It also establishes the legal authority to collect and expend funds, ensuring that County departments operate within approved financial limits.
The accounting system supports budgetary control by tracking actual revenues and expenditures, providing variance analysis, and ensuring compliance with adopted financial policies.

Legal & Policy Framework:
- The Constitution of the State of Tennessee mandates that all public funds 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 no later than September 1 of each fiscal year.
- Once approved, budgetary appropriations are legally binding, authorizing expenditures and limiting spending for each designated purpose.
- Budget amendments may be required due to changes in revenue projections or



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expenditure needs. All budget amendments must comply with established approval processes.
- If the Board of Commissioners does not approve a budget before the lapse of the current fiscal year, the County will operate under a Continuing Budget Resolution. This resolution:
  o Provides funding for essential County services,
  o Is subject to approval by the Board of Commissioners, and
  o Does not authorize new discretionary spending beyond necessary operations.

Public Access & Transparency:
- An electronic copy of the annual budget is available on the Anderson County Government website to ensure transparency and public accessibility.

***Key Updates and Rationale***
- Clarified the budget's role as a strategic financial tool.
- Organized legal and policy details for readability.
- Emphasized transparency and compliance.



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**Section 8.2 – Budget Committee**

***Before Version***

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.

***After Version***

The Budget Committee is responsible for establishing budgetary policies and guidelines that departments must follow when preparing their annual operating and capital improvement budgets. The Committee has the authority to review, adjust, and recommend changes to budget proposals before submission to the Board of Commissioners. It also coordinates with department heads and elected officials to ensure budgets align with financial policies, revenue forecasts, and operational needs.

- Developing and approving budgetary policies, procedures, regulations, and required forms for use in the budget process.
- Providing guidance to departments regarding budget assumptions, revenue projections, and expenditure priorities.
- Reviewing and advising on department budget proposals before submission to the Board of Commissioners.
- Monitoring financial performance throughout the fiscal year and assessing the County's financial condition.
- Reviewing and recommending budget amendments, ensuring that all adjustments align with the County's financial policies.
- Evaluating capital improvement requests to prioritize long-term infrastructure investments.

While the Budget Committee determines budgetary policies and guidelines, final budget adoption rests with the Board of Commissioners.

***Key Updates and Rationale***

- Expanded the Committee's authority and responsibilities.
- Clarified the relationship between policy and operational guidance.
- Used bullet formatting for clarity and accountability.



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**Section 8.3 – Annual Budget Schedule**

***Before Version***

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.

***After Version***

The fiscal year for Anderson County Government begins July 1 and ends June 30. To ensure sound financial planning, the budget preparation process begins well in advance to facilitate adoption before the start of the fiscal year. The budget process follows a structured timeline, starting with a mandatory Budget Committee meeting before February 1 and culminating in an approved tax rate and budget by September 1 by the Board of Commissioners.

Budget Process Timeline & Responsibilities:

1. Initial Budget Committee Meeting (Before February 1)
   - The Budget Committee establishes assumptions, procedures, forms, and the budget calendar.
   - The Committee reviews preliminary revenue forecasts and expenditure projections to provide guidelines and direction for departments.

2. Departmental Budget Submission
   - Each department head, elected official, or agency leader submits a proposed



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budget to the Finance Director with appropriate documentation.
- The Finance Director reviews submissions, meets with department heads as needed, and prepares a consolidated budget.

3. Budget Committee Review & Approval
- The consolidated budget is presented to the Budget Committee for review, discussion, and necessary revisions.
- Any required adjustments are communicated to department heads, elected officials, or agency leaders.
- The Budget Committee votes to approve or reject the proposed budgets before forwarding them to the Board of Commissioners.

4. Public Hearing & Final Adoption
- At least ten (10) days prior to the budget being presented to the Board of Commissioners, a public hearing notice must be published in a newspaper of general circulation to ensure transparency and public engagement.
- The Board of Commissioners conducts a final review, deliberates, and adopts the budget and tax rate by September 1.

***Key Updates and Rationale***

- Organized the budget development process into clear phases.
- Clarified department, Finance Director, and committee roles.
- Emphasized public hearing requirements for transparency.



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**Section 8.4 – Budget Amendments**

***Before Version***

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.

***After Version***

The County's annual budget is a financial plan that allocates resources to provide services and implement the policies of the Board of Commissioners. While the budget establishes legal authority to receive and expend funds, changing conditions may require budget adjustments throughout the fiscal year.

Budget amendments may be necessary due to:
- Revenue fluctuations (e.g., lower-than-expected tax collections or additional grant funding).
- Unexpected expenditures (e.g., emergency repairs, legal obligations).
- Programmatic changes (e.g., new initiatives, adjustments to service levels).
- Reallocation of funds to optimize resource use while maintaining compliance with policy.

Sound financial management practices require continuous budget monitoring, including:
- Comparing actual revenues and expenditures to budgeted amounts.
- Reviewing appropriations, expenditures, and encumbrances for financial accuracy.
- Assessing funding availability before approving new commitments.

All budget amendments must be processed in accordance with the approval procedures outlined in Sections 8.4.1 and 8.4.2 and must comply with County financial policies.

***Key Updates and Rationale***
- Identified key triggers for budget amendments.
- Added guidance on financial monitoring and policy alignment.
- Clarified structural relationship with subsections 8.4.1 and 8.4.2.



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**Section 8.4.1 – Line Item Budget Amendments**

***Before Version***

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.

***After Version***

Line item budget amendments allow for the reallocation of funds within a department's budget while ensuring that the overall budget total remains unchanged. These amendments provide flexibility to adjust expenditures as needed while maintaining fiscal responsibility.

General Fund:
- Amendments within a department/function budget are permitted if there is no net change to the total department/function budget.
- Approval is required from all of the following:
  - The Department Head, Elected Official, or Agency Leader,
  - The Finance Director, and
  - The Budget Committee.

Highway Fund:
- Amendments within a department/function budget are permitted if there is no net change to the total department/function budget.
- Approval is required from all of the following:
  - The Superintendent of Highways,
  - The Finance Director, and
  - The Budget Committee.

School Fund:
- Amendments within a department/function budget are permitted if there is no net change to the total department/function budget.
- Approval is required from all of the following:
  - The Director of Schools,
  - The Finance Director, and
  - The Budget Committee.



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These procedures ensure that departmental budgets remain balanced while allowing for necessary operational adjustments.

***Key Updates and Rationale***

- Clarified that line item changes must not alter total department budgets.
- Structured the approval process by fund and official.
- Emphasized fiscal discipline and operational flexibility.



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**Section 8.4.2 – Other Budget Amendments**

***Before Version***

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.

***After Version***

Budget amendments that affect overall fund balances, department compensation, or interdepartmental transfers require approval from the Anderson County Board of Commissioners. These amendments are necessary when:

- There is an increase or decrease in the total budgeted revenue or expenditure of a fund.
- A department/function budget is increased to cover compensation adjustments.
- Funds are reallocated from one department/function to another within the same fund.

Approval Process:

- Proposed budget amendments must first be reviewed by the School Board and/or Budget Committee, as appropriate.
- If a budget amendment has not been reviewed by the Budget Committee, it will require a three-quarter (3/4) majority vote of the Board of Commissioners for approval.

These requirements ensure that significant budget adjustments are thoroughly reviewed before final approval.

***Key Updates and Rationale***

- Clarified categories of amendments requiring Board of Commissioners approval.
- Outlined required review steps and voting thresholds.
- Reinforced importance of thorough review for material changes.



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**Section 8.5 – Fund Balance Policy - Purpose**

***Before Version***

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.

***After Version***

Anderson County establishes and maintains fund balance reservations in compliance with the Governmental Accounting Standards Board (GASB) Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

Governmental fund balances consist of five classifications: nonspendable, restricted, committed, assigned, and unassigned. The County uses fund balance information to:
- Ensure financial stability and long-term fiscal planning.
- Identify available resources to support tax relief, new programs, or service expansions.
- Maintain compliance with Board of Commissioners and Financial Management Committee policies.

***Key Updates and Rationale***

- Updated language for clarity and alignment with GASB 54.
- Structured list of fund balance purposes to enhance readability.
- Emphasized financial planning and compliance with governance structure.



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**Section 8.5.1 – Fund Balance Policy - Definitions**

***Before Version***

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.

***After Version***

Fund balance represents the difference between assets and fund liabilities in the governmental funds balance sheet. It is also referred to as fund equity or net position.

Fund Balance Classifications:
- Nonspendable Fund Balance – Funds that are not in a spendable form (e.g., inventory) or legally required to remain intact (e.g., endowment principal).
- Restricted Fund Balance – Funds that may only be spent for specific purposes as stipulated by external sources (e.g., grant restrictions, enabling legislation). Restrictions cannot be changed without the provider's consent.
- Committed Fund Balance – Funds that may only be used for specific purposes determined by formal action of the Board of Commissioners. Changes or removal require the same formal action that imposed the restriction.
- Assigned Fund Balance – Funds earmarked for a specific purpose by the County (e.g., balancing appropriations in a future year, covering encumbrances).
- Unassigned Fund Balance – The remaining balance after accounting for all other classifications. These funds are not obligated and are available for general use.

* Spending Prioritization
When an expenditure is incurred for purposes where multiple fund balance classifications are available, the County will use *restricted funds* first. If no restricted amounts are available, the County will then apply *committed funds*, followed by *assigned funds*, and then *unassigned funds*. This spending prioritization applies to all County fund balance expenditures unless otherwise required by law or emergency financial need.



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***Key Updates and Rationale***

- Improved clarity and readability by simplifying technical definitions.
- Structured content using bullet points.
- Ensured compliance with GASB 54 classifications.
- Standardized terminology with financial policy best practices.
- Added spending prioritization clause.

**Section 8.5.2 – Minimum Level of Unassigned Fund Balance – General Fund**

***Before Version***

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.

***After Version***

Anderson County will maintain an unassigned fund balance in the General Fund at a level sufficient to:

- Cover operational costs.
- Allow for unforeseen emergency expenditures.
- Permit orderly adjustments due to fluctuations in revenue.

Minimum Requirement:
The County shall maintain an unassigned fund balance of at least the greater of eight percent (8%) of the next fiscal year's budgeted expenditures or $6,000,000.

A two-thirds (2/3) affirmative vote by the Board of Commissioners is required to draw down the unassigned fund balance below this threshold.

This requirement reflects the County's need to maintain sufficient reserves, particularly because property tax collections do not begin until the fourth month of the fiscal year.

***Key Updates and Rationale***

- Restructured content into purpose and minimum requirement categories.
- Clarified Board approval requirement for drawdowns.
- Reinforced fiscal stability based on revenue cycle realities.



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

***Before Version***

The Employee Health Benefits Fund (Fund 263) shall maintain a minimum fund balance of at least $1,000,000 to ensure the County's ability to cover employee healthcare claims, stabilize premium rates, and mitigate unexpected cost fluctuations.

The Finance Department shall monitor the fund balance monthly, assessing trends in healthcare expenditures and forecasting future funding needs. If the fund balance falls below the minimum threshold for two consecutive months, the Finance Director shall develop a corrective action plan, which may include funding adjustments, expenditure reductions, or policy modifications.

The corrective action plan shall be reviewed by the Budget Committee and submitted to the Board of Commissioners within 60 days of the Finance Department confirming that the fund balance has remained below the target minimum for two consecutive months.

***After Version***

The Employee Health Benefits Fund (Fund 263) shall maintain a minimum fund balance of at least $1,000,000 to:

- Ensure the County's ability to cover employee healthcare claims.
- Stabilize premium rates.
- Mitigate unexpected cost fluctuations.

Monitoring & Corrective Action:

- The Finance Department shall monitor the fund balance monthly, assessing trends in healthcare expenditures and forecasting future funding needs.
- If the fund balance remains below the minimum threshold for two consecutive months, the Finance Director shall develop a corrective action plan, which may include:
  - o Funding adjustments,
  - o Expenditure reductions, or
  - o Policy modifications.
- The corrective action plan shall be reviewed by the Budget Committee and submitted to the Board of Commissioners within 60 days of confirmation of the shortfall.

***Key Updates and Rationale***

- Added bullet formatting for easier reading.
- Clarified the monitoring responsibility and escalation timeline.
- Emphasized stabilization of employee healthcare funding.



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***Section 8.5.4 – Annual Review and Determination of Fund Balance Reserves***
***Before (Original Version –previously 8.5.5):***
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.

***After (Revised Version):***
To ensure compliance with financial policies and long-term fiscal stability, Anderson County shall conduct an annual review of fund balance reserves, incorporating historical trend analysis, fund performance evaluations, and necessary adjustments to enhance oversight and ensure financial sustainability.

Assessment of fund balance classifications (nonspendable, restricted, committed, assigned, and unassigned) to determine if amounts align with financial needs and policy requirements.

Evaluation of minimum reserve levels to ensure compliance with established thresholds for the General Fund, Employee Health Benefits Fund, and any other applicable funds.

Analysis of historical trends to assess fund balance adequacy relative to expenditure patterns and revenue fluctuations.

Identification of necessary adjustments to reallocate funds if surpluses or shortfalls exist within specific classifications.

The Finance Director shall present the annual fund balance review to the Budget Committee for initial evaluation. The Budget Committee shall review the findings and make recommendations before the report is submitted to the Board of Commissioners for final approval. This process ensures transparency, accountability, and adherence to financial policies.

This review process ensures that Anderson County maintains fiscal discipline, aligns fund balance levels with operational and strategic priorities, and upholds sound financial management practices.

***Key Updates and Rationale:***
Expanded the scope of the annual review to include trend analysis and performance evaluations, moving beyond a simple threshold check.

- Clearly defined roles for the Finance Director, Budget Committee, and Board of Commissioners in the review and approval process.
- Added structured bullet points to delineate the specific components of the review.
- Strengthened focus on accountability, transparency, and financial sustainability.



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