METROPOLITAN GOVERNMENT OF
NASHVILLE & DAVIDSON COUNTY

Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Proceeds from Sale of Collections of Art

Effective Date: May 22, 2015
Revision Date: September 16, 2025
Policy Number: 1.14
Sponsor: Division of Accounts

Purpose

This policy establishes the appropriate use of proceeds resulting from the sale of collections items, including works of art and historical treasures, in accordance with Governmental Accounting Standards Board (GASB) standards and best practices recommended by the Government Finance Officers Association.

Definitions

Collected Items mean works of art, historical treasures, or similar assets that are:
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- Held for public exhibitions, education, or research in furtherance of public service, rather than financial gain, and
- Protected, kept unencumbered, cared for, and preserved, and
- Subject to an organization policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

General Policies

Use of Proceeds

To the extent Metro maintains collections, the proceeds from any sales of collected items shall be used for the following:

- Acquisition of other items for the collections.
- Direct care and/or conservation of existing collection items consistent with GASB guidance.

Prohibition on General Use

To the extent Metro maintains collections, the proceeds from any sales of collected items shall not be used for:

- Operating expenses, debt service, acquisition of assets that are not collected items, or other general governmental purposes.
- Any use of proceeds for non-collection-related activities shall constitute a violation of this policy and may cause the collection to lose its exemption for capitalization, and the transaction may need to be recorded differently in the general ledger.

There shall be no exceptions to this policy.

Applicable Local, State or Federal Regulations

Metro. Charter art. 8 ,§ 8.103: The director of finance shall be responsible to the mayor for the administration of the financial affairs of the metropolitan government.

Metro. Charter art. 8, § 8.104: The budget officer, with the advice and assistance of the chief accountant, shall write, revise and maintain a proper standard procedure instruction manual to be followed by all officers, departments, boards and other agencies of the government to ensure uniform accounting and budgetary procedures.

Metro. Charter art. 8, § 8.105: The chief accountant shall maintain a general accounting system and such cost accounting records as shall be required by the director of finance.

Associated Policies

None.

Effective Date

This Policy Statement shall become effective upon issuance and shall be applied to all Metro departments and agencies.

Approvals

Approval of the Director of Finance

I hereby approve this Policy Statement of the Department of Finance and as such agree with and authorize the actions necessary to implement its requirements.

Jenneen Reed

Director of Finance

Date: September 16, 2025