



Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Budget Journal

Effective Date: August 25, 2005

Revision Date: September 16, 2025

Policy Number: 2.2

Sponsor: Office of Management and Budget

Purpose

The purpose of this policy is to establish the process for initiating, approving, and recording budget changes. These changes may include:

- Transfers of funds within or between departments,
- Appropriation of additional funds due to a grant, ordinance, or resolution, or
- Realignment of budgeted appropriations for operational needs.

Definitions

Budget Journal: An adjustment to the adopted budget as authorized by the Metropolitan Council, either as an Administrative or Legislative Revision.

Administrative Budget Revision: An internal realignment within the same fund/department that does not increase appropriation authority, unless otherwise authorized.

Legislative Budget Revision: A budget revision requiring Metro Council approval (cross-fund, cross-department, or appropriation increase or decrease), unless otherwise authorized.

Budgeted Tax Funds – Budgeted tax funds include the following:

- 10101 – GSD General Fund
- 18301 – USD General Fund
- 35131 – MNPS General Fund
- 20115 – GSD Debt Service
- 25104 – MNPS Debt Service
- 28315 – USD Debt Service

Special Revenue Funds: Funds accounting for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are restricted or committed to expenditures for specified purposes.

Enterprise Funds: A fund established to account for a business-like operation in which services are provided to non-Metro customers for a fee. Such fees or user charges cover most or all costs of the fund. Examples include the Parking Fund and the Farmers' Market Fund. See also internal service fund.

Internal Service Funds: Internal Service Funds are used to account for the operations of self-sustaining agencies /departments rendering service to other agencies / departments of the Metropolitan Government on a cost reimbursement basis.

Grant: A contribution by a government or other organization, generally to support a particular program or activity. Any receipts from any state or federal agency and certain nonprofit organizations are considered grants unless specifically excluded by the Division of Accounts.



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General Policies

Departments shall submit Budget Journals for newly appropriated grants within 30 days of Council approval. Budget Journals may reflect required changes in business practices such as:

- Changes in the services departments provide,
- Changes in how departments provide services,
- Changes in how services are budgeted and accounted for, or
- Changes in funding from resolutions or grants.
- Other changes as identified by the Office of Management and Budget

Administrative Budget Journals shall not be submitted for:

- Position budget changes that have no net impact on total pay/benefits, or
- Minor differences between budgeted and actual spending by object account which does not exceed the total appropriation.

Administrative Account Budget Journal Approvals

- Budget Journals shall be reviewed for approval recommendation by the OMB Analyst and an OMB Manager for approval recommendation to the OMB Budget Officer
- Operating Budget Journals shall be approved by the OMB Analyst, an OMB Manager and the Budget Officer.

Legislative Budget Journals generally require Metropolitan Council approval unless otherwise specified. Examples of budget journals that may require Metropolitan Council approval include transferring funds between departments/funds or Increasing appropriation authority. Note that legislative budget journals are sometimes authorized in the Budget Ordinance.

The Department of Finance's Office of Management and Budget may initiate Budget Journals for revenue increases, fund transfers, or impoundments as authorized by the Metropolitan Council or other Metro laws or regulations. Departments shall receive timely notification should these events occur.

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



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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