METROPOLITAN GOVERNMENT OF
NASHVILLE & DAVIDSON COUNTY

Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Maintenance of Fund Balance and Use of Non-Recurring Revenue

Effective Date: July 1, 2006
Revision Date: September 16, 2025
Policy Number: 2.3
Sponsor: Office of Management and Budget

Purpose

This policy defines the permissible uses of non-recurring revenue within the government's financial operations, ensuring responsible fiscal management, long-term financial stability, and sustainable budgeting practices.

Definitions

Non-recurring Revenue: One time revenue received by the government from sources that are not expected to continue consistently and reliably in future fiscal periods. Examples of non-recurring revenue may include asset sales, legal settlements, special federal or state distributions, or one-time transfers from enterprise, special revenue and/or internal service funds.

General Policies

Non-recurring revenues shall only be utilized for non-recurring expenditures.

Permissible uses of non-recurring revenue may include:

- One-time capital expenditures,
- Debt service, such as paying down existing debt or reducing long term liabilities,
- One-time investments, such as strategic studies, evaluations or consulting services on non-recurring projects,
- Strategic initiatives without recurring costs, or
- Replenishing reserves.

Prohibited uses of non-recurring revenue are listed below unless authorized by the Director of Finance:

- Salaries and benefits,
- Regular operational supplies and services,
- Routine maintenance and repairs,
- Ongoing contractual obligations, or
- New programs that require future appropriations for continued operations.

Approvals

The Metropolitan Council and/or the Director of Finance or their designee shall provide approval of the use of non-recurring revenues as required prior to expenditure of any funds.

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.

Metro. Charter art. 8, § 8.106: The metropolitan treasurer shall supervise and be responsible for the custody and disbursement of all funds belonging to the metropolitan government and all funds handled by metropolitan government officers as agents or trustees except as otherwise provided in this Charter or by ordinance or general law not inconsistent with this Charter.

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