



METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Authorized Banking Activity

Effective Date: August 2006

Revision Date: September 16, 2025

Policy Number: 3.3

Sponsor: Office of the Treasurer

Purpose

The purpose of this policy is to establish clear guidance for all departments and agencies regarding the authority of the Metropolitan Treasurer to manage all banking and financial institution activities on behalf of the Metropolitan Government of Nashville and Davidson County (Metro). The policy defines the governance and authorization framework for the establishment and maintenance of Metro bank accounts and outlines the procedures departments and agencies must follow to request the opening of an additional bank account for a specific, business-critical purpose.

General Policies

Banking Activity with Financial Institutions

Departments and agencies are prohibited from conducting business with financial institutions on behalf of the Metropolitan Government, including using the Metropolitan Government's Tax ID Number to open bank/financial accounts.

Any new bank account, banking product or banking service must be opened or implemented by the Office of the Treasurer. All requests for Metropolitan Government banking information on vendor credit forms, ACH forms, wire transfer instruction requests, bank account verifications or any other request for banking related information must be completed by an authorized signer of the Office of the Treasurer.

All departments and agencies are strictly prohibited from using, or causing to be used, the Metropolitan Government bank account details for the purchase or payment of any goods, services, activities, subscriptions, supplies or any other activities.

All departments are prohibited from linking Metropolitan Government bank accounts to any vendor to pay for goods or services. It is also prohibited to enroll in digital banking and mobile payment apps, without the prior written authorization of the Metropolitan Treasurer; this includes financial platforms that partner with banks or financial institutions to facilitate transfers, such as PayPal, Venmo, Bill.com, Cash App, etc.

From time to time, departments or agencies may have checks that need to be deposited into a Metropolitan Government bank account using a deposit slip; under no circumstances shall any department or agency use the banking details from a deposit slip to make purchases or disbursements from the bank account on behalf of the agency, department, or Metropolitan Government employee.

The Office of the Treasurer shall establish operating procedures that shall be followed to maintain and control the financial services of the Metropolitan Government. These procedures shall be reviewed at least every two years to ensure compliance with any regulatory or legal updates. These operating procedures shall be readily available to departments and agencies of the Metropolitan Government.

Department and agency heads are responsible for ensuring that their employees comply with this policy including taking due care to protect the financial information of the Metropolitan Government.

New Bank Accounts



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As a general policy in accordance with the Metropolitan Charter, all accounts of Metro are maintained, administered, and supervised by the Metropolitan Treasurer. All requests to establish new bank accounts shall be handled in accordance with the procedures maintained by the Treasurer's Office. Except as noted below, all Metro agencies are covered by this policy.

For those Metro officials and agencies mentioned in the following sections that have the authority to establish and maintain bank accounts outside the supervisory authority of the Metropolitan Treasurer, the Office of the Treasurer shall be available to serve in an advisory role to assist in a review of their current banking arrangements and to provide recommendations regarding the most cost effective and efficient services.

Any Metro agency without the authority to independently establish and maintain Metro bank accounts that wishes to request a new account, shall make its request in writing to the Office of the Treasurer. The following information must be provided in the request for consideration:

- Department name
- Division name
- Name and title of person requesting account
- Authorization of department head
- Detailed description of purpose of account
- Justification for establishing a separate account
- Reference to any applicable statutory provisions relating to the establishment of an account

The Office of the Treasurer shall review the information submitted for review and approval. If the new account request is approved, signatories shall be identified, the account shall be opened, and signature cards shall be completed and returned to the bank by the Office of the Treasurer. The Office of the Treasurer shall notify staff in the Department of Finance's Financial Operations section of the details of the new bank account. If the new account request is not approved, the Office of the Treasurer shall work with the requestor to determine which existing Metro account(s) shall be used for the purpose submitted in the request.

Agencies and Departments Authorized to Bank Independently

Statutory Offices

Statutory offices consist of the offices established by the Constitution of the State of Tennessee or general laws as codified in the Tennessee Code. T.C.A § 5-8-207 requires a "county official" handling "public funds" to maintain an official bank account. The Metro Legal department has determined that the Juvenile Court Clerk, Circuit Court Clerk (which includes the Probate Court Clerk), Criminal Court Clerk, Clerk & Master of the Chancery Court, District Attorney General, and Register of Deeds are not only authorized but required to maintain bank accounts to the extent they handle public funds. The Metro Legal Department has determined that the County Clerk is also so authorized, when acting as a collector of state revenues. (With regard to Metro funds, the Metro Legal Department has advised that Metropolitan Charter Sec. 8.118 requires the County Clerk to deposit all Metro funds with the Metropolitan Treasurer daily. Thus, the County Clerk, when acting as a collector of Metro funds, is subject to the Metro policy for establishing departmental bank accounts previously described. The Metro Legal Department has opined that the County Clerk could, but is not required, to use a bank account maintained under the auspices of the Metropolitan Treasurer to fulfill the obligation to maintain an official bank account to which all state funds handled by this office must be deposited.)

Although these offices are authorized to establish their own bank accounts outside the authority of the Metropolitan Treasurer, these accounts do require competitive procurement pursuant to the Metropolitan Procurement Code. In lieu of going through a separate competitive procurement process, these offices and officials may use the banking arrangements of the Metropolitan Treasurer in accordance with procurement rules and regulations.

Public Corporations and Authorities

Public Corporations and Authorities, created by the Legislature and authorized by the Metropolitan Council, have their operational authority prescribed by statute. In most cases, they are governed by their own corporate



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charters, even though they may be instrumentalities of the Metropolitan Government. As such, the revenue they generate does not fall under the Metropolitan Treasurer's scope of authority. Therefore, the Metropolitan Treasurer does not have authority over the establishment of their bank accounts unless specifically stated in their corporate charter. (In those cases where the corporate charter gives banking authority to the Metropolitan Treasurer, the entity is subject to the Metro policy for establishing departmental bank accounts previously described.) Examples of Public Corporations and Authorities include the Metropolitan Development and Housing Authority (T.C.A. § 7-67-101 et. seq.), the Industrial Development Board (T.C.A. § 7-53-101 et. seq.), the Metropolitan Nashville Airport Authority (T.C.A. § 42-3-101 et. seq.), the Community Access Corporation (Metropolitan Ordinance O83-1197 & Metropolitan Resolution R84-131), the Health & Educational Facilities Board (T.C.A. § 48-101-301 et. seq.), the Hospital Authority (T.C.A. § 7-57- 101 et. seq.), and the Emergency Communications District Board (T.C.A. § 7-86-101 et. seq.).

Section 5.8 of the By-laws of the Sports Authority states that the Sports Authority Treasurer shall deposit Sports Authority funds in the name of the Sports Authority in banks selected in conformity with the provisions of applicable statutes, the Charter of the Metro Government, and resolutions of the Board of Directors. Additionally, the funds of the Sports Authority shall be handled and accounted for by the Metro Director of Finance. As such, the Sports Authority is subject to the Metro policy for establishing departmental bank accounts previously described.

Private Act and Miscellaneous Entities

Some agencies of the Metropolitan Government were created by Private Acts of the General Assembly and expressly continued by the Metropolitan Charter. Examples of these entities include the Electric Power Board, the Metropolitan Transit Authority, the Farmer's Market Board, and the Board of Fair Commissioners.

The Metro Legal Department advises that the Metropolitan Charter grants the Electric Power Board the authority to maintain bank accounts outside the authority of the Metropolitan Treasurer, except for bank accounts established for the purpose of holding bond proceeds.

In the same opinion, Metro Legal stated that the Metropolitan Transit Authority, the Farmer's Market Board, and the Board of Fair Commissioners all lack the authority to maintain bank accounts that are not subject to the Metropolitan Treasurer's supervisory authority as stated in the Metropolitan Charter. As such, these entities are subject to the Metro policy.

General Sessions Courts

Section 14.23 of the Metropolitan Charter authorizes General Sessions judges to authorize the clerk to establish such bank accounts as may be necessary for the management of funds held as judgments including court costs and fees in civil cases. Other funds such as salaries fall under the authority of the Treasurer.

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.



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Associated Policies

This policy replaces Finance Department Policy 3.11 Bank Account Establishment.

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