

KNOX COUNTY INTERNAL CONTROL MANUAL

Updated for June 30, 2023

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Internal Control Manual

2 INTRODUCTION

Knox County has the responsibility to its taxpayers, ratepayers and constituents to be good stewards of public monies and property. In our efforts to serve the public as county officials or employees, the County established this Internal Control Manual using widely recognized best practices and state and federal directives.

State of Tennessee statutes require the Comptroller’s Office, Department of Audit to prescribe uniform accounting systems for entities that handle public funds. Those statutes require public officials to adopt and use the system designated by the Comptroller’s Office. The Tennessee Legislature amended TCA Section 9-18-102 in 2015 to require local governments to establish and maintain internal controls in accordance with guidance issued by the U.S. Government Accountability Office (GAO). The guidance is titled *Standards for Internal Control in the Federal Government* (Green Book). The Green Book follows the format developed by the Committee of Sponsoring Organizations (COSO) which has been the gold standard of internal control for all entities except the federal government for several years.

The internal control system consists of three objectives and five main components. Within the five components there are 17 principles that apply to certain components. The state considers the five elements mandatory, and the 17 principles are optional. Knox County has chosen to only address the minimum requirements of the state in this manual however the 17 principles from the Green Book are presented below for informational purposes and to help explain the five components.

THREE (3) OBJECTIVES OF INTERNAL CONTROLS:

- 1. Reporting – reliability
- 2. Operations – effective and efficient
- 3. Compliance – compliant with applicable laws, regulations, contracts and grant agreements

FIVE (5) MAIN COMPONENTS OF INTERNAL CONTROLS THAT ARE REQUIRED TO BE ADDRESSED:

- 1. Control Environment
- 2. Risk Assessment
- 3. Control Activities
- 4. Information and Communication
- 5. Monitoring

The purpose of this manual is to ensure that the objectives of reporting and compliance are established. The policies to achieve the objectives are derived from various financial best practices, state and federal laws, and regulations and policies may be developed to suit specific needs of county functions and resources (see section 4). Detailed procedures are then developed and documented in section 5 as a means for counties to comply with its established policies.

Figure 3: The Five Components and 17 Principles of Internal Control:

CONTROL ENVIRONMENT:

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

RISK ASSESSMENT:

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

CONTROL ACTIVITIES:

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

INFORMATION AND COMMUNICATION:

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

MONITORING:

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

Source: GAO. GAO-14-704G.

3 CONSIDERATIONS IN DEVELOPMENT OF INTERNAL CONTROLS

Internal control is defined as a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance the county's objectives will be achieved. Before developing its Internal Control System (ICS), the county and each department should determine its mission, strategic goals and objectives, and then formulate a plan to achieve those objectives. The internal controls are policies and procedures put in place to help achieve those goals and objectives. By describing how a county/department expects to meet its various goals and objectives by using compensating controls to minimize risk, the entire county becomes more aware of expectations. Each department's internal control plan will be unique; however, it must be based on polices included in this guide which incorporates or references to other comprehensive state, federal or standard setting agency polices that have been adopted.

Consistent monitoring of all components will ensure that the ICS is updated whenever changing conditions justify.

Since the county's/department's policies and procedures are the control activities for its internal control plans, it is important that they be reviewed in conjunction with the plans and referenced where appropriate. Everyone in the county has a responsibility to ensure that internal controls operate effectively.

As directed by T.C.A. 9-18-102 (a) and in accordance with the guidance issued by the Tennessee Comptroller's Office, the county has adopted this internal control manual. It is critical to note that the development and operation of the internal control system involves everyone in the organization. As such, management must ensure that the manual is shared with all its employees. The manual is a work in process and will be assessed periodically.

The following sections document the 5 components of internal control and significant financial and compliance areas that are deemed high risk.

3.1 The Green Book states documentation is management's responsibility:

3.09. Management develops and maintains documentation of its internal control system.

3.10. Effective documentation assists in management's design of internal control by establishing and communicating the: who, what, when, where, and why of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well as a means to communicate that knowledge as needed to external parties, such as external auditors.

4 COMPONENTS OF INTERNAL CONTROL AND ORGANIZATIONAL CHARTS

4.1 Control Environment

The control environment is the foundation for **all** other components of internal control, providing discipline and structure. Moreover, management establishes the tone at the top regarding the importance of internal control and expected standards of conduct and reinforces expectations at various levels. Control environment factors include the integrity, ethical values and competence of the county's personnel; the way management assigns authority and responsibility and organizes and develops its personnel; and the attention and direction provided by the governing body.

PRINCIPLES/OBJECTIVES

1. The governing body and management should demonstrate a commitment to integrity and ethical values.
2. The governing body should provide direction and oversight for the county's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain qualified and competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

POLICIES

1. The County strives to have zero audit findings in its annual audit.
2. A conflict-of-interest policy for all employees and officials has been adopted by the governing body.
3. A professional code of conduct has been adopted by the governing body and management.
4. The governing body through management has adopted a personnel manual which discusses job descriptions. Full job descriptions with requirements are maintained in a database in HR.
5. The governing body also uses the budget process as a means of oversight with department heads.
6. Organizational charts are reviewed for needed changes regarding authority and responsibility by department personnel.
7. Annual personnel evaluations are conducted by management.

PROCEDURES FOR POLICY 1 & 2

1. Department heads work to ensure that all information is handled and documented in an accurate way.
2. Department heads continually review procedures to ensure that policies and laws are being followed accordingly.
3. The governing body has developed certain policies that detail/define what constitutes a conflict of interest. These policies are published and presented to employees when they are hired.
4. Employees involved with certain business activities are required to sign a conflict-of-interest form before taking part in those activities.
5. If any conflict of interest arises, employees will meet with the head of their department to discuss a resolution.

PROCEDURES FOR POLICY 3 & 4

1. The governing body and management derive a training program that each employee must adhere to when they are hired.
2. Employees are required to complete a series of training once they are hired and complete periodic training thereafter.
3. Each employee is given a copy of Knox County's employee handbook and they are required to sign a form stating that they agree and are held responsible for the content of the handbook.
4. Each position within each department is detailed and a record is kept by HR that includes job descriptions and minimum job requirements.
5. The governing body has set policies that determine the precedent for directors and managers to recruit, develop, and retain employees.
6. Each department is responsible for providing the most accurate information in relation to open positions in order to recruit the most qualified individuals for each open position.
7. Directors and managers within each department carefully examine potential candidates for open positions and handpick individuals that are the most qualified for the desired position.
8. Each department director and their managers take responsibility to develop and train employees in order to accomplish desired tasks.

PROCEDURES FOR POLICY 5 & 6

1. The County Mayor and finance department develops and proposes a preliminary operating budget.
2. The proposed budget is reviewed with all other department heads, the County Commission, and the general public.
3. After each group receives the budget, they then review and have to ability to take questions and recommend changes to the overall budget.
4. After receiving an approval from the County Commission, the budget is fully adopted.
5. The budget is consistently monitored by the finance department and undergoes a thorough review performed by the State Comptroller's office.
6. Any adjustments made to the budget during the fiscal year runs directly through the finance department and is approved by county commission.
7. Members of the governing body annually update the organizational charts for different areas of the County's government.

PROCEDURES FOR POLICY 7

1. Employees are annually reviewed by senior members of their department and the department heads.
2. Upon review each department head meets individually with employees to discuss prior performance and future goals.

4.2 Risk Assessment

County officials and management assess risk of operations continually as they seek to achieve their objectives. The county has chosen to transfer the most common types of risk through the purchase of the following types of insurance:

- Property and Casualty
- Liability
- Errors and Omissions
- Worker Compensation

There are risks we cannot anticipate or know about and as it relates to financial and compliance issues, we have assessed the following areas and identified certain risks that we feel need to be addressed by the development of internal control policies and procedures. Internal controls will not eliminate all risk but will help reduce risk to gain reasonable assurance that reporting, and compliance objectives are being met. There are 4 principles that are directly related to risk assessment.

PRINCIPLES

1. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
2. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
3. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
4. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

OBJECTIVES

1. Collections are complete, timely and accurate.
2. Disbursements are for a valid county purpose and properly recorded.
3. Assets are properly safeguarded.
4. The County is in compliance with contractual, local, state and federal laws and regulations.
5. The County is in compliance with generally accepted accounting principles, grant management, and oversight and organizational structures.
6. Provide taxpayer services efficiently and effectively.
7. Provide timely interim financial reports and schedules for evaluating the results of operations.
8. Issue timely financial reports that comply with generally accepted accounting principles, the additional requirements of the Tennessee Comptroller of the Treasury, and federal grant requirements.

RISKS

1. Collections could be lost or misappropriated.
2. Collections could be recorded improperly.
3. Collections may not be deposited in the bank and recorded timely.
4. Disbursements could be unauthorized or duplicated.
5. Disbursements could be for personal items.
6. Disbursements could be made for items never received.
7. Bank balances may be inaccurate due to failure to reconcile bank accounts.
8. Capital assets or inventory items could be missing.
9. Inventory is not available when needed.
10. Grant funds could be spent for unallowable items.
11. Grant rules may not be followed which could result in having to return federal funds.
12. Federal reporting requirements were not met.
13. Accounting principles are not followed in reporting annual results.

Procedures

1. Surety bonds and/or employee dishonesty insurance is purchased to mitigate the risk of loss of funds due to errors, irregularities, or fraud.
2. The County mitigates risk through insurance coverages.
3. The County has implemented strong internal controls, emphasizing separation of duties.
4. The County's internal controls provide reasonable assurance that unlawful acts are not occurring.
5. Perform risk assessments and internal control assessments.
6. Emphasize and attend fraud training.
7. Communicate the elements of fraud risk (incentive/pressure, opportunity, and rationalism).
8. Creating and updating County policies and procedures.
9. Be aware of accounting standards changes.
10. Be aware of state law or regulation changes.
11. Be aware of federal law or regulation changes.
12. Management reviews all new grant applications and agreements.
13. Management reviews all new contracts.
14. Management reviews all debt issuance documents.
15. Management will, at least annually, consider technological developments, employee turnover, new programs, new accounting standards, new laws and regulations, and economic growth or decline to determine whether or not changes in internal controls need to be implemented. Recommendations for changes will be reviewed and implemented as necessary. The implementation will include training for all personnel involved in the processes that require change.

4.3 Control Activities

Control Activities are the actions management establishes through internal control policies and procedures to achieve objectives and manage risks. Fundamental examples of control activities include issuing receipts and purchase orders, reconciling the bank statement, and segregation of duties. Section 5 is where the detailed procedures will be documented for the various county departments.

General Collections/ACHs

PRINCIPLES

1. Management should design control activities to achieve objectives and respond to risks.
2. Management should design the entity's information system and related control activities to achieve objectives and respond to risk.
3. Management should implement control activities through policies.

OBJECTIVES

1. Collections are complete, timely and accurate.
2. Collections are safeguarded.
3. Collections should be recorded accurately and timely in the accounting system.

POLICIES

1. A receipt will be issued for each collection made.
2. Each cashier/technician will have their own cash drawer.
3. Two people will count down each cash drawer daily and sign the report.
4. Employees are prohibited from working from another person's cash drawer.
5. No checks will be cashed from the cash drawers.
6. All cash drawers will be closed out and counted daily.
7. All funds will be deposited daily or at least within the 3-day deposit rule.
8. Any monies collected at decentralized locations must be deposited daily or within 3 days.
9. There will be no checks or cash left out of a deposit. If there is a question as to how it should be processed, it will be deposited as miscellaneous revenue in the General Fund to be resolved later.
10. All cash drawers are locked when unattended.
11. All cash drawers are locked in the vault during closed hours.
12. Access to the vault is always restricted.
13. Deposit bags are secured until transported to the bank.
14. At no time will cash be left out in the open unattended.
15. Employees are prohibited from comingling county assets with personal assets.
16. Chart of accounts codes will be reviewed with cashiers.

17. All daily collection reports are posted to the general ledger.
18. All accounting system updates and changes are discussed with office staff and appropriate changes made if necessary.
19. Reconciliations are performed monthly by the accounting staff.

PROCEDURES

1. Each individual department is responsible for ensuring that policies are followed and that each transaction is recorded/reported appropriately
2. As each check is received, they are accounted for by the cashier/technician and documented into the accounting system and recorded manually.
3. Documentation for each deposit includes date, amount, and accounting codes.
4. Cashiers ensure that each customer is given a receipt that includes correct documentation from the transaction.
5. After each day, the Department/Account Supervisor will reconcile each cash drawer into a detailed cash report.
6. The individual clerk for each location will individually review and sign off on each detailed cash report from the previous day.
7. Each month, the accounting staff will perform a reconciliation that ensures each transaction was recorded appropriately and the proper accounting codes were used for each transaction.

General Disbursements/Drafts

OBJECTIVES

1. Disbursements are for a valid county purpose and necessary.
2. Disbursements are timely.
3. Disbursements are accurately coded and recorded in the accounting system.
4. Disbursements are legally appropriated.

POLICIES

1. The county has adopted purchasing policies that comply with state law.
2. The county has adopted e-card, travel and investment policies.
3. Various levels of authority have been assigned.
4. Invoices including purchase orders and packing slips are matched and sent to finance department for payment as soon as possible.
5. Checks are written at least twice each month to ensure invoices are paid timely.
6. All checks have documentation attached at the time of processing.
7. The finance department uses a computerized accounts payable system.
8. All purchase orders are coded by purchaser and verified by the accounts payable clerks.
9. Invoices are entered in the accounts payable system daily.

10. The accounting staff review the accounts payable report prior to the check run.
11. Budget availability is verified by the MUNIS System prior to the check run.

PROCEDURES

1. Knox County has adopted policies that are in accordance with the Municipal Purchasing Law of 1983.
2. No purchase obligating Knox County shall be executed without an order approved by the head of each department.
3. Each department head is responsible for following county policy when making a purchase requisition.
4. Knox County has set up several credit card accounts for different departments to make certain purchases.
5. Each department head set the credit limit/monthly spending for each credit card account based on their annual budget.
6. Department heads electronically monitor and approve purchases.
7. Knox County has adopted a series of policies that reflect the purchase for the acquisition of investment activity.
8. Individual departments have implemented policies that cover travel and purchases associated with travel.
9. After each department reviews and fully documents purchases, the finance department will input these purchases into the accounting program.
10. Several members of the finance department review the documentation within the accounting program to ensure that each purchase was recorded fully and accurately.

Safeguarding of Assets

OBJECTIVES

1. Ensure County assets are properly valued and protected.
2. Ensure Cash, Accounts Receivable and other asset accounts are reconciled.
3. Ensure investments are safe and in accordance with adopted investment policy.
4. Ensure county assets are protected against loss, misappropriation or theft.
5. Ensure inventory items are available when needed for use.

POLICIES

1. All bank account statements (checking, savings, investments, etc.) are reconciled to the general ledger accounts.
2. Accounts Receivable subsidiary ledgers are reconciled to original billings and amounts collected.
3. All bank accounts are appropriately collateralized. Any bank account balance that exceeds the FDIC coverage limit will be covered at 105% of the balance as per state statute. Any bank account balance maintained in a bank participating in the State Collateral Pool will be made to verify annually the accounts held are classified on the records of the bank as "Public."
4. All bank accounts are held in financial institutions under the County's name which includes the Sheriff's office and the fee offices.
5. All investments require two signatures.
6. Inventory records contain enough information to readily identify corresponding capital assets. Capital assets are tagged or otherwise verified with an annual inventory.
7. Proper safeguards are in place to prevent theft or loss of assets.

PROCEDURES

1. The Finance Director is responsible for ensuring that the finance department reconciles all bank statements to the general ledger.
2. The finance department is responsible for reconciling all accounts receivable accounts to illustrate original billings and amounts collected.

Compliance

OBJECTIVES

1. Ensure that state law regarding the issuance of debt is followed.
2. Ensure that state and federal grant regulations are understood and followed.
3. Ensure that generally accepted accounting principles are followed.
4. Ensure interim and annual financial reports are prepared timely.

POLICIES

1. The county has adopted a debt management policy in accordance with state requirements.
2. The Finance Director is well versed on the state requirements for issuing debt.
3. Every department must notify the Finance Director and Law Department when an application for 100% grant funding is submitted and subsequently awarded. All grants with matching requirements must be approved by the County Commission and Finance Director prior to submission of application.
4. Once awarded, the Finance Director is to be notified of the project budget and detailed expenditure requirements of the grantor agency.
5. The Finance Director must be provided with the grant contact information, grant or contract numbers and whether the grant is state or federal funds.
6. Financial reports are properly reviewed for accuracy and compliance with accounting principles.

PROCEDURES

1. The governing body reviews the Debt Management Policy each year to determine if changes need to be made regarding that policy
2. Any changes recorded by the governing body is then presented to the Mayor and the County Commission where they are voted on for approval.
3. The management of the Finance Department will continue to monitor state and federal law regarding regulations on debt to ensure that policies are consistently up to date.
4. Departments that seek to apply for grants must possess knowledge or obtain an understanding about the rules and regulations that must be followed in order to receive the grant.
5. The intent for a department to apply for a grant must be discussed with the Finance Director and the Mayor prior to composing an application.
6. Each department must notify the Mayor's office and the Finance Department when an application for a grant is being composed.
7. All grant applications must be reviewed by the Finance Department, the Mayor, and the County Commission.
8. Upon approval by the County Commission, the grant application is then submitted as a Resolution.
9. The department that receives the grant must provide the County Clerk with a copy of the grant application and grant award notification.
10. A detailed report containing all of the information surrounding the grant must be submitted to the County Clerk in order to keep a record on the funds.
11. The Finance Director will ensure that the finance department amends the budget according to County policy in order to accommodate the awarded grant revenues and its expenditures.

4.4 Information and Communication

Management has the responsibility to adequately communicate and provide information to both internal and external parties. It is important that employees know the objectives, policies and procedures management has established and what the expectations are for internal controls. External stakeholders also seek information regarding objectives and reliable financial information.

OBJECTIVES

1. Necessary quality information for achieving the entity's objectives is available and used.
2. Necessary quality information for achieving the entity's objectives is internally communicated by management.
3. Necessary quality information for achieving the entity's objectives is externally communicated by management.

POLICIES

1. Information maintained in a format should be communicated in that same format. For example, if the general ledger is maintained on computer, the monthly budget to actual reports should be provided through a computer-generated report from that software package.
2. Reliable and accurate quality information from county internal sources must be communicated to the people who need it in a timely and useful format.
3. Because the credibility of the county, its governing body, and its public officials is at stake whenever information is released to outside parties, management should be confident the information being released is accurate and the release is in compliance with policies and procedures.

PROCEDURES

1. The County maintains financial data in the computerized accounting software platform MUNIS. Any request for financial information should be provided through a computer-generated report to maintain the integrity of the data.
2. The County complies with the Tennessee Public Records Act, the Tennessee Open Meetings Act, and observes the guidelines provided by the Office of Open Records Counsel.
3. All requests for information or records will be documented to ensure compliance with state law.
4. The County will redact all personally identifiable, confidential, or protected information in accordance with state and federal law.
5. The governing body clearly defines the lines of communication through policy manuals and organizational charts.
6. Annually, the governing body ensures that the lines of communication are up to date and makes adjustments as needed.

4.5 Monitoring

The internal control system changes as technology, staff, objectives and policies change. Management is charged with continually monitoring the internal control system to determine if it is operating as it was designed to do and to ensure the controls are being followed.

OBJECTIVES

1. To practice activities to monitor the internal control system and evaluate the results.
2. To address deficiencies noted in the internal control system in a timely manner.

POLICIES

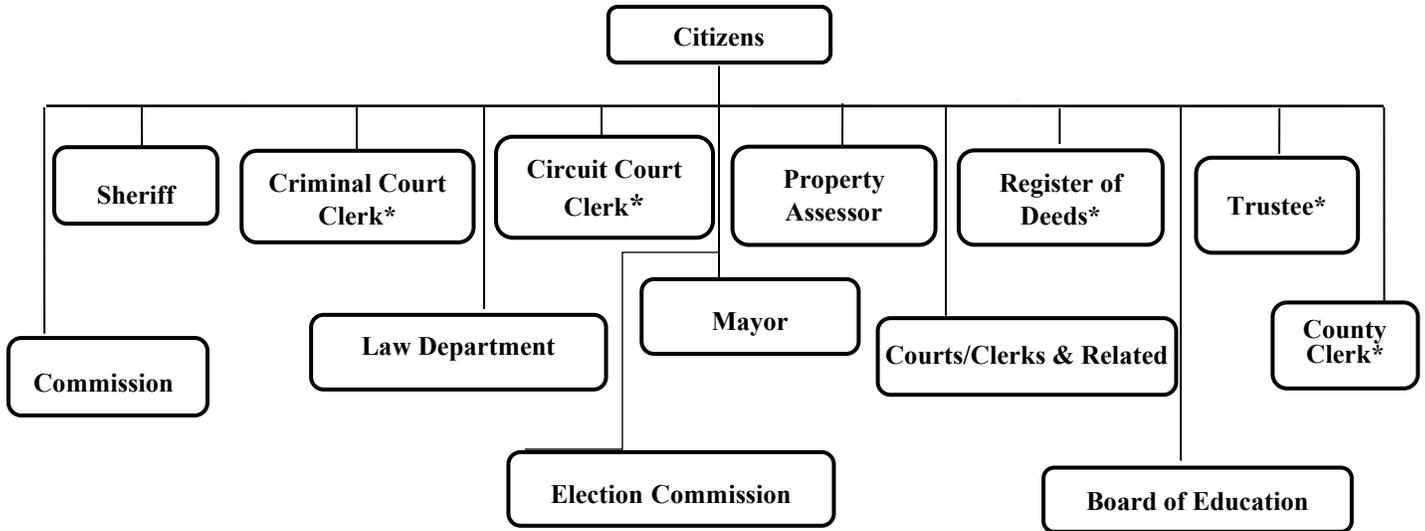
1. To ensure that internal controls do not deteriorate and continue to work as designed over time, an annual risk assessment will be conducted by county management.
2. To establish more efficient and effective operations over time.
3. To ensure accurate and reliable financial information is used in decision-making.

PROCEDURES

1. The governing body annually evaluates the state of the internal control system and determines any deviations from the designed criteria and the current condition of the system.
2. The governing body makes a decision on whether to change the design of the internal control system or implement corrective actions to improve the effectiveness of the existing system.
3. Members of management will periodically review the procedures outlined in this manual to ensure that polices are being implemented, laws are being followed, and objectives are being met.
4. Financial reports will be generated periodically and reviewed by those in a position of authority over financial operations. Those in a position of authority include, but are not limited to, the Finance Director, the Mayor, and the County Commission.
5. During the review, the reviews will measure the financial health of the County, analyze spending, and ensure that the adopted budget is being followed.

4.6 Organizational Charts for Citizens and Mayor

4.6.1 Elected Offices

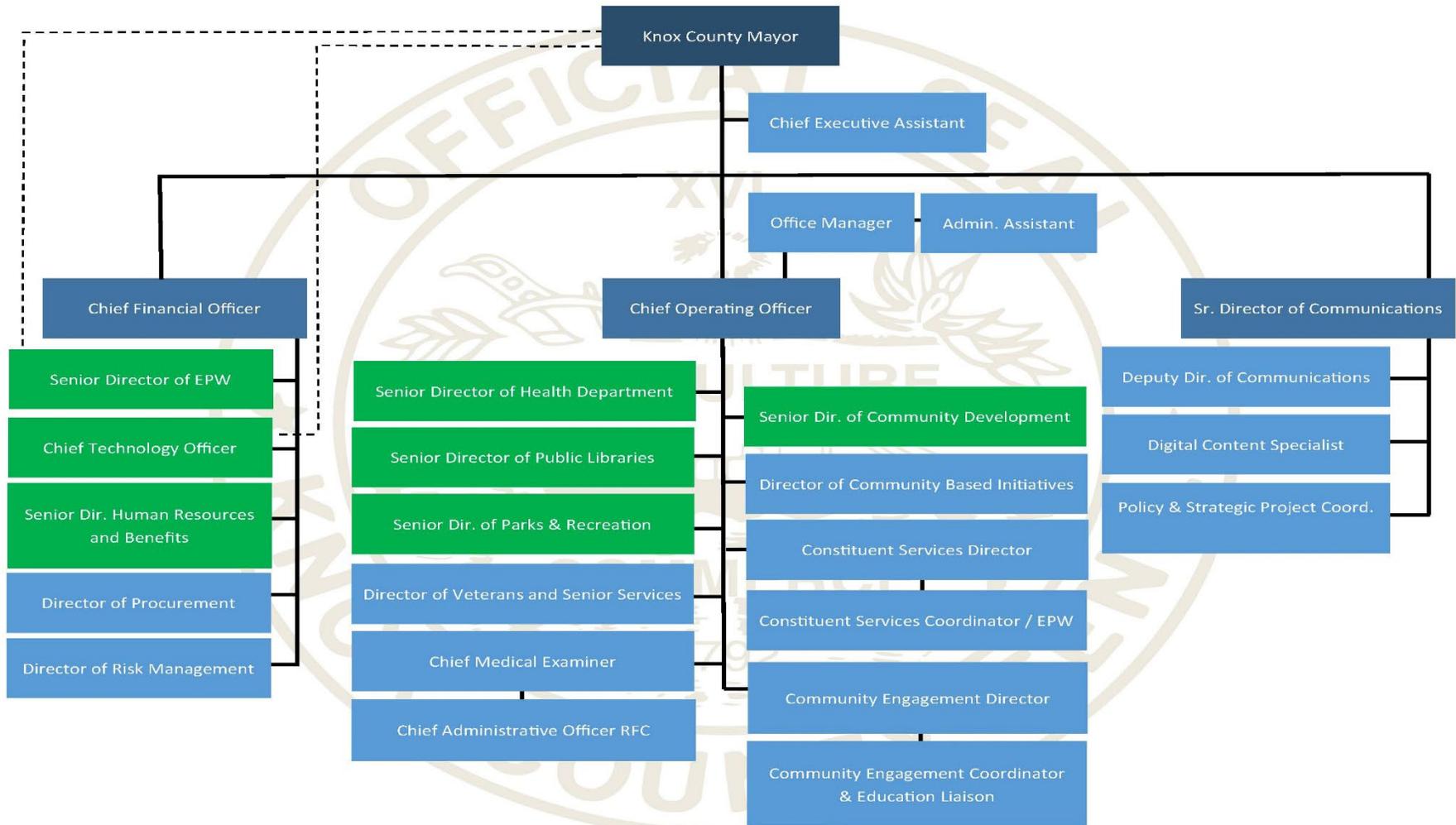


*Fee Offices



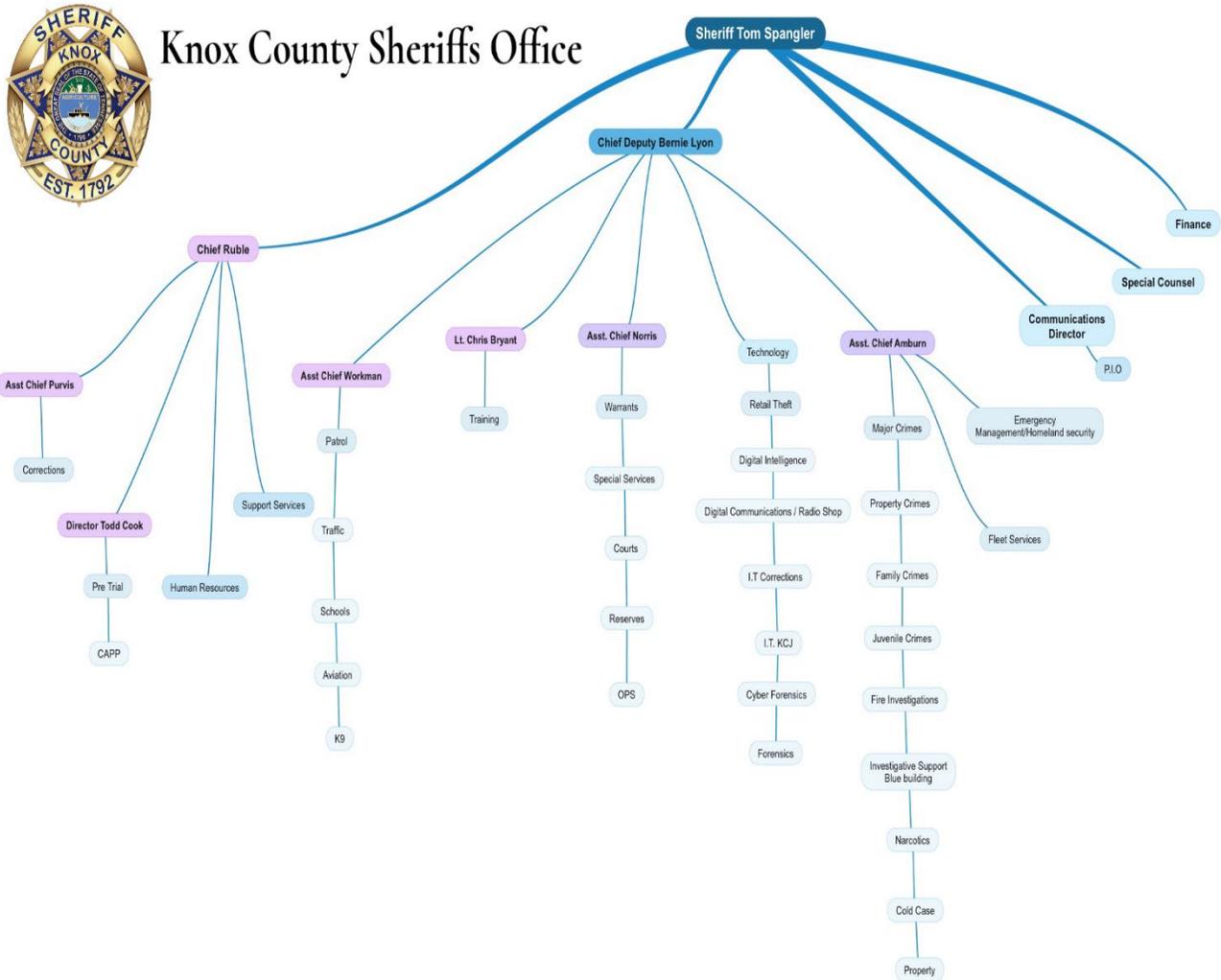
4.6 Organizational Charts for Citizens and Mayor

4.6.2 County Mayor



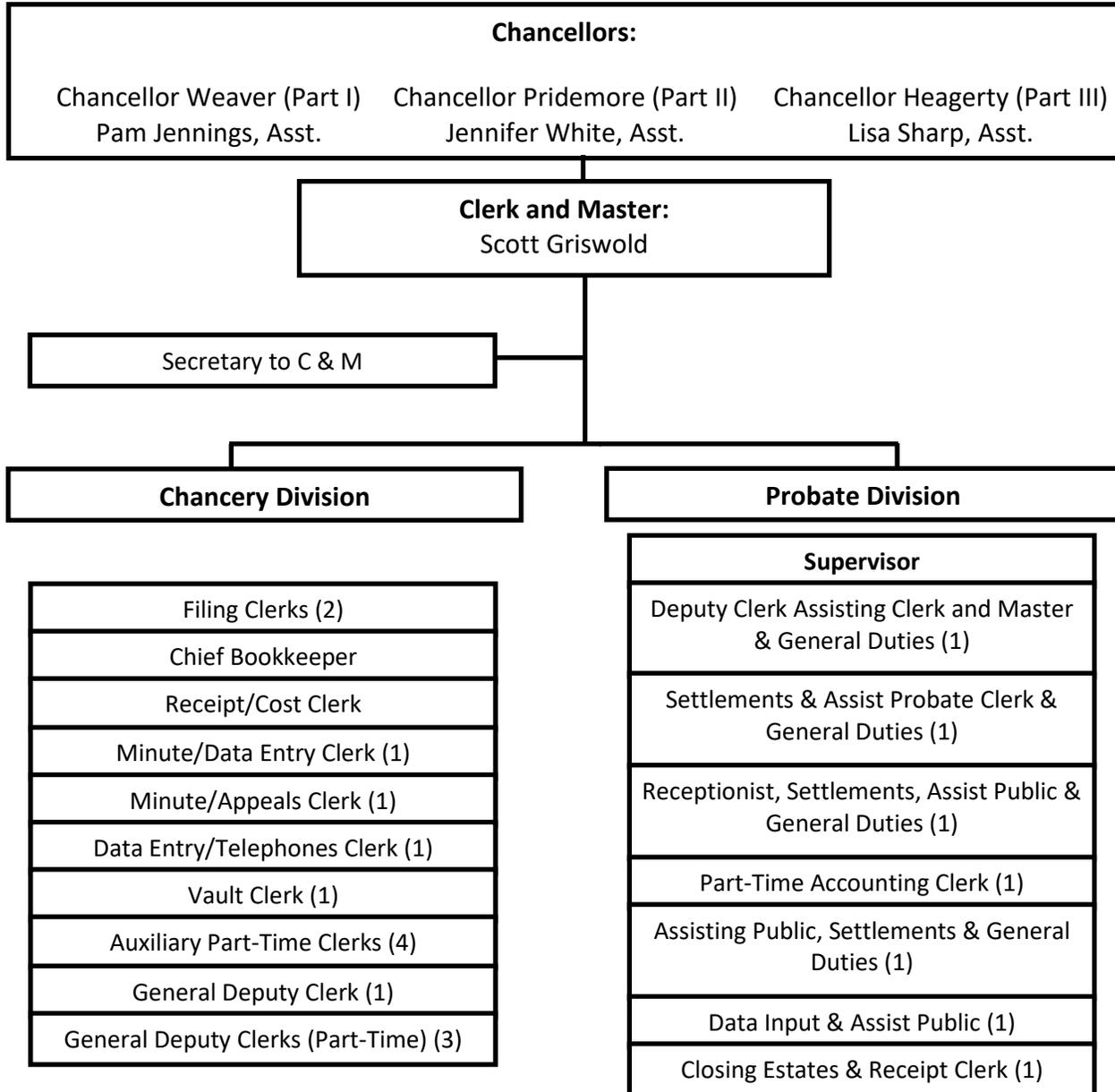
4.7 Organizational Charts for Elected Officials

4.7.1 Sheriff's Office

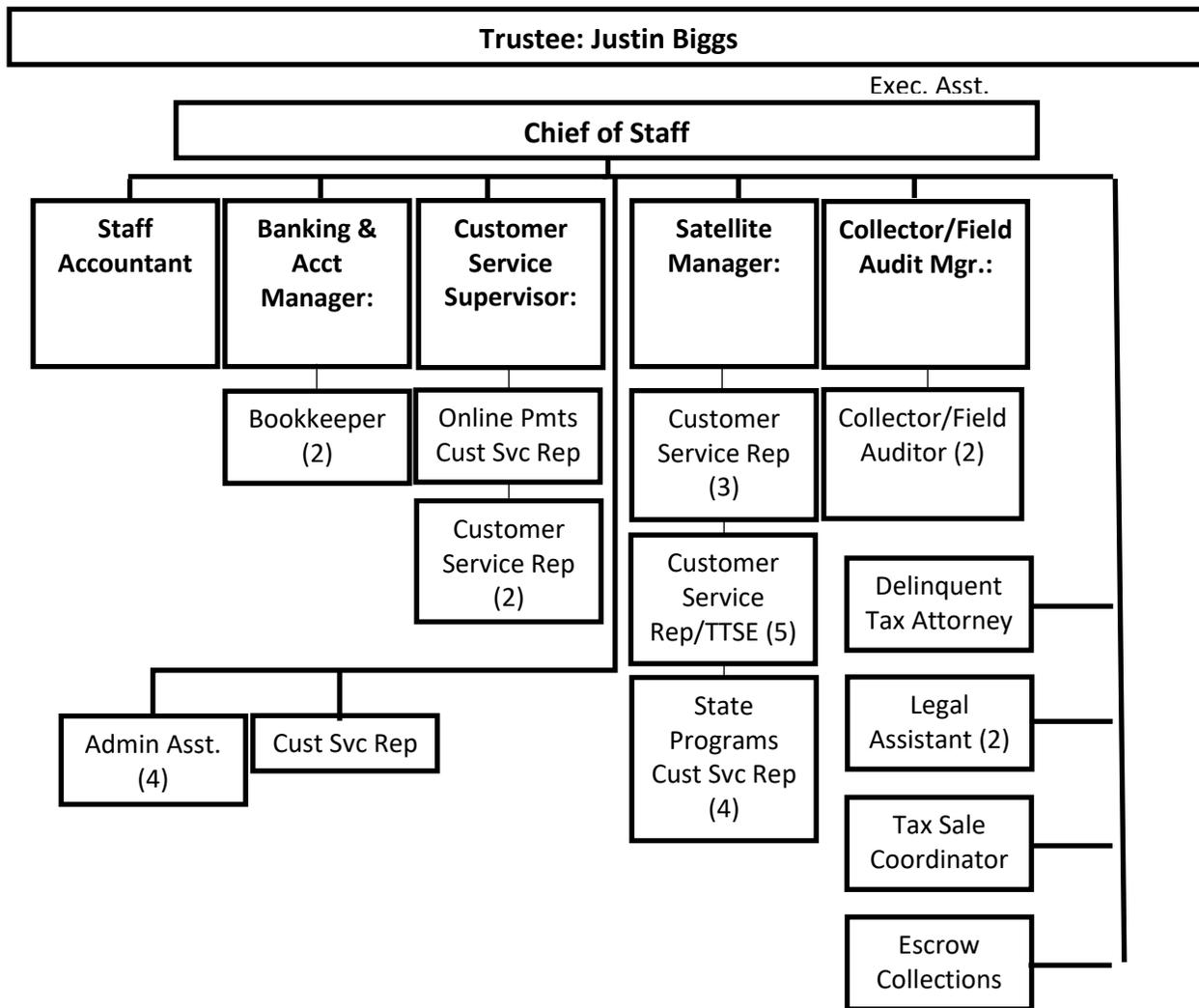


4.7.2 Clerk & Master

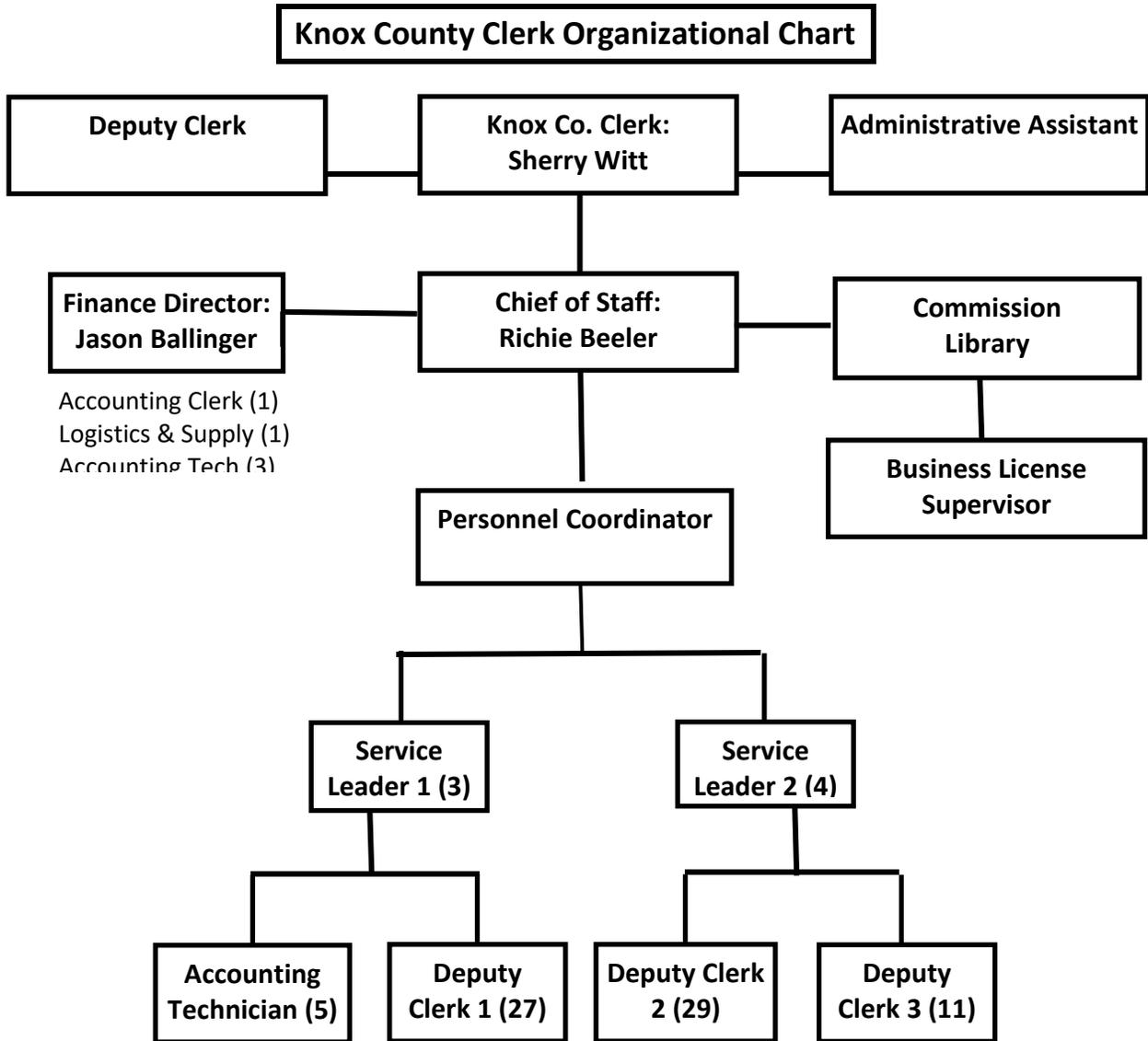
Knox County Chancery Court Office of the Clerk and Master



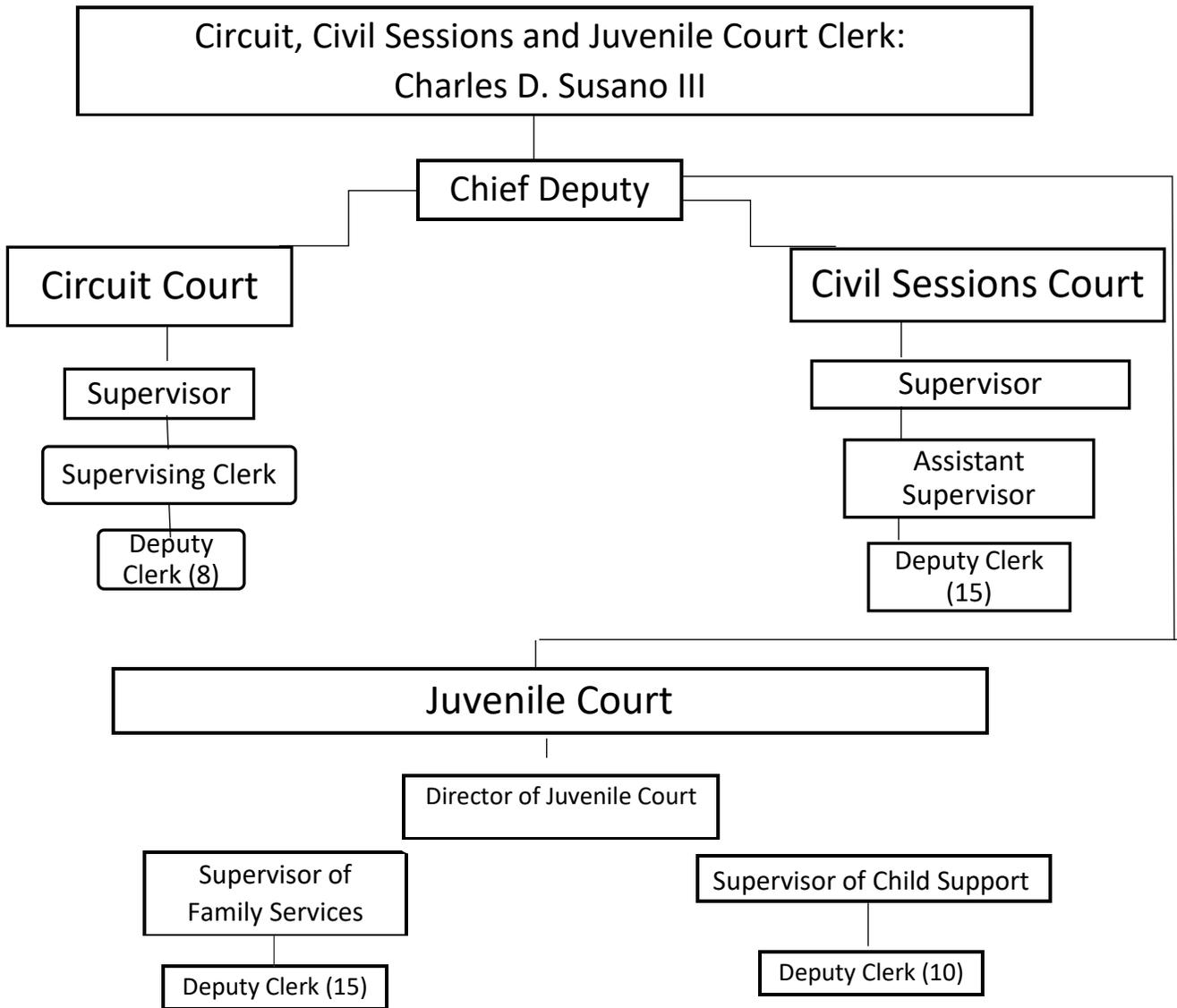
4.7.3 Trustee



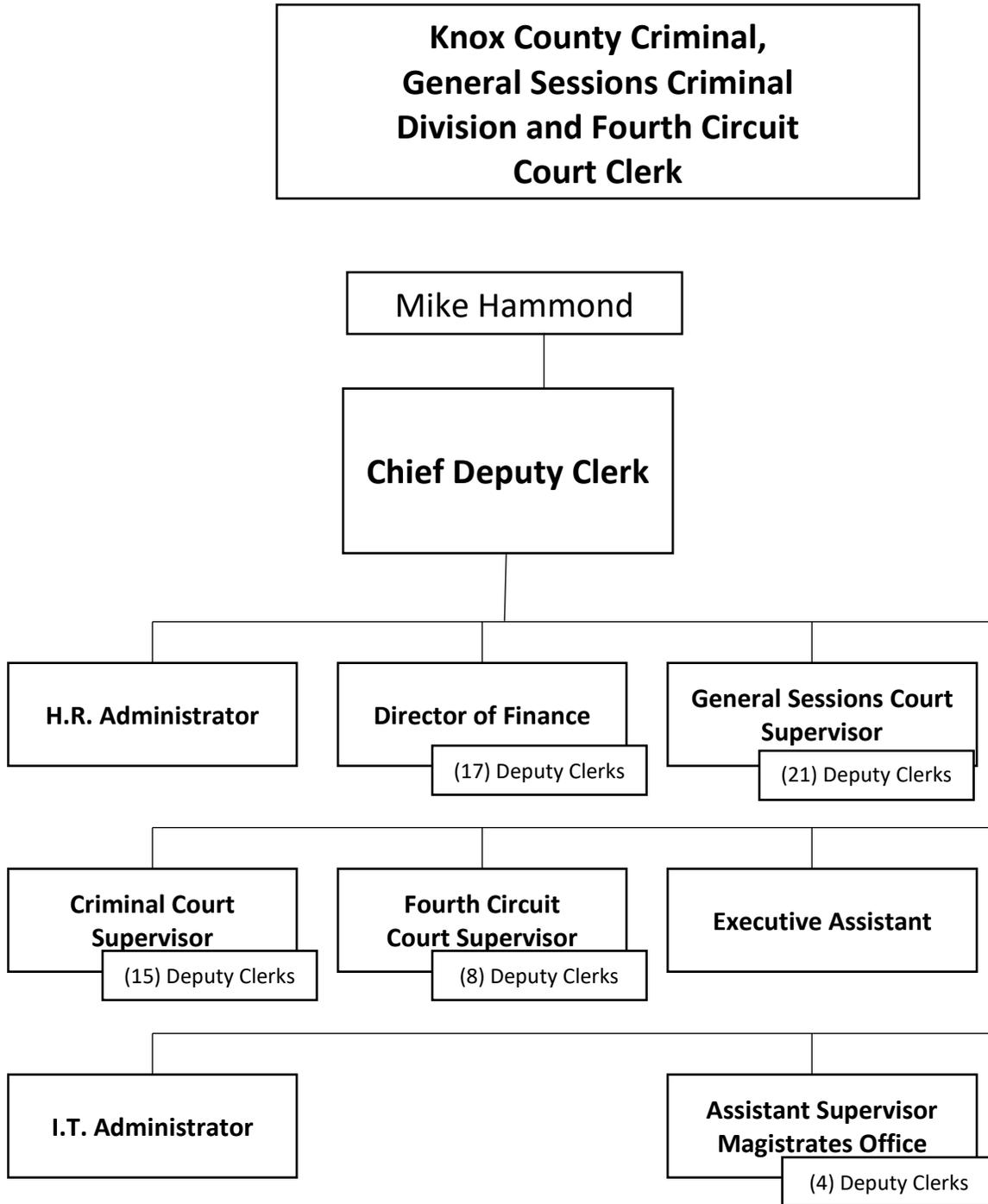
4.7.4 County Clerk



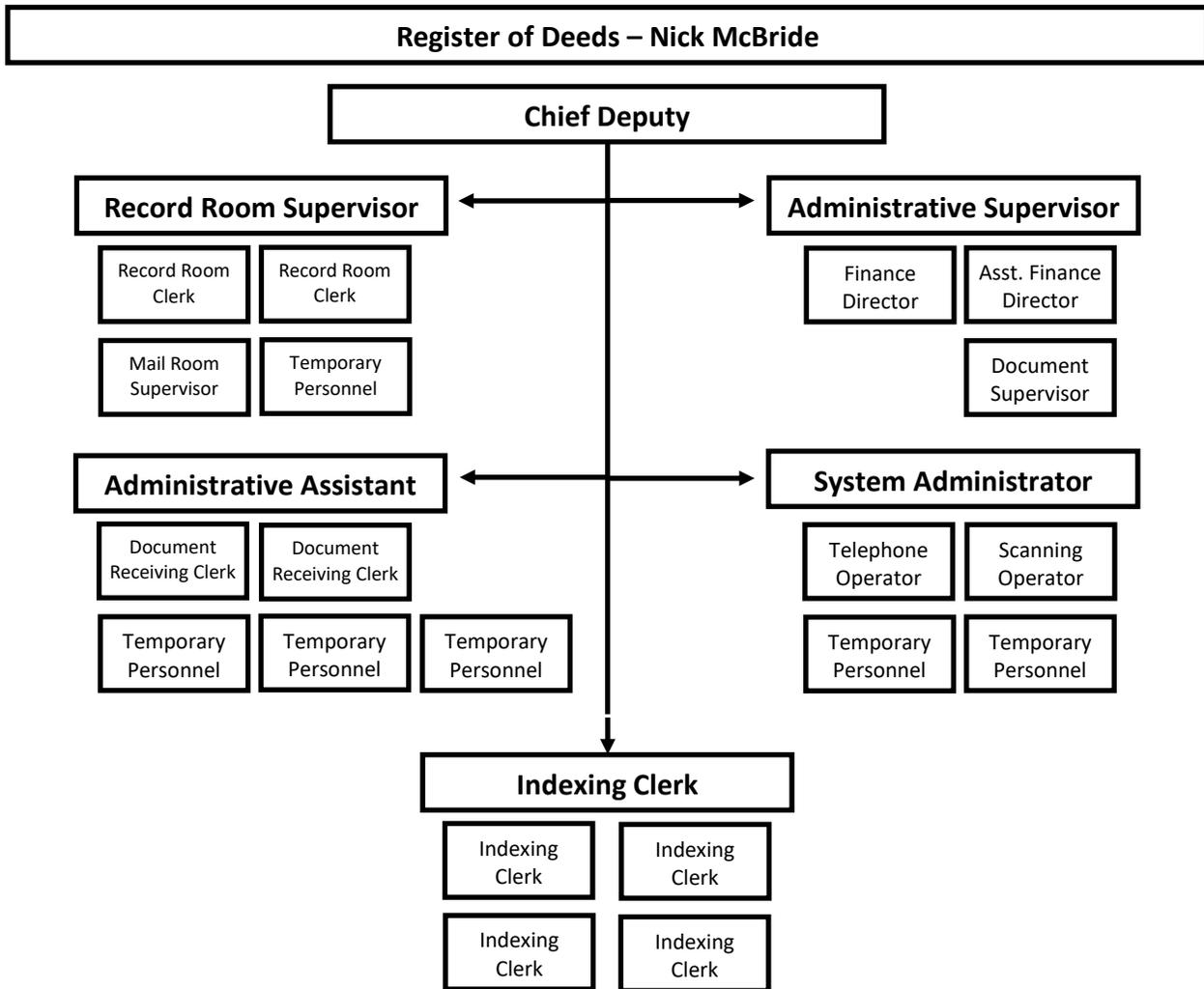
4.7.5 Circuit Court Clerk



4.7.6 Criminal Court Clerk



4.7.7 Register of Deeds



5 INTERNAL CONTROL ASSESSMENTS OF KNOX COUNTY DEPARTMENTS

Overview: The services provided by Knox County (the County) are made available as a result of revenues collected. By far, the greatest amount of revenue received is from property and sales taxes. The assessed value of property is established by the Property Assessor. The County Commission approves the property tax rate based on the needs presented in the budget. After property taxes, the second largest revenue source is the State of Tennessee. These may be reimbursements for taxes paid on alcohol, or funds to repair roads, provide health services for the needy, support the schools, etc. These funds are forwarded by the state to various offices in the county, receipted in the Finance Department and banked through the Trustee's Office - as are all revenues. The remaining revenues (about 12% of the total) are received from a variety of sources.

Purpose: To document an understanding and assess the internal controls of Knox County departments and offices that mainly deal with the handling of County funds as it pertains to the following:

I. Obligations and costs of the operation are in compliance with applicable law

Ensure that contracts are in place for goods and services that are required by law, review purchasing procedures for non-payroll costs to ensure compliance with law, review payroll procedures to ensure that payroll is for legitimate and authorized employee costs only, review emergency purchase procedures for compliance with law, ensure credit cards used by the department are in compliance with purchasing policy and law and are safeguarded. Ensure that all debt is issued in accordance with statute.

II. Whether county funds, property and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation

All department employees have written job descriptions and have criminal background checks performed prior to employment with the county. The mayor and directors set the tone for the office that stresses accountability for public funds. Additionally, the mayor and directors communicate to the staff through annual employee evaluations that integrity, ethical behavior and competence in job skills are expected of county departmental personnel.

III. Whether revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets

The departments perform monthly reconciliations for all funds with the county trustee. This reconciliation includes ensuring that revenues and expenditures for the month were coded correctly. The departments post all purchase orders to the MUNIS software as encumbrances to assist with ongoing monitoring of the appropriation budget.

The department directors and budget managers review the budget of each fund to ensure the original approved budget and any subsequent budget amendments are posted correctly to the accounting software.

The finance department closes the year-end during July and August each year. The departments receive a year-end checklist that includes each report needed by the external auditors. Depreciation and capital asset reports are prepared and reviewed.

The department directors take prompt action on any identified internal control weakness over accounting, purchasing and budgeting identified by their review of operations, external annual audits and state/federal monitors.

Various county departmental staff attend numerous continuing education courses annually that pertain to GASB updates and changes to state law pertaining to accounting, purchasing and budgeting.

5.1 Finance Department

Overview: The Department of Finance is responsible for monitoring the receipt of all funds, coordinating the creation of budgets that define where those funds are to be spent, reviewing the actual expenses and paying the employees that report to the Knox County Mayor. The Community Development office also reports to the Finance Director.

The department is divided into six divisions:

1. Accounting & Budgeting
2. Payroll
3. Community Development
4. Procurement
5. Financial Systems & Compliance
6. Mailroom Services

5.1.1 Budgets:

The County has operated under a County Mayor/County Commission form of government since September 1, 1980 and has been under a Home Rule Charter since September 1, 1990. Policymaking and legislative authority is vested in the County Mayor (executive branch) and the County Commission (legislative branch). The County Commission is responsible for passing resolutions and ordinances, adopting the budget, and appointing committees. The County Mayor is responsible for carrying out the policies and ordinances of the County Commission, overseeing the day-to-day operations of the government, and appointing the heads of many of the County's departments.

Budgetary Approval – After the Mayor recommends the operating budget for the next fiscal year, the County Commission and the public have an opportunity to review the recommendation and to provide input. The budget becomes effective when legally adopted by County Commission. The budget is adopted at the fund, department/function, and major category of expenditure level. The major categories are denoted in the County's chart of accounts by account (object) codes. The major categories are personal services, employee benefits, contracted services, supplies and materials, other charges, debt service, and capital outlay. After the budget is adopted, the individual departments may request line item transfers between the major categories or may request additional appropriations above the initial adopted budget, which require the approval of County Commission. Once the budget is approved by County

Commission, the Director of Financial Information Technology and Compliance, posts the budget in MUNIS, the county's financial software. The Budget Manager reviews the budget to ensure accurate posting of the original budget.

Budgetary Oversight – After the County Commission approves the operating budget for the fiscal year, oversight continues. The County is governed under the State Open Records Act. The public has access to virtually all County financial and other records (with a few exceptions as set forth in the law). The State of Tennessee undergoes a review process of the budget each year and reviews the County's Comprehensive Annual Financial Report (CAFR). In order to fund the County's five-year Capital Improvement Plan (CIP), the County goes to the public debt markets, generally on an annual basis. The County is rated by Moody's and by Standard & Poor's and therefore undergoes the financial scrutiny of the ratings process.

Beginning partway through each fiscal year (early in the year expenditures are at low levels and it is not deemed necessary to prepare the reports until enough actual results are available), monthly budget reports, the "Budget Report to Citizenry," are produced by Finance Department personnel. These reports show actual results year-to-date for each department/function and major category expenditure total compared to the budget. These reports are provided to Commission and posted to the County website for the use of the public.

Budget Adjustments - After the budget is adopted, monitoring of actual results compared to the budget occurs. As noted above, the budget is adopted at the department/function (organization code) and major category of expenditure (object code at the "100 level"). The budget is monitored by applicable department personnel who have responsibility for the function, along with Finance Department personnel.

Within the department/function and major expenditure category totals included in the adopted budget, there is flexibility as to how closely departmental personnel wish to manage the budgets for which they are responsible. For example, a department may wish to allocate its adopted supplies and materials budget (aka "400 level") total to one or a few individual line items, or it may wish to allocate the budget among numerous individual line items within that category. This is a decision left to the discretion of department/division management. However, the total adopted at the department/function level and major category must not be exceeded. Therefore, certain budget adjustments may be necessary to maintain compliance, and others may be deemed appropriate throughout the year and during year-end closing. Budget adjustments may be initiated by the applicable department personnel, or by Finance Department personnel.

Budget adjustments that change the originally adopted budget (i.e., adjustments that change the adopted department/function and major category total) may occur due to changes in circumstances (e.g., department personnel recognize that the adopted total will be more than sufficient for the intended purpose and wish to transfer the overage to another needed category) or to correct an existing or projected over-expenditure in the adopted budget. These adjustments may be initiated by department personnel;

Finance Department personnel also initiate adjustments for the purpose of correcting over-expenditures and therefore maintaining legal compliance if necessary. All budget adjustments that modify the originally adopted budget are required to be approved by County Commission. Budget amendments that do not change the adopted budget do not require Commission approval. All budget adjustments are documented by line item transfer forms. There are two versions of the form: one for adjustments requiring Commission approval, and another for those that do not require Commission approval.

All budget adjustments are posted by Finance Department personnel. After entering the budget entry into MUNIS, the person who entered the budget adjustment scans the supporting documents (at minimum, the approved line item transfer form) and releases the entry. Budget entries are subsequently reviewed, approved and output-posted to the system by designated Finance Department personnel.

5.1.2 Procurement:

Procurement policies and procedures are set forth in the Procurement Regulations and the Procurement Code, which are approved by the Senior Director of Finance, Law Director and the Mayor. Procurement officials have the authority to bind the government entity to acquire goods and services; this authority is the foundation of the procurement system. Procurement is both centralized and decentralized for all departments. The procurement cycle is electronic, and all requisitions/purchase orders flow through the MUNIS/BuySpeed software. Purchase requisitions are initiated at the individual department level by trained and authorized requisitioning agents. Requisitions are numbered automatically by the system, and include the vendor, quantity, description, unit price, name of person making the request, and documentation of electronic approval. Requisitions, when initiated, are allocated to budget lines at department level and MUNIS will not allow a requisition to be processed if it exceeds budget.

Once purchase requisitions are initiated and approved, they are automatically sent through the MUNIS system to the Buyer in the Procurement Division who has been assigned to that department. Once the Buyer receives the requisition, it is reviewed for correctness and compliance with the Procurement Regulations and Code. The Buyers serve as “gatekeepers” to ensure that purchases from all departments are in compliance. When the Buyer is satisfied that the requisition is accurate, and in compliance, the requisition is then converted to a purchase order. Purchase Orders include the date issued, requisition number, shipping location, description, unit price, and total price. When Purchase Orders are complete, they are electronically sent from MUNIS to vendors by email.

All requisitions are subject to the formal solicitation process for the amounts over \$50,000. Formal solicitations are an open competitive bidding process. Commodities or services exceeding the amount of Fifty Thousand Dollars (\$50,000) shall be awarded by competitive sealed bidding whenever practicable. Commodities or services in excess of Twenty-five Thousand Dollars (\$25,000) but not exceeding Fifty Thousand Dollars (\$50,000) shall be awarded by informal bidding whenever practicable. Three (3) written quotes shall be obtained for all requisitions requiring informal bidding. End users are directed to identify the “best obtainable price” for those items under the formal bidding threshold. It is important that all informal quotes obtained are valid. The Request for Proposal (RFP) process is used when detailed specifications are not adequate to define the County’s needs, (where an award cannot be based solely on low price and/or parameters of the requirement are difficult to directly compare). This is the most commonly used method of solicitation for a professional service.

The Request for Qualifications (RFQ) process is used to obtain a statement or qualifications from the proposing supplier. Proposing suppliers are asked to submit resumes, certifications, references, previous experience, and other qualifications as they relate to the criteria established and set forth in the scope of work portion of the RFQ document. This method is used to select the most qualified supplier or firm to provide technical expertise: architectural, engineering and professional consultants.

The County also utilizes cooperative procurement programs. This action is when a lead agency issues a solicitation in which other entities may decide to utilize the award to obtain the advantages of volume purchases, including administrative savings and other benefits. Cooperative procurement efforts may result in contracts upon which other entities may “piggyback”.

If the County awards a solicitation over \$100,000, the Procurement Director will review the file and sign the Statement of Award form. Contracts must receive approval of the Commission, that are in excess of \$100,000, modifications greater than \$25,000 to existing contracts other than road and/or bridge construction, and modifications greater than \$100,000 road and or/bridge construction contracts.

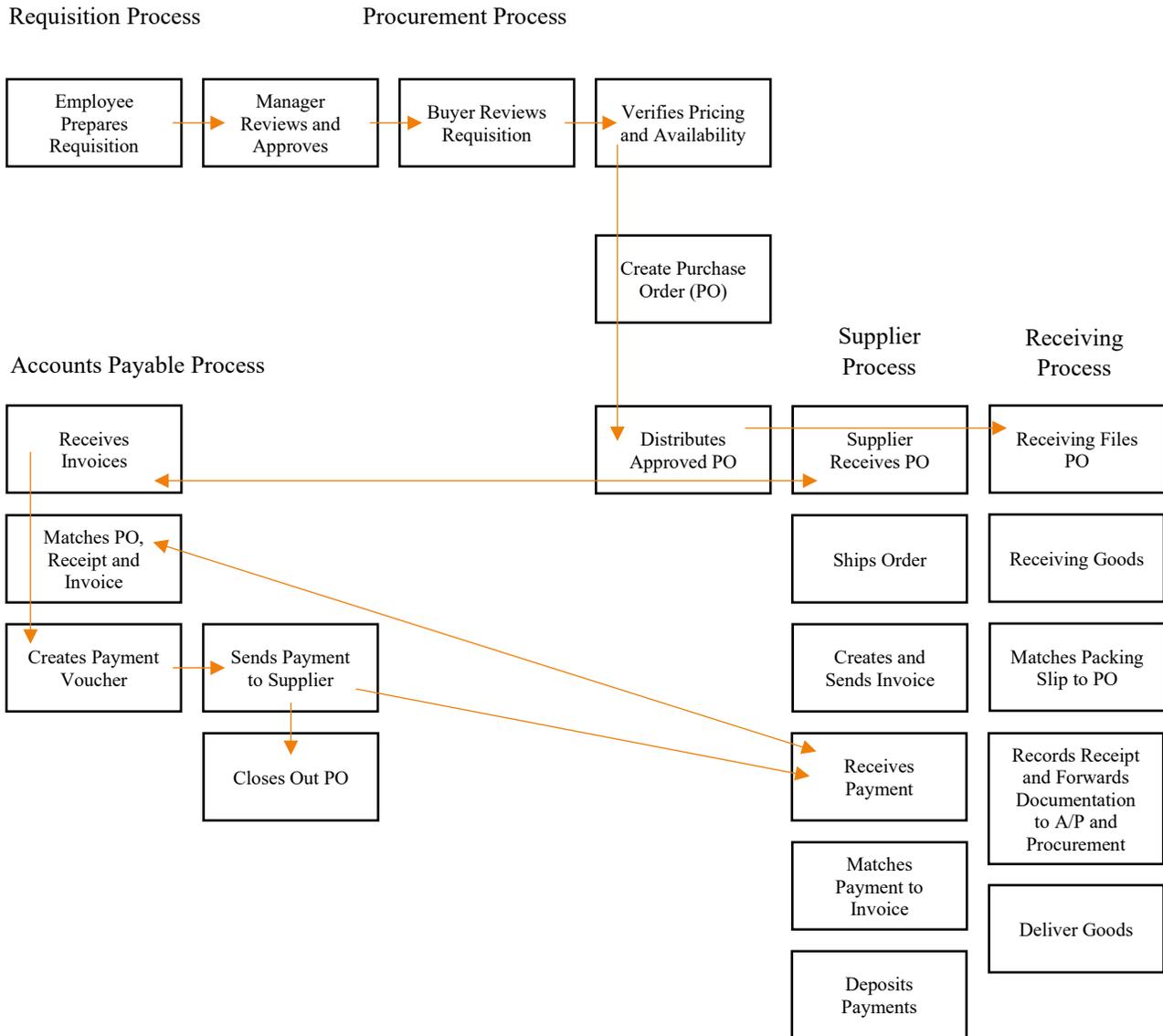
Currently there are an estimated 10,000 procurement vendors maintained in the database. In order to become an approved vendor, a business may go online to enter their vendor application (or a paper application is available) listing name, address, industry, SSN/EIN, and agree to comply with conflict of interest and other County policies. Completing and submitting the Knox County Vendor Application is the only official requirement for becoming an Approved Vendor.

Emergency purchases can be made in the event of uncontrollable or unforeseen circumstances that endanger residents or damage County property. An elected official must make a statement declaring that a true emergency exists, and the official must sign the authorization and submit the emergency purchase documentation to the Procurement Division before the invoice can be paid. Alternatively, Procurement may expedite the procurement by conducting electronic bids instead of sealed bids and shortening the time required for sealed bids to less than two weeks.

The County also extends purchasing authority to approved end users through the use of Electronic Commerce Cards (e-cards). E-Procurement (Electronic Procurement) is the process of using electronic technologies for acquiring goods and services. It includes conducting all or some of the procurement function via software or internet. This offers an opportunity for a public organization to transition from a traditional paper-based process to a real-time electronic platform to improve customer services and reduce cost. All acquisitions made with the e-card are subject to the Procurement Code and Purchasing Regulations. This oversight is conducted by the Program Manager and Coordinator of the e-card program. *See Chart Electronic Procurement Flow*

The County conducts all or most of the procurement functions electronically. Significant benefits provided in the process include reduction in operating costs, improved customer service, fast, efficient and effective method for acquiring / disposing of goods and services.

Electronic Procurement Flow Procure-to-Pay Process



5.1.3 Payroll:

Accounting Systems Used: The payroll department uses the MUNIS System. The MUNIS system is the same as the County's system and has been in place since 2010.

Bank Accounts: The Payroll department utilizes one bank account with FirstBank through the Trustee's office. This account is used to pay payroll for the county offices and fee offices.

Authorization: New employees are set up in the payroll system by HR and double checked by Payroll Department. The Position Control Manager checks all new employees before they are released into the time system to verify how much they are paid and other statistical information. Pay rate changes are handled for most employees through changes to payroll tables (step and grade) rather than inputting pay rates for individual employees. For those employees who do not follow (primarily elected officials), pay rate changes are reviewed by the payroll department. Payroll is authorized through budget approval each year.

Initiation, Recording and Processing: Time is submitted to the payroll department by manual timesheets, excel files, and the Executime timekeeping system. Executime was converted to the Munis Time and Attendance Module which is an electronic time system that the employee enters their time when starting and ending work each day. This system links directly to Munis. Employees clock in and out through the module and this time is approved by supervisors within the system. Manual time sheets are approved and signed by department heads. Excel files are imported into MUNIS in batches.

Reporting: The payroll system is interfaced with the general ledger. Once payroll is processed, a file is created that the finance department's Director of Finance IT and Compliance reviews and releases which posts it in the general ledger.

Payroll Reports: All salaries are budgeted and the remaining budget for each position is tracked by the payroll system and updated bi-weekly with each payroll run. Payroll is processed bi-weekly.

Payroll Bank Accounts are Reconciled: The County has a separate payroll checking account that is maintained as a zero-balance account. Each day, the bank transfers an amount from the County's general account to the payroll account to cover any checks or ACH amounts clearing that day. The account is reviewed and reconciled monthly by the Finance Department.

Payroll Procedures: See updated Payroll Procedures Manual.

5.1.4 Procurement Card Program (pCards):

The Department of Finance administers the Procurement Card Program. The program is designed to streamline the County's payment process using a pCard. It provides an alternative to the purchase order system by allowing end users to charge purchases from suppliers using the pCard without preparing a requisition.

A Knox County pCard is a VISA (credit card). The pCard process is automated, allowing purchases to be tracked and easily managed. Cardholders reconcile posted transactions through the enterprise spend platform website provided by the issuer.

The pCard shall be used only to conduct county business wherever VISA is accepted. The controls, security, and reports built into the program are pervasive and will provide supervisors and managers with

the ability to check purchases, detect fraud, develop trends, and make sound management decisions. Procuring goods and services through a pCard decreases the billing process and eliminates paper checks.

The County has established that the pCard cannot be used for specific categories of suppliers and has blocked their Merchant Category Codes (MCCs). If cardholder attempts to charge at any of the suppliers, the purchase will decline. Other securities are individual transaction amount, 30-day statement cycle maximum and merchant category code access.

Transaction data is captured at a supplier's point-of-sale (POS) system. The type of POS system or technology the supplier uses determines what information is obtained and ultimately transmitted to the end-user through the card issuer. Suppliers choose from various levels of data capture, each more sophisticated in the level of transaction detail captured. Level I data is fundamental, while Level II includes line-item detail (e.g., quantity, unit of measure, item number, and description); primarily, the description found on a receipt.

The County maintains three types of cards, pCard, Contract Card, and Travel Card. The pCard eligibility is based on a departmentally determined business need and is contingent upon receiving the application. The Finance Department delegates purchasing authority to departments. Cardholders and departments are required to maintain the integrity of the program by understanding and adhering to the policy and procedures governing the use of the card.

Department heads request pCards for designated employees, as well as departmental spending limits within established guidelines, individual card limits, and merchant category code access changes. To apply for a pCard, the department must complete the Procurement Card Application Form which includes original signatures of the Cardholders, Department Head, Program Manager, Director of Financial I.T. and Compliance and Senior Finance Director. Department Heads monitor and approve charges electronically. Approved cardholders are responsible for placing orders and completing all electronic uploading to the enterprise spend platform which the department manager/department head will approve via the electronic system. If a cardholder cannot obtain a receipt for a charge, the cardholder must reimburse Knox County the full amount of the charge.

The Department Head and Program Manager decide single purchase limits and monthly credit limits. The Department Head must request a modification to the initial credit limits set on the application. Program Manager and designee keep records of all credit limit changes.

The pCard end users must understand the regulations of the County's procurement code and regulations to ensure compliance with the dollar thresholds. End users have trained annually on specific goals and objectives of the program. The program strives to bring added value to improve the management of goods and services with the most cost-effective approach to acquiring goods and services for the County. The Procurement Card Program policies and procedures found on the County's website.

The Procurement Card Program has a designated Program Manager, and a Program Administrator and their primary roles are to manage the program within an end-user organization for simpliCounty.

- Cardholders are the employees who are issued a pCard to initiate transactions on behalf of the County.
- Suppliers (i.e., vendors, merchants) accept the card as payment for goods and services.

Monthly statements are accessed through the enterprise spend platform. Cardholders are responsible for reviewing statements, receipts, and citing program accounting codes. Account coding is the internal number that identifies the funds (i.e., the fund, organization code, and expenditure code) to be used to pay for a transaction. Department Heads and Department Representatives must obtain these codes from the Knox County Finance Department.

The County also has Contract Cards, which allows for higher spend limits that exceed bid limits as established by the Knox County Procurement Code. These cards are associated with specific contracts. Each Contract Cardholder may use only those specified contracts and contractors as maintained by the Program Manager. If a cardholder uses an unauthorized vendor, they are subject to the "Three Strike Policy" or further disciplinary action.

The "Three Strike" policy is designed to enforce minimum disciplinary actions for egregious charges. The first offense results in a warning for the cardholder. The second offense results in a 60-day suspension of the card. The third offense may result in the cancellation of the card. The Program Manager maintains a log of violators and makes recommendations for disciplinary action. If transactions are considered fraudulent, cardholders may be terminated or reported to appropriate legal authority.

Receipts and invoices for all transactions are routed through the spend platform system to the Program Manager in the Finance Department, who reviews purchases and requests additional information from cardholders for any transactions that may seem questionable. The Program Manager maintains documentation of explanation for any items that seem unusual. The employee making the transaction must reimburse any purchases that do not have adequate documentation. Strike letters are issued under the "Three Strike" policy for any transactions that do not follow County guidelines.

Payments for capital purchases and sensitive items can be made via the pCard. Capital purchases are defined as items such as machinery, equipment, etc. with a unit cost of \$10,000 or more and an expected useful life of more than two years. The department making the purchase is responsible for ensuring that the purchase of capital equipment is coded adequately to an appropriate capital outlay expenditure code to ensure that the related item may be appropriately reported in the capital assets records maintained by the Knox County Finance Department.

Prohibited uses of the card program:

1. Transactions shall only be used for County authorized purchases, which means that the Department Head approved the purchase.
2. The card shall not be used to circumvent the procurement process.
3. Cardholders shall not make any purchases restricted by the cardholder's department, division, office or agency.
4. When used for food or beverages (non-travel related only), additional documentation is required.

Travel Cards are used to facilitate pre-payments and NON-FOOD travel expenses for County employees. Please refer to the Knox County Travel Policy for additional policies and procedures. Only travel purchases where the Knox County Travel Expense Reimbursement Summary Form is completed may

be charged on a "travel card." All travel charges are reviewed for appropriateness by the Finance Department.

Procurement Cards are used as a revenue generating tool for the County, and purchases are made through credit cards in the finance department whenever possible to maximize the rebates received through credit cards and streamline processing costs. These transactions follow standard purchasing procedures, and the Program Manager is an authorized official to procure goods and services.

The essential controls within the pCard process include; authorization of cardholders and spending limits before issuance, receipt or invoice required for each purchase made on cards and individual transaction limits and spending limits for all cards.

Card transactions are paid through the A/P process. The charges for each statement period are paid automatically through ACH transfer. When the Finance Representative receives notice that funds have been drawn against the bank account, they will charge a prepaid account for the monthly charges. A breakdown of the charges is imported into the Munis system and invoices are created for each charge and expensed against the appropriate account. The total of the charges for that statement period will be matched against the ACH draw amount.

5.1.5 Cash Management:

The Account Payable/Payment Creation process is separated into two independent areas. The Payable Staff of the Finance Department verifies that payment requests meet county acquisition requirements and are properly documented and approved. One person audits the request, a second inputs the request, and a third person verifies and approves for release for check creation. The auditing process includes a review of the nature of the charge, the appropriate vendor base being utilized, and the appropriate contract being used to insure best pricing. Once approved, the Information Systems Staff (ISS) of the Finance Department executes payment creation. Payment creation is either a paper check, or a file of ACH transactions to be executed by the bank. Each individual vendor determines how they prefer their payments to be executed. The Information Systems Technician and Information Systems Assistant are the primary and secondary persons in the ISS to execute payments runs. The Director of Finance IT and Compliance can act as a tertiary resource in the event the other two are absent. Each type of payment is sequentially numbered by the system with registers generated to fully account for all disbursements. The registers cannot be altered to insure accountability. Paper checks are returned to the Payable Staff for mailing or pick-up by the requesting department. Electronic payments have a remittance email sent to the receiving vendor. Paper checks that are mailed subsequently are sent to the Mailroom for postage and mailing. Checks picked up by departments are manually logged and signed for. The county utilizes a positive pay file on payments to avoid check fraud and the bank is notified daily of which checks are issued and their amounts. Only checks on this list can be cashed. The county utilizes a zero-balance account that accumulates daily transactions (checks cashed) and sweeps money from the county's main account daily to clear those amounts. A liability account within the county's Banking Fund maintains the balance between checks issued, and checks cleared. The outstanding warrants list is reconciled to this balance as statements are delivered from the bank.

5.1.6 Capital Assets:

The County has a fixed asset policy in accordance with GASB 34 that was updated and revised in FY14. The capital asset threshold is \$10,000. The MUNIS system allows equipment purchased with grant funds to be denoted as purchased with Federal, State, Local or Stimulus funds. Grant equipment is identified using this method. Each department is responsible for maintaining an inventory list of their capital assets. Each department is responsible for inspecting their inventory. The timing of the physical inventory count is up to the department. Finance encourages departments to do so annually. Every year Finance sends a copy of the previous year's inventory list to each department and requests that an updated inventory list be returned to Finance. The updated inventory lists are maintained in the Finance Department which is under the Mayor's governance. Fixed asset custodians are the Finance Budget Manager – Schools; the Senior Accountant for General Fund Grants – County; the Senior Accountant for Internal Service funds; the Controller for Enterprise funds. Departmental personnel physically observe the equipment in each department annually. The Senior Accountant custodian for County Fixed Assets maintains and updates the inventory list in the Finance Department. The county has real property lease agreements that are monitored including reconciliations of the payments by the county. The Law Department reviews all agreements. The Director of Financial Reporting with Finance oversees the accounting of capital leases for the county.

Within the Finance Department, the Director of Financial IT and Compliance works with department personnel to make the determination about what items in the department are surplus. They contact the Asset Management Division to come pick up items that are surplus. The Property Manager with the Asset Management Division will oversee the transfer or sale of surplus equipment. The Supervisor of Real Property within the Procurement Division oversees the transfer or sale of real property.

5.1.7 Grants Management:

Each Knox County department is responsible for applying for grants within their department.

Each department may request that grant applications be approved by Knox County Commission. If Commission approves a grant, the approval is recorded in the minutes of the Commission & Commission Resolutions. Copies of Commission Resolutions are forwarded to the Finance department for review. The Senior Accountant custodian for County Fixed Assets and the Budget Manager for Schools Fixed Assets review all commission minutes monthly to identify approved grants.

The Budget Manager oversees the Knox County Health Department, Air Quality and Litter grants. The Senior Accountant for General Fund Grants is assigned most general grants- American Rescue Plan Act funded projects, HUD (CDBG and HOME) grants; JAG or BYRNE (Office of Community Justice Program); Sheriff Federal, State & Local grants & reimbursement agreements with other agencies (FBI, etc.); State of Tennessee Dept. of Mental Health & Substance Abuse Services; Knox County Public Library Federal, State and local grants; some Engineering & Public Works (E&PW) grants for the Stormwater and Traffic Management divisions; Tennessee Emergency Management Agency (TEMA) Homeland Security Grants; FEMA Disaster, Pre-disaster grants for the Mayor's Office; Parks and Recreation State and local grants; and other small local grants from the Knoxville Bar Association, Radio Systems, and East Tennessee & Mount Rest Home Foundations.

The Senior Accountant for General Fund Grants also assists the Knoxville – Knox County Planning Commission with Federal Transit grants, as well as with State Transit, State Historical Commission and local grants.

For grants in the application process a copy of the application is made and filed by the Budget Manager or Senior Accountant for General Fund grants. If the grant has been awarded the originator of the grant within the county department is contacted. A MUNIS org code is assigned to the Fund 102 General Grants fund for that specific grant. In consultation with the department originating the grant, a budget is prepared and input on MUNIS.

A unique org code is assigned to each grant awarded by a specific grantor agency. Some Grantor Agencies renew a grant contract every year. For these grants the same org code may be used year after year. If a grant's contractual period doesn't fall within the County's fiscal year (7-1-XX – 6-30-XX), different org codes may be assigned to each year's new grant contract to enable improved matching of revenue & expenditures within the fiscal year for two grants having the same source, purpose & Federal Assistance Listing number.

Some departments prepare grant reimbursement requests to send to the Grantor Agency and send a copy to Finance so that the Accounts Receivable Supervisor in charge of Accounts Receivable (Finance) and Banking and Accounting Manager (Trustee) may identify the payment when it is received by the Trustee's Office. The Trustee's Banking and Accounting Manager sends the check or Automated Clearing House (ACH) notice to the Accounts Receivable Supervisor who codes the revenue to the correct org and object (GL) code for that particular grant.

Other departments ask Finance to prepare and/or review & approve reimbursement requests prior to submitting the request to the grantor agency. In this case, the Month's or Quarter's MUNIS GL transaction report is run and compared to the reimbursement request. If a discrepancy is noted between the two, the department is notified so that the reimbursement request may be adjusted in order to reconcile it to the General Ledger report.

A department may request adjustments when revenue or expenditures haven't been posted to the correct MUNIS code, or when a part of an expenditure is not allowed by the grant (for instance some travel expenditures may not be allowable). Finance prepares the journal entry, attaches documentation describing the reason for the journal entry adjustment, and scans the document into MUNIS.

The Budget Manager and Senior Accountant for General Fund grants work with county personnel to ensure grant procedures are followed in accordance with county policy. The Law Department reviews all grants on the County Commission agenda. For Knox County departments, the County Mayor is authorized to sign the grant application documents. For MPC grants, the MPC or TPO Director are authorized to sign. The most recent version of the OMB uniform administrative requirements, cost principles and audit requirements for federal awards are on file in the Finance Department in the grants folder on the server. The Budget Manager and Senior Accountant for General Fund for County Grants and the Finance Director for the Knox County Health Department (KCHD) for Health Department grants are responsible for knowledge of the OMB contents & the grant contract. Most grant documents are maintained in the Finance Department. There are some Air Quality, Public Library, Solid Waste, Juvenile Court, and Sheriff Department grants that are coded to their department fund rather than to the

general grants fund. Also, some grants are shared with the City of Knoxville (several JAG grants) administering them. At a minimum, a copy of the commission resolution and the initial grant contract along with the MUNIS Budget set up for the grant are on file. Where a department requests Finance to assist with review or preparation of reimbursement requests there will also be monthly or quarterly General Ledger reports reconciling to each reimbursement request, along with a copy of the reimbursement request. Any correspondence with the department or outside agency regarding the grant is maintained in the grant file or online. The internal control procurement policies are maintained in the Finance Department. Revenue and expenditure transactions for each grant are maintained in separate cost codes so each grant is easily recognized and accounted for in the accounting records. For General Fund County grants, Department Supervisors and the Budget Manager and Senior Accountant for General Fund Grants and the Finance Director for KCHD are responsible for maintaining the county and highway grants. For Highways/Road construction grants, the Director of Stormwater and the Budget Analyst with E&PW are responsible. The Schools Senior Accountant for state and federal grants and the Senior Accountant for general purpose, special projects and capital fund are responsible for maintaining School grants. Either 2 or more persons within a department may provide backup for each other. The Senior Accountant for Schools in the Finance Department reviews and enters MUNIS school related journal entries. At year-end the Schedule of Expenditures of Federal Awards (SEFA) is reviewed by Finance personnel as well as school personnel.

5.1.8 Debt Management:

Knox County issues debt, generally on an annual basis, to fund capital improvements for long-lived assets. Generally, the projects for which debt is issued are as approved in the annual Capital Improvement Plan. The County does not issue debt for operating expenditures.

Debt issued may be in the form of bonds, capital leases, or notes (capital outlay notes, bond anticipation notes, etc.) as provided for in Knox County's adopted Debt Management Policy. For most County projects, bonds are issued to fund the costs of the projects. Debt may also be issued from time to time to refund existing debt, if economic conditions warrant. The plan to refund bonded debt must be submitted to the State prior to issuance. (Although the State requires that the refunding plan be submitted, the State has no statutory authority regarding approval of refunding or any other bond issues.) The state approves plans for the issuance of notes. Debt in the form of capital leases is also issued on occasion to provide advance funding for certain energy management projects for which the energy savings are guaranteed and, therefore, no effect on debt service fund occurs as there is no need to budget debt service fund revenues to provide funds for repayment of the capital leases. For all debt, the term of the debt repayment is carefully reviewed by Finance Department personnel along with the County's financial advisors and bond counsel to ensure that the term of the debt does not exceed the useful life of the assets acquired from the proceeds.

Finance Department personnel work with the County's financial advisors as to the timing of the issuance of bonds, factoring in the expected timing of expenditures, current and forecasted interest rates, and competitive market factors. Once the management decision to issue bonds is made, an initial resolution is prepared and voted on by County Commission, and a public notice is published. A final resolution authorizing the issuance of the bonds is also prepared and voted on by Commission. The financial advisors, bond counsel, and County Finance Department personnel prepare, review and approve the

necessary documents. Bonds are sold by competitive sale, awarded to the bidder with the lowest true interest cost.

As noted above, the County from time to time enters capital leases to fund energy management projects. These capital leases are in substance similar to notes or loans, in that the funds are provided up front and used for project costs, and the repayments are made in accordance with an amortization schedule. These leases are not required to be issued in the same manner as bonds. For these leases, County Finance and Procurement coordinate to determine the needed proceeds that are required for the financing and repayment, Procurement issues an RFP, and the responses are evaluated, and the winner selected based on the lowest interest cost. All responses are recalculated and verified by Finance. Bond counsel is engaged for these transactions to ensure that all legal requirements are followed. In addition, the County may enter leases that function as operating leases, but due to their terms meet the criteria for reporting as capital leases. Finance Department personnel review the Commission minutes and review any agreements that appear to be potentially capital, and review and calculate as necessary to determine whether they meet capital lease reporting criteria.

Totals and details of existing debt are maintained by Finance Department personnel, who schedule and monitor upcoming payments for debt service, and ensure that all invoices are received and processed timely to ensure that payments to bondholders are made on time. Finance Department personnel provide schedules of upcoming debt service requirements to the Trustee's Office to assist them with cash flow management. When the invoices for debt service payments are received in Finance, the invoices are compared to the debt service amortization schedules, reviewed for accuracy, coded with the appropriate account distributions, and prepared for payment. Except for minor invoices for fees, debt service payments are made by wire transfer. Once the debt service invoices are reviewed and prepared for payment, they are approved by the Finance Director and forwarded to the Trustee's Office for payment. The Trustee's Office sends verification that the wire transfers were made to the Finance Department after the funds are wired out.

5.1.9 General Journal Entries:

General journal entries are used for a variety of reasons: to record transactions that do not arise from the cash receipts, cash disbursements or payroll recording functions within the MUNIS system; to accrue items for year-end reporting; to correct the posting of previously recorded transactions; or other necessary functions. Basically, the purpose is to ensure that balances recorded in the general ledger are reported correctly to ensure that actual results of operations are in compliance with the adopted budget, as amended, where applicable, and to ensure that financial reports are fairly presented. General journal entries may be initiated by department personnel who have responsibility for the areas being adjusted, generally resulting from the identification of corrections that need to be made. Such requests for general journal entries are forwarded to Finance Department personnel for review and posting to the MUNIS system. General journal entries are also initiated by Finance Department personnel. Except for certain Trustee Office personnel who are authorized to enter certain general journal entries arising from Trustee Office cash transactions, all general journal entries are entered into MUNIS by Finance Department personnel. The person who enters the general journal entry into the system then scans the related supporting documentation and releases the entry. General journal entries are subsequently reviewed, approved and output-posted to the system by designated Finance Department personnel.

5.1.10 Trustee's Commission:

The County Trustee's office submits a breakdown of property tax collected from within their property tax system (PTS) with associated commission fees daily to Finance to post to the Munis system as a journal entry. Amounts are calculated via the accounting software based on daily tax collections. The Finance Department calculates miscellaneous (non-property tax) revenues approximately quarterly (or sooner as requested by Trustee) via a crystal report analyzing revenue posting. A crystal report looks at the revenue received field and calculates commission based on the percentage of allowable commission, 1% or 2%. Revenue types are reviewed based on the state's allowable commission types to determine which are commissionable and non-commissionable. A code is put on the revenue record to reflect this determination which is read by the crystal report. The resulting report is posted as a journal entry by Finance.

Daily tax collections are deposited by Finance into a payable account for distribution to the general fund, debt service fund and the school's general fund. The commission for daily and miscellaneous collections is posted as expenditures by Finance in the funds where they are collected and a receivable in the Trustee's banking fund. The Miscellaneous commissions are posted into the same payable account when the report is run by Finance. On a periodic basis, and at fiscal year-end, all revenue accounts are reviewed by Finance to ensure new accounts have been properly coded according to commissionable percentages.

5.2 Health Department

Overview: As a public health agency, the Health Department works to promote and protect the health of everyone in our community. The department tracks and monitors diseases, conducts extensive health education and outreach, provides and connects people with care, enforces food safety and air quality laws and regulations, prepares for public health emergencies, and more — all with the goal to ensure the conditions in which every Knox County resident can be healthy. The department has nine divisions and employs more than 260 professionals including public health educators, epidemiologists, physicians, environmentalists, nurses, nutritionists, emergency preparedness specialists and many others.

5.2.1 Account system used:

The Health Department does not have a system that they use daily. They mainly use Excel to perform reconciliation and verifications from receipts to cash. The office does have MUNIS but does not enter anything into it. When MUNIS needs updates or fixes, Knox County's IT department is who initiates the fixes or updates. The Health Department does have INTERGY, which tracks patient records.

5.2.2 Bank Accounts:

The Health Department is now using a bank account through the Knox County Trustee's office, which include a "lockbox" account as well as their basic depository account activity.

5.2.3 Receipting:

The Health Department has the Clinical Health Division consists of Travel/Immunization (TIC), Women's Health, Communicable Disease Clinic, Centers of Excellence, Dental, as well as the two satellite offices, the Teague Clinic in North Knox County, and West in West Knox County. There is

also a non-clinical part of the Health Department, which consist of Environmental Health, Vital Records and Air Quality.

Clinical Departments use INTERGY software for data collection. Each separate clinic doesn't automatically generate a receipt for each transaction. A patient is assigned a patient number and the transactions are recorded as part of their patient file, and there aren't specific, sequential, pre-numbered receipt numbers. Patients/customers aren't automatically given a receipt after a visit. The receipt is dependent on whether or not the patient has insurance. Payments from the insurance companies are sent directly to the lockbox for the Trustee and no receipt is generated for the insurance company. Only patients without insurance are issued a receipt when they pay. Those receipts aren't pre-numbered; they are only issued as a record of activity on the patient's account. Each of the separate departments in the clinical division accepts payments in each office, where they have their own cash drawer. There is one cash drawer per department, so each clerk will use the same cash drawer. Most of the divisions only have a couple clerks, with some only having one, and each clerk has a separate sign on for when they are using the drawer. Each also maintains a cash balance, mainly for change and is a small, nominal amount; only one is over \$100 with the rest being in the \$30-50 range. All departments have a locked place to hold money that is stored overnight. At the end of the day, two clerks count and reconcile to the INTERGY report. Clerks do not have the ability to void or edit inside of INTERGY after a transaction. The clerks then take all cash over starting amount and prepare for deposit. The amount and INTERGY daily cash transactions report is taken to the Finance department where it is counted and recorded by two accounting clerks. The amount is then deposited with all other clinics that day. Finance enters daily amounts into an excel spreadsheet. This spreadsheet is reconciled at the end of each month. The Health Department follows the State's 3-day deposit rule. The satellite offices operate the same way, with couriers bringing deposits at the end of each day and the deposits being included in the Department's deposit on the next business day. Credit Card transactions are handled the same way as cash and checks. This method is chosen in INTERGY as opposed to cash/check when payment is rendered. The end of day report includes the credit card totals. The report is provided to the accounting clerks at the end of the day along with the cash/checks deposit and reports. The clerks then print the detail from the credit card processors website of the deposit made to the bank. The amount is then entered into the cash receipts ledger and reconciled to the individual departments with INTERGY reports. This is done as the deposits hit the bank, which is generally around 2-3 days from the date of the services provided. This is within the three-business day state law. The non-clinical part of the Health Department does not use INTERGY for receipts. They use an electronic receipt created in SharePoint. These receipts generate sequential numbers, and a copy is maintained on the servers. The clerks can print a report of the receipt activity for each day in their department to attach to the daily deposit taken to accounting. Clerks can void receipts but are unable to alter receipts once created. The accounting department reviews voided receipts each day when collecting the daily deposit.

5.2.4 Disbursements:

County Finance oversees all payments.

5.2.5 E-Cards:

The Health Department follows the Knox County policy regarding E-Cards. There are three E-Cards: Office Administrator, Building Operations, and Dental Director. The Health Department also has one travel card which the Senior Director and Office Administrator manage.

5.2.6 Payroll:

Payroll is processed through the County Payroll Department. This is part of Tennessee Code Annotated (TCA). All pay raises are based on county budget. Time is entered by the individual employees through the Munis Time and Attendance Module and approved by the supervisor of that department.

5.3 Codes Department (Engineering and Public Works)

Overview: Knox County Code Administration's mission is to protect the safety, health, welfare, and property of the citizens of Knox County. This is accomplished through administration, public education, and enforcement of building regulatory codes. Whereas plan review, periodic inspections, and active enforcement of zoning regulation on new and existing construction are fundamental elements of the department's overall mission. The Codes Department is under Engineering and Public Works and the org number is 1310610.

5.3.1 Account system used:

A database system was developed for and tailored to the needs of the Codes Department. This system is known as Cartegraph Asset Management System and has been in place since November 2022. Cartegraph is used for accounting, permitting, scheduling, and inspections. Knox County's IT Department updates and fixes problems within the Cartegraph Asset Management System when necessary.

5.3.2 Bank Accounts:

The Codes Department uses the main depository account that is in the Trustee's office. This account is reconciled by the Accounts Receivable Supervisor in County Finance.

5.3.3 Receipting:

The Codes Department has 4 permit technicians that receipt monies. The Codes Department has 4 permit technicians that receipt monies. The Codes office accepts credit cards, personal checks in the office and credit cards and e-checks on-line. When a receipt is issued in the office, the Permit Technician writes the permit number on the back of the check and places it in the office safe. Receipts are computer generated within the Cartegraph Asset Management System; however, there are manual receipt books in the office. These manual receipt books are used only if the system goes down and as a temporary receipt until the regular receipt is sent out via email/mail to the individual making the transaction as soon as the system is working. Cartegraph records the check number, receipt number and permit technician that issued the receipt. The Codes Specialist or Permit Technician will review the checks received with the Financial Report to verify all transactions are correct. All checks are scanned through the First Bank check scanner to make a remote deposit. Deposits are made within 3 business days. The Codes Specialist or Permit Technician will reconcile the Deposit Ticket and Detail Report with the First Bank Account Transactions report when posted. The reports are then scanned and sent to the Accounts Receivable Supervisor in Finance within 3 business days. The monies paid online through the payment portal are issued a receipt from The Nexus Payment System. The Nexus receipt records a transaction ID, permit number, consumer name, type of payment and the amount. These monies are deposited each day, electronically. The Codes Specialist or Permit Technician will verify the Nexus payment transactions and the Cartegraph Financial Report are correct, daily. The Codes Specialist or Permit Technician will

reconcile the Cartegraph and Nexus report with the First Bank Account Transaction report when posted. The reports are then scanned and sent to the Accounts Receivable Supervisor in Finance within 3 business days. The Codes Specialist and Permit Technicians are the only people who can void receipts and those are tracked within the system.

5.3.4 Disbursements:

This office does not write checks; moreover, they pay through Check Requests or department credit card. Requisitions, Purchase Orders, and Check Requests are prepared, approved, and reconciled by the Codes Specialist (Bookkeeper).

5.3.5 Payroll:

Payroll is processed through the county Payroll Department. The positions and salaries of those positions are budgeted for and shall increase accordingly. Timesheets are completed in ExecuTime by individual employee. The Codes Specialist, Building, and Plans Review Manager approves of leave time requested in ExecuTime.

5.3.6 Budget:

The department budget expenditures are reconciled each month by the Codes Specialist (Bookkeeper). The Codes Specialist (Bookkeeper) makes transfers between categories if necessary, to keep the different account codes balanced. In January, the Codes Specialist (Bookkeeper) looks at the different account balances in preparation for the next fiscal year's operation. The Office Manager (Codes Specialist) meets with the Engineering & Public Works Director of Development Services and the Building & Plans Review Manager to plan for any additional expenses that may need to be added into the budget request such as additional employees, training, recertification, vehicles, and other equipment outside of the everyday operating expenses. The Codes Specialist (Bookkeeper) then prepares the proposed budget listing the amounts needed in each line item account and removing or reducing any that are no longer necessary. The proposed budget is then submitted to the Director of Engineering & Public Works for review before being submitted to Finance where it is inputted into MUNIS. All MUNIS journal entries are reviewed and posted by the Finance Department Controller.

5.4 Parks and Recreation Department

Overview: To provide and preserve quality parks with recreation opportunities and to be an innovative leader in delivering quality parks and programs. The Sports/Recreation side of this Department collects monies for special events, field rentals for (Sportspark, Schumpert Park & John Tarleton Park) various Association softball, baseball, football and basketball fees, also adult softball League Fees, tournaments and donations.

5.4.1 Account system used:

The Parks and Recreation Department utilizes a financial software program called Peak Software, AKA Sportsman Software that is used to balance and reconcile accounts. With the new Sportsman Software customers can make purchases online, and staff can enter payments and provide refunds. Sportsman separates the cash, check and credit card amounts into the proper budget accounts and keeps track of all receipts. The department also uses the Knox County MUNIS accounting system that coordinates with

the Finance Department for all bank deposits. The Department uses (ConvergePay), which is a system used to process credit card payments through the Sportsman Software. All updates to this system are performed by Elavon, Inc.

5.4.2 Bank Accounts:

The Recreation Department uses the Main Depository account with Knox County as its bank account. They can only make deposits into this account. The Executive Assistant deposits all monies. The Administrative Coordinator and Director of Finance & Administration are back up to the Executive Assistant for all deposits. The Director of Finance & Administration balances and reconciles Sportsman with ConvergePay for all accounts at the end of every month and provides reconciliation documentation to the Finance Department. Once the Accounts Receivable Supervisor from the Finance Department has reconciled the accounts the information is entered into MUNIS. The Director of Finance & Administration will review all the accounts after they have been reconciled to make sure the correct amounts were posted to the correct budgets. Interest earned on these accounts belongs to the County.

5.4.3 Receipting:

Types of Receipts

The Sports/Recreation and Maintenance divisions receive funds through Sportsman Software for various types of activities: Special Events, adult sports, youth sports, field rentals for Sportspark, Schumpert Park, John Tarleton Park, POS items, concessions items, picnic shelter reservations and donations. Adult Sports and Field rental transactions are entered into Sportsman to create receipts by the Sports Operations Manager for Sportspark, Schumpert Park and John Tarleton. Sports Operation Managers and Administrative staff with access to Sportsman will post Youth league fees to Sportsman. Reports from POS can be printed to follow up with the Associations and/or teams that have not paid. Special events transactions are entered by the Recreation Coordinator into Sportsman software. Infrequent Lease and contract payments by organizations that have agreements with the county are deposited separately if they are part of a contract.

Cash and Checks

Cash is no longer accepted for Recreation Department transactions. Check transactions entered Sportsman generate a receipt which is printed and the check, along with the receipt is placed in a drop safe. The check transactions that occur during a single day are prepared for a deposit on the following day and stored in the drop safe. Only two people, a main and one back-up have access to the safe. Separate staff that have not received deposits take the deposits to the bank daily. Different staff are utilized for the various duties to maintain a separation of duties such as receipts generated, preparing the deposit, authorizations, and approvals. The Director of Executive Assistant will balance the check amounts to the Sportsman receipts and to the Sportsman transaction report daily. The daily check Sportsman transaction report and receipt is signed by the preparer and approved by a supervisor. The bank depository slips, and the copy of the actual bank transaction receipt is scanned and emailed to Finance – Bank Deposits. The Executive Assistant will save a pdf of the reports with files setup for each month, along with the original paperwork. At the month's end they will verify each deposit to the Finance Department's MUNIS reports. The Executive Assistant and Director of Finance & Administration will verify that the Finance Department has posted all deposits and refunds to the MUNIS system.

Credit Cards

Knox County utilizes ConvergePay (Elavon, Inc.) to process credit card payments. All updates to this system are performed by Elavon, Inc. and information is communicated with the Trustee's Office and Finance Department. The credit card payments are verified through Sportsman and ConvergePay reports, and a weekly credit card payment report is submitted to the Finance Department by the Director of Finance & Administration.

5.4.4 Purchasing:

Check Requests

The Executive Assistant creates all check requests for the Recreation Department and Three Ridges Golf Course. The Administrative Coordinator acts as back-up to the Executive Assistant.

Purchase Requisitions

Purchase requisitions are created by any of the above personnel relative to the division requesting. Approvals are done by an Assistant Director or the Senior Director. The requisition is then submitted to Purchasing electronically, where Purchasing verifies the requisition, creates a P.O. and then it is sent back to the person in the department requesting it, and once products/services are received/completed, a check request is submitted with invoice to County Finance for payment.

Credit/Store Cards

Knox County Parks & Recreation Department has eight (8) Travel Cards and twenty-eight (28) Procurement Cards.

Travel Card: All travel must be approved in advance by a supervisor on the travel form. This card is to be used to facilitate pre-payments and NON-FOOD travel expense for county employees. Only travel purchases where the Knox County Travel Expense Reimbursement Summary (TERS) Form is completed may be charged on a Travel Card. All travel Charges are reviewed for appropriateness by the Administrative Coordinator and Finance Department. The Travel Cards are utilized by Administrative Coordinator and employees that travel frequently. The Administrative Coordinator is responsible for making travel arrangements for County Employees in the Parks & Recreation Department for all employees that do not have a travel card. This individual is also responsible for requesting any refunds that are due to employees. The Administrative Coordinator is responsible for submitting the Reimbursement Documentation and checking it for completeness/correctness. This individual is also responsible for the use of the Travel Card and handling any errors involving the Travel Card. The employees with travel cards keep the cards secure and are the only ones to use their card for making hotel reservations, rental car reservations and any type of travel arrangements for the department staff.

Procurement Card: The Procurement Cards are used at various stores such as Walmart, Lowes, Home Depot, and Office Supply Stores for supplies and materials.

There are 28 Procurement Cards, they are kept in the possession of the individuals named on the card. The cards are issued to various county employees such as Administration Personnel, Park Maintenance employees, Trades, and General Park Maintenance employees. These cards are issued to individuals

with their names on the card such as Administration Personnel, Crew Leaders, Supervisors, Park Superintendents, Assistant Directors, Plumbers, and Electricians.

Therefore, these individuals are responsible for the purchases on their card. When the individual cardholders use their card, they are responsible for getting receipts for their purchases and turning them in to the Executive Assistant for Parks to code, scan, approve, upload and reconcile to Spend Platform, an electronic commerce card system, daily.

The Executive Assistant must approve each charge through the Spend Platform. Approving the charge involves the following:

- Reviewing each charge as to the appropriateness of the charge
- Comparing the charge to the details of the purchase receipts
- Uploading appropriate account codes
- Adding a cardholder comment
- Uploading appropriate documentation into the Electronic Commerce Card System through scanning or faxing

Once the charge is approved by the Executive Assistant, the charge will automatically be forwarded to the next approver in the department. After the Department Head approves the charge, then all information is automatically forwarded to the Finance Department. The Finance Representative is responsible for examining all charges for completeness, appropriateness, and accuracy. It is the duty of the Finance Representative to contact appropriate personnel to resolve any issues such as questions, lack of information, etc. of any charge.

The Executive Assistant is responsible for reviewing each Procurement Card Statement and pairing the receipts up with the appropriate statement on a monthly basis. Also, the Executive Assistant is responsible for getting each cardholder to review and approve their purchases/or Procurement Card Statement at the end of each month for reconciliation purpose.

All procurement cardholders are responsible for the security of their card and when they are issued a procurement card they are signing and agreeing to follow the Security rules.

Storage/Security of the Card: The Electronic Commerce Card has the functionality of a credit card. The cardholder must always maintain the Electronic Commerce Card in a secure location, preferably in their possession. It is important that cardholders remember to safeguard not only their card, but also their card number. To minimize the risk of fraud, cardholders should adhere to the following:

- Keep card in a safe location
- Do not loan or share cards issued in the name of another individual
- Destroy any written documentation containing card numbers that is not needed

Procurement card purchases must be approved by the Parks Superintendent/or the Deputy Director of Parks. Each receipt turned in must be signed by the cardholders for month end reconciliation which is due on the 10th of each month.

5.4.5 Payroll:

Payroll is processed through the County Payroll Department. Each Parks employee enters their time in/out in the Munis Time and Attendance Module. Immediate Supervisors will approve time worked and requested time off. The Administrative Coordinator or the Director of Finance & Administration will be the final approver before transmitting to the County Payroll Department. The Assistant Director of Recreation, the Recreation Coordinator or the Sports Operations Manager approves the Sports part-time employees. The Golf Manager approves the Three Ridges staff timesheets. The Maintenance Director or the Maintenance Supervisors approve the time for Maintenance Staff. The Administrative Coordinator assists with timekeeping maintenance for full and part-time Parks Maintenance staff and Three Ridges Golf staff through the Munis Time and Attendance Module software located at the two large shops, Booth Street and Concord, and employee clock timesheets at the small shops, Three Ridges, Sportspark, Schumpert Park and Beverly Park. The positions and salaries are budgeted under the County Finance office, any raises must be approved by Human Resources and Finance.

5.4.6 Contracts:

Knox County Parks follow the Knox County Purchasing Department's Regulations for all purchasing and bid processes. Contracts are approved by the Law Department and signed by the Mayor.

5.4.7 Budgets:

Budget Submittal: The Finance Department provides budget packages for development of the next fiscal year for operating budgets, capital projects, capital equipment and grants. Budgets are prepared by the Senior Director with assistance from division heads and reviewed by the Knox County Parks and Recreation Advisory Board. The budget is submitted and posted in the MUNIS System with support forms submitted to the Finance Department for changes in personnel and capital expenditures. The budget is submitted to the Mayor and Finance Director and then sent for approval to county commission.

Budget Review: The Executive Assistant reviews the budget monthly and informs the administrative staff of any overages, changes and transfers and initiates corrective action as needed.

5.4.8 Grant Management:

Project grants are developed by the Parks Planning and Development Manager and the Senior Director with assistance from other staff. Project grants are submitted by the Senior Director to the Mayor and then County Commission for approval. Once awarded grants are administered by the Parks Planning and Development Manager. Accounting for grant reimbursements is managed by the Executive Assistant. All reimbursements are submitted to the Finance Department for deposit.

5.4.9 Capital Assets:

Knox County Public Works provides Tab numbers for all equipment purchased. They also maintain a master inventory list and track maintenance on vehicles. The Executive Assistant maintains a listing of all equipment and updates this list for new equipment purchased and removes old equipment turned in for disposal or sale through Knox County Purchasing. Equipment is inventoried on an annual basis. Inventory tags are placed on all equipment.

5.4.10 Leases:

Knox County Parks maintains leases for certain properties. The Recreation Coordinator maintains a listing of leased properties and ensures payment is received. New or renewed leases are placed on county commission agenda for approval by the Senior Director. Lease documents are approved by the Knox County Law Department.

5.4.11 Three Ridges Golf Course:

Purchasing:

Check requests and purchase requisitions follow Parks and Recreation policies noted above. Each invoice, as much as possible, is paid through a procurement card. Invoices are uploaded and coded for Parks and Recreation Departmental approval.

Receipting:

Point of Sale: Each POS register is closed after each shift by the designated person for that shift. The close is a blind close with no way to see the results until you receive the computer system's printout. The two registers transactions are combined the following day by a separate person and the deposit is sent to the bank. Copies of all documents are sent to Knox County Finance for distribution and approval.

Credit Cards: Credit card charge receipts are sent automatically to the card service provider each night and matched up with the following day's deposit that is sent to the bank. All documents are forwarded to Knox County Finance for distribution and approval.

Cash/Checks: The total cash/checks amount on the POS close report agrees with the amount taken to the bank. These documents are also copied, saved and sent to the Finance Department for approval and distribution.

Bank Accounts:

Deposits are prepared and sent to the bank by the Course Manager. Backup documentation is copied and kept on file.

Payroll:

Payroll is processed through the County Payroll Department. Each Parks employee enters their time in/out in the Munis Time and Attendance Module. Immediate Supervisors will approve time worked and requested time off. The Administrative Coordinator or the Director of Finance & Administration provides final approval for all employees. The Golf Manager, the Golf Course Superintendent or the Golf Professional approve all golf employees' time.

5.5 Sheriff's Office

Overview: The Knox County Sheriff's Office was established in 1792 and has grown to be the largest law enforcement agency in East Tennessee. KCSO employs just over 1,000 employees with 373 sworn officers. It also operates three detention facilities: The Roger D. Wilson Detention Facility on Maloneyville Road in East Knox County, the Knox County Jail located in the City County Building in downtown Knoxville, and the Work Release Center on Maloneyville Road. The intake center is in the

Detention facility and is where all inmates are processed, fingerprinted, classified, and assigned to one of the facilities. The Knox County Sheriff's Office provides public safety and protection to all the citizens of Knox County. The KCSO prides itself on the quality of law enforcement as well the professionalism of the employees.

5.5.1 Account system used:

The Sheriff's office uses the MUNIS system. This system has been in place since July 2010 and is used for all the account work. When MUNIS system needs updates or fixes then Knox County's IT department is who initiates the fixes or updates. In certain cases, the Knox County IT department may need the services of MUNIS, Tyler Technologies. The Commissary has software that they use to collect and disburse funds for the inmate use of the Commissary. This system is called CORRECTPAY. The CORRECTPAY system handles commissary and inmate funds accounting. The system is accessible by computer workstations throughout the Corrections Division and serves as initial booking and inmate kiosks, and by allowing the public to deposit funds via public kiosks and an online website. Refer to the Commissary section for more on this.

5.5.2 Cash Accounts:

The Sheriff's office maintains seven bank accounts and uses the Trustee's Office Main Depository bank account. The accounts are as follows: Inmate account, Commissary account, Civil Warrants account, Fugitive Warrants account, the Vice account, and the Organized Retail Crime account, and the Narcotics account are all with Home Federal Bank; Main Depository account is with FirstBank. The Trustee's Office Main Depository account is for the Sheriff's collection of monies and the accounts receivable supervisor reconciles and balances this account. Money Clerk reconciles and balances the Inmate account, the Finance Supervisor reconciles and balances the Commissary account, the Warrant's Coordinator reconciles and balances the Civil Warrants account, and another Warrant's Coordinator reconciles and balances the Fugitive Warrants account. The Finance Supervisor reconciles and balances the Narcotics account, the Vice account, and the Organized Retail Crime account. Interest earned on the inmate account must be used towards the benefit of the inmate. Interest earned on all other accounts is owed to the county. All these accounts are either a part of the State Collateral Pool or are pledged for by the specific bank. The Commissary account and Civil Warrants account is zeroed out at the end of every month. Refer to the Disbursements section for more information on how and why the Commissary account is zeroed out.

5.5.3 Receipting:

The Sheriff's office only collects exact cash, money orders, or cashier checks; because of this the Sheriff's office does not have any cash drawers within any of the following locations that receipt monies: Downtown, the North Central and the West office (No money is collected at the North or West Offices). They have manual receipt books that everyone at these locations uses to receipt monies. The receipt books are pre-numbered and do have the Sheriff logo on them. The clerks receipt the monies at each location and the monies are deposited into a safe. Deposits are taken to the bank(s) within the three-day State law. Supervisors are the only people who can void receipts. All receipts and documentation are sent to Knox County Finance to be verified and balanced to the main depository account. The Sheriff's Finance Office has petty cash, just in case the Sheriff's office may need it. The petty cash is in a safe, when an employee needs to be reimbursed for something that he or she did not have time to get approved

(such as an emergency purchase) then someone in the Sheriff's finance office would verify the receipt and reimburse the person. This receipt is then sent to County Finance for documentation purposes. The jail utilizes receipt books to document the receipt of cash bond that are transferred to the appropriate courts. Inmates or others who bring cash bonds to the jail receive a cash bond receipt that specifies the bond amount, the court, and the case the bond is for. Copies of these receipts are kept in the inmates file folder.

5.5.4 Commissary:

When someone is arrested, any monies that they have on their person is placed into the CORRECTPAY resident banking system. The jail has two points of entry for new arrestee's funds, three public kiosks where cash or credit cards are accepted for inmate's deposits, and CORRECTPAY.COM is available for web deposits. Public kiosks are located at the Roger D. Wilson Detention Facility and the Knox County Jail. Inmates have three different ways to receive money in their account. Family or others can deposit funds at one of the public kiosks, online at CORRECTPAY.COM, or mail a money order or cashier's check. Inmates who do not have funds will be considered indigent once they have been incarcerated for two weeks with a balance of two dollars or less. Inmates considered indigent may order indigent products such as personal hygiene and writing supplies. When an inmate wants to purchase items from the Commissary, they may use the inmate kiosks, tablets or the inmate phone system to order. Orders are processed by the clerks in the Commissary and delivered to the inmate. Upon receiving the products requested, the inmate will sign off on the receipt that documents what he or she has ordered, and the receipt is kept electronically in the CORRECTPAY system or in the Commissary. The Money Clerk will verify the amount of the daily transactions to the funds in the CORRECTPAY system. The daily report is broken down by cash credit card transactions. The Money Clerk or Commissary Supervisor will then take the deposit to the bank. The Money Clerk or Commissary Supervisor or the assistant will reconcile and balance the bank statement at the end of every month. When an inmate is released from jail, the inmate will receive a debit card with remaining funds. Inmates that have negative balance on their account will be maintained within the CORRECTPAY system. If the inmate ever returns to jail, this balance will be collected from any funds they bring with them in the future. The Commissary does have manual checks from the inmate account. The checks must be signed by two signers on the account. The checks are utilized to transfer an inmate's account balance that is to be transferred to another State or Federal Correctional facility. The Commissary's manual checks are stored in a safe. The Commissary writes one check per month to the Trustee's office for all funds generated by the Commissary.

5.5.5 Disbursements:

All accounts except the FirstBank account have manual checks. The manual checks, at the Commissary, are locked in the safe within locked offices. The FirstBank account is the main depository account for the County. To zero out the Commissary account, the Finance Supervisor writes a check from the Commissary account and deposits this check to the main depository. This check is signed off by two persons. The check signers for each account are as follows: Home Federal Inmate account includes: The Finance Director, Finance Supervisor, Commissary Supervisor, Money Clerk, Chief Jailer, 2 Captains of Corrections, 1 Lieutenant of Corrections and 1 Assistant Chief Jailer. The Commissary account signers are the Finance Director and Finance Supervisor. Civil Warrants account signers are the Finance Director, Finance Supervisor, Captain and Lieutenant. Fugitive Warrants account includes the Finance Director, Finance Supervisor, and Captain of Law Enforcement. Main Depository account has no signers

from the Sheriff's office this account is maintained in the Trustee's office, and the Narcotics account, which includes the Finance Director, Finance Supervisor, 1 Asst. Chief, 1 Captain and the Administrative Secretary. The Vice accounts signers are the Finance Director, Finance Supervisor, 1 Captain, and the Administrative Secretary. The Organized Retail Crime account signers are the Finance Director, Finance Supervisor, 1 Lieutenant and the Administrative Secretary. The Civil Warrants account is also zeroed out at the end of the month. For all accounts, there must be two signers on all the checks.

5.5.6 Payroll:

Timesheets are done by the individual employees and then reviewed by the individual supervisors. The timesheets are then sent to The Sheriff's Human Resource, under the command of the Assistant Chief Director of Correction and Personnel his staff will then collect, verify, and enter into the Excel spreadsheet that is used by the County Payroll Department. After verifying the timesheets and entering them into the Excel spreadsheet, his Staff will send this data to the County Payroll Department for processing. All sick leave and annual leave balances are kept track of in the County Payroll Department. The County Commission approves the budget for the Sheriff's Office. The salary budget becomes an exhibit on the suit. The State does provide a salary supplement to sworn officers each year in the amount of \$800.

5.5.7 Drug Fund:

The Drug Fund operates to provide undercover narcotics officer's the ability to do their job as confidentially as possible. When monies are needed, the supervisor over the Drug Fund will request a check from the Finance Supervisor. At that point, the Supervisor in charge will sign for accepting the check from the Finance Supervisor. He/she personally copies the check for documentation purposes. The Supervisor in charge will then take the check to the bank to be cashed. The money is then brought back to his/her office, which is highly secure with video surveillance and place the money into the safe. This money is then documented in the 'Money Book'. This is a log of all the money coming and going from the safe. When an agent comes in & requests the funds, the Supervisor in charge also signs this to verify that he/she is giving the officer an 'advance'. There are six reasons that the Supervisor in charge would distribute funds: Advances, Buys, Confidential informant, Equipment, Undercover expenses, & returns. At the end of the month, all agents are required to fill out an activity log, which shows all the transactions for the month by the agent. This is verified with the amount of the cash in the safe. Then the Finance Supervisor will reconcile the bank statement for the monies that are within this office.

5.5.8 Unclaimed Property:

The Sheriff Department reports unclaimed property to an accountant in the Finance Department annually.

5.6 Clerk & Master

Overview: The Clerk and Master is appointed by the Chancellors and is charged with all the clerical and administrative duties conferred upon all elected clerks. This office assists in opening new cases, maintaining the Court files and records, setting the docket, handling payments, collecting costs, and providing support to the Chancellors during hearings on matters brought before the Court.

5.6.1 Accounting system used:

The offices of Clerk & Master in Chancery Court and Probate Court use two software systems: Microsoft Fox Pro Systems and ExecuTime. Microsoft Fox Pro Systems – This system has been in place since 1999, and is used for all financial aspects of the Clerk and Master’s office. The clerks do not perform updates to the software. The Information Technology Center with the County handles all the updates and fixes any problems associated with the software. The Information Technology Center revised FoxPro in April 2014. Probate Court started using the new version of FoxPro in May 2015. Since September 2014, the office uses ExecuTime to keep track of sick and annual leave time.

5.6.2 Cash:

Clerk & Master has four bank accounts with Truist (Fee account and Trust account) for Probate Court, one for Chancery Court, and an account for computerization funds at Truist. These accounts are considered public funds. The Chief bookkeeper balances and reconciles all accounts at the end of every month. The Clerk & Master reviews the deposits, cancelled checks, and signs off on all bank statements. The account for Chancery and the two accounts for Probate do not earn interest. The Truist computerization account does earn interest. Truist bank is a member of the State Collateral Pool.

5.6.3 Receipts:

Chancery Court - The Chancery Court office has only one cash drawer due to the low volume of cash transactions. The office uses individual usernames and passwords to identify who logs in and receipts the individual receipts. The Cost/Receipting Clerk is the primary receipting clerk throughout the day. The office procedure is that only one clerk receipts cash. Chancery Court utilizes a manual receipt book as a backup in the event of a computer outage. The two deputy clerks at the front counter deliver payments, mostly checks. For filing new cases to be receipted. The front counter deputy clerks do not issue receipts for transactions. Each day the receipting clerk retrieves the mail from the mail room. The deputy clerk for the front counter sorts the mail and the receipting clerk receipts all checks received from the mail using their username. At the end of day, the receipt clerk places the cash and checks receipted that day, along with the \$100 petty cash, into the vault. The vault is locked by the Vault Clerk. The next morning the vault is unlocked at 8 o’clock by the Vault Clerk, and in their absence, the secretary to the Clerk & Master will open it. The bookkeeper retrieves the cash drawer, which includes the \$100 petty cash, along with checks and cash from the previous day’s receipts. The bookkeeper prints the previous workday’s Receipt Journal using the FoxPro system and prepares the bank deposit, making sure \$100 petty cash is in the cash drawer and returns the drawer to Cost/Receipting Clerk. The Bookkeeper and occasionally the Clerk & Master, will deliver the deposits to the bank, usually every other day. While at the bank, the Bookkeeper confirms that the bank deposit matches the amount on the daily Receipt Journal. Upon returning to the office, the Bookkeeper gives the Receipt Journal and bank deposit receipt to the Clerk & Master to review and initial. The Cost/Receipting Clerk and the Bookkeeper relieve each other during lunch hours, medical leave and vacations.

Probate Court - Probate has one cash drawer. The office does have different usernames and passwords to log in. The Receipt Clerk has access to the cash drawer but does not use it. The cash drawer remains in the vault at all times. Probate Court uses hand-written receipts late in the day and then records the receipt in FoxPro the following workday. Each day the Deputy Clerk, retrieves the mail from the mail room. It is sorted and the Receipt Clerk receipts all checks retrieved from the mail. At the end of the day the Receipt Clerk prints a daily Receipt Journal, making sure all receipts and payments are correct. The Receipt Clerk places all cash and checks into an envelope, seals it and places it in the vault. The vault is

locked by the Deputy Clerk. The next morning the vault is unlocked at 8 o'clock by the Probate Court Supervisor. The Deputy Clerk, retrieves the sealed envelope, prints a copy of the previous workday's Receipt Journal and prepares the bank deposit. The Deputy Clerk and occasionally the Clerk & Master, will take deposits to the bank as needed. Upon returning to the office, the Deputy Clerk gives the Receipt Journal and bank deposit receipt to the Clerk & Master to review and initial. The Receipt Clerk and the Deputy Clerks (currently there are 3 Deputy Clerks) will relieve each other during lunch breaks, medical leave and vacations.

5.6.4 Disbursements:

Chancery Court and Probate Court do not have manual checks. All checks are generated by the FoxPro System by the Bookkeeper and the Deputy Clerk in Probate. The checks can only be signed by the Clerk & Master, the Chief Bookkeeper, and the Chief Deputy. The Chancery Court checks are usually for proceeds from garnishments, birth certificates, refunds, or payroll paid through the Knox County Finance Department. The Bookkeeper also writes refund and payroll checks for Probate Court. The Probate Court checks for the Trust account are usually in response to Orders, such as disbursements after a real estate sale.

5.6.5 Trial Balance:

The Deputy Clerk in Probate verifies and posts the Probate daily and runs a Trial Balance report and the Bookkeeper does the same for Chancery. The last day of the month Trial Balance and End-Of-Month Balance Report for both courts are completed and posted by the Bookkeeper. The Bookkeeper is also responsible for the Financial End-Of-The Month Reports that are filed with the Knox County Finance Department.

5.6.6 Payroll:

Sick leave and vacation days are recorded by using ExecuTime. All employee time is tracked by ExecuTime and approved by the Chief Deputy Clerk. When complete, the Assistant to the Clerk and Master sends data to Knox County Payroll. Pay raises are done by submitting a County change form through the Clerk & Master and if the Clerk & Master approves it, it is sent through Human Resources to be finalized. The Clerk and Master's office is budgeted by law for pay raises through salary suits approved by the county mayor so raises in the Clerk & Master's office are not required to be passed or approved by County Commission. The Cost/Receipting Clerk keeps the timecards for three to four years, then sends documentation to storage in the old Sears Building.

5.7 Trustee

Overview: The Trustee's Office function within the County is to collect and receipt all property taxes. The Trustee's Office also accounts for all other revenue collections and cash receipts and disbursements through its oversight of the County's cash balances within the various County accounting Funds as well as oversight and reconciliation of the County's bank accounts under its supervision and/or control. The Trustee has six locations: Halls, East, Cedar Bluff, Farragut, South, and the City County Building (Downtown). All locations except the Downtown location are shared with the County Clerk's offices as well. In the summer months all locations are shut down except Downtown, Cedar Bluff, and East.

5.7.1 Account system used:

MUNIS is the accounting and G/L system that the Trustee's office uses. This system has been in place since July 2010 and is used for the accounting. The Trustee also has a Property Tax System, eGov,

which is used to keep track of property tax. This system has been used since 2021. When MUNIS needs updates or fixes to the system then Knox County's IT department initiates the fixes or updates. In certain cases, the Knox County IT department may need the services of MUNIS, (Tyler Technologies). Updates and fixes in eGov are handled by the eGov team.

5.7.2 Bank Accounts:

The Trustee has approximately 30 bank accounts with various banks. These banks include Bank of New York Mellon, TRUIST/BB&T, Raymond James/Morgan Keegan, TRUIST/SunTrust, Home Federal, Southeast Bank and State LGIP. Three of the accounts are used by Knox County Government for processing of payroll, payable warrants and school utilities. They are ZBA (zero balance accounts) funded by the General Fund bank account. Currently there is one (19) Construction Retainage Account which is used by Knox County Government and Purchasing for school construction projects. By State law an account must be opened for each contractor. The Trustee also has investment accounts. All accounts in the County's Trustee's office are considered public funds. The Chief Financial Officer, Financial Asst./PILOT Mgr and/or Customer Service Representative/Analyst will balance and reconcile all accounts at the end of every month. The Chief Financial Officer or Deputy Trustee will review all bank reconciliations the Bookkeeper/Analyst and the Customer Service Representative/Analyst perform after they are completed. If the Bookkeeper or the Customer Service Representative/Analyst are not able to balance and reconcile the account, then the Chief Financial Officer will balance and reconcile by finding the variances and submitting needed corrections to the Bookkeepers and/or Finance Department to be posted. Interest earned on these accounts is posted to interest revenue in the County General Fund. All these accounts are either a part of the State Collateral Pool or have collateral pledged for by the specific bank. The implementation of "undistributed fund accounts" was to have made bank reconciliations a less time-consuming process. Finance posts revenue from these undistributed accounts, not from the bank accounts.

5.7.3 Receipting:

For the Downtown branch, which is inside the City County Building, the Trustee's office has four cashier drawers with \$250 dollars in each drawer. The amounts in each of the other cashier drawers are Four at \$200 and fifteen at \$100 dollars each and the amount of cashier drawers at each location are as follows: Halls (four cashier drawers), East (four cashier drawers), Cedar Bluff (four cashier drawers), Farragut (four cashier drawers), and South (three cashier drawers). There is a total of \$3300.00 dollars combined, at all locations. The individual cashier drawer has a lock on it and the individual desk drawer is locked. Each cashier drawer is operated by one deputy clerk. The Trustee accepts cash, personal checks, e-checks, bank drafts, and credit cards. The credit card transactions are posted by a Customer Service Supervisor to eGov and in MUNIS Accounting System by the Satellite Supervisor. The Banking/Accounting Manager will review these and make sure they are recorded properly, and the assistant bookkeepers will reflect the current transactions for that day on their Cashier Daily Tax Report from eGov. This will overlap with what the Customer Service Supervisor does when she verifies the individual clerk's receipt for the day against the daily detail cash receipts report from eGov.

At the beginning of each day the clerk will retrieve the cashier drawer from the vault and count to make sure their money is there. Throughout the day the cashier clerks are the only ones to receipt the cash or

checks received from individuals or companies. Receipts are computer generated within the tax system. There are no manual receipt books in the office. The only people who can void receipts are the Satellite Supervisor, Customer Service Manager, and the Chief Deputy Trustee. At the end of the day, the manager within his or her location, each cashier will print a daily receipts journal to verify the amount of checks and cash transactions throughout the day. If, for some reason, the reconciliation process is wrong then the Customer Service Supervisor will keep track of the overage or shortage. Every individual cashier drawer is reconciled to detailed cash receipts reports by the Customer Service Supervisor. The detailed cash receipts report is itemized out by each cashier clerk. The Customer Service Supervisor will review and sign off on this report after it has been verified to the individual clerk's receipts. Then the individual clerk will sign off on the daily detailed cash receipts report with the amount over or under noted. The clerks receipt the monies at each location. The monies from the Cedar Bluff, East, and Halls location are deposited in Home Federal Bank. The monies from the South Location are deposited in FirstBank. The Farragut Office deposits into FirstBank. All locations must manually deposit checks and cash to the bank. The downtown office inside the City County Building, deposit their checks remotely. The City County Building has a remittance processor to send checks straight to the bank from the main Trustee office. The reason the City County Building is the only location with a remittance processor is because of the expense to have these systems in place. When this system was established, the system did not offer a smaller, cheaper version. As of present day, the Trustee and County are looking into options to place the remittance processors in the other locations throughout the county because they have become much cheaper. The originals for these checks are kept for three months in the office. After this time period the checks are shredded. Checks do have to be deposited at all other locations. The last step is to receive the deposit slip and verify that they agree to the daily summary report and the individual cashier drawer report in eGov before posting to MUNIS by the County Finance Accountant.

5.7.4 Property Tax Receivable and Allowance:

Property Tax Receivable is left open for ten years or more. Currently the Trustee has 11 years of Property Tax Receivables. Property tax values and assessments are initiated and maintained by the EGov IT Personnel who supplies the assessments by map and parcel number for real property and personal property. The State of Tennessee provides the assessment of public utilities (Telephone & Communications Co.) to the Knox Co. Trustee. For the real and personal property, the EGov IT department uploads the address, active and assessed values by map and parcel number to be uploaded to the Trustee's eGov property tax software. Utilities are entered manually by the Trustee's Office and balanced to the State report ensuring that they are entered correctly. For any change in property tax assessments a manual Order to Amend (OTA) is submitted by the Tax Assessor's Office to the Trustee office. Adjustments to tax assessments and receivables, in the tax system, can only be completed by an authorized user in the Trustee's Office.

The allowance for property taxes receivable is calculated and adjusted annually based on historical collection rates of the prior ten years. The collection rates are calculated based on information generated by the tax system. Annual adjustment of property tax allowance report is sent to Comptroller in the Finance Department for review and posting to MUNIS.

5.7.5 Disbursements:

The office does have manual checks on a few accounts. The checks for the Trustees office are system generated on blank check stock from the MUNIS software and can only be signed by: The County Trustee, Chief Deputy Trustee, Delinquent Tax/Legal Assist, Chief Financial Officer, Financial Assist/TIF Manager. If the Trustee signs any of the checks, then his signature is the only one required. If one of the other employees sign the check, then two signatures are required. Checks are written for payroll and benefits reimbursements from the Fee and Operating Account. Various refunds and transfers associated with property tax collections are written off the Master/General Operating and other accounts. The Chief Financial Officer or Financial Assistant/TIF Manager verifies the disbursement journal with what was needed to be paid out per court order or for payroll processing through the Knox County Finance Department. Standard accounts payable invoices are given to the Escrow Collections Manager for processing and payment against the Trustee's budget in the County General Fund. When the Escrow Collections Manager has completed a check request, he will sign off as the requester and the County Trustee or the Chief of Staff will sign off as the approver. Then the check request and supporting invoice are sent to the Knox County Finance Department to be verified and processed for payment against the budget. Some items may be paid with the Purchasing Department's P-Card. The Trustee's office was issued a P-Card in FY23. These items are then charged to the Trustee's budget when paid by the County or when the County posts the expense distribution for the payment.

5.7.6 Payroll:

Payroll is processed through the County Payroll Department. The positions and salary of those positions are agreed upon per a Letter of Agreement with the County Mayor as authorized under Tennessee Code Annotated (TCA). All pay raises are based on Tennessee code; therefore, raises beyond the Tennessee code amount must be filed in a suit and brought to Chancery court. In January 2021, the Trustees Office moved to the Execu-Time time system which is now the Munis Time and Attendance Module. The users at the Downtown Office clock in and out by using their fingerprint. Users at the satellite offices clock in through their computers entering their employee number. Payroll invoices or payroll related invoices such as unemployment charges or §457 matching costs, are reviewed by the Chief Financial Officer and then processed for payment out of the Trustee's Fee and Operating account. All such payments are reimbursement payments to Knox County Government via the Knox County Payroll Office within Knox County Finance Department.

5.7.7 Trial Balance:

The trial balance is verified with receipts and disbursement by the Chief Financial Officer at the end of every month.

5.7.8 Wire Transfers/EFT's:

Wire Transfers or Electronic Funds Transfers (EFT's) are initiated by the various county departments such as payroll, finance, etc. Wire transfer request are submitted to the Chief Financial Officer, the Chief Deputy Trustee and Financial Assist., in the Trustee's office. The CFO reviews the written request and submits to another Trustee Financial Asst., in the absence of the other recipients, to enter the information to the various banks software to initiate the transaction and for MUNIS data entries by the Bookkeeper. A bank generated confirmation for wire transfers is sent via email. The transfer is reviewed for

acceptance by the Trustee, Chief Deputy Trustee, Financial Assistant, or the Chief Financial Officer. A confirmation is printed by the Financial Assistant and retained with the manual files.

5.7.9 Bank Transfers:

The Trustee's office has a manual bank transfer form for bank-to-bank transfers that is initiated by the Chief Financial officer. Approval is documented by one authorized signatory that did not initiate the transfer. Chief Deputy Trustee, Chief Financial Officer, Financial Assistant or Legal Assistant/Delinquent Tax with the final approval being that of the County Trustee (for specific transfers). A copy of the approved transfer form is kept with the check (manual) or EFT/Wire confirmation.

Transfer of funds for refunds or prepaid taxes are handled by the Financial Assistant after receiving the daily work from the front cashiers. She enters the transfer on the Truist/BB&T and/or FirstBank system and it is released by one of the Authorized Signatories. Then it is recorded in MUNIS by the Financial Assistant

5.7.10 Investment Committee:

The Investment Committee meets quarterly and consists of six members: the County Mayor, the County Trustee, the Director of Finance, the Chairman of the Finance Committee of the Commission, one member of the Commission, and School Board member. Raymond James Bank (formerly Morgan Keegan) Trustee/Investment Officer, invest and actively manage the remaining funds invested by Knox County with oversight by the Chief Financial Officer and the Investment Committee. The Raymond James investments are held in a custodial account at Bank of New York Mellon and with Raymond James. Investment policies are based on Tennessee Code Annotated (TCA). For further documentation on the Investment Committee and the policies of this committee, refer to the Investment Policy.

5.7.11 Investments:

The Trustee has two different investment pools. One pool is the County's Raymond James investment account that is managed by the county Trustee and Investment Committee. The Raymond James investment purchases are initiated by the County Trustee, and approved by the Chief of Staff. This investment account is held in a Custodial account at Bank of New York Mellon. The second pool is the bond and debt service fund investments through Raymond James that is actively managed by Raymond James Bank. The County only decides the amounts to add in the CY or liquidate through the drawdown of the bond proceeds for construction capital projects and debt service fund payments. The monthly and quarterly investment statements are provided for review to the Investment Committee.

5.7.12 Investment Procedures and Controls:

Within the Knox County Trustee's Office, the County Trustee currently acts as Investment Director and is responsible for the purchase and sale of investments through the selected brokerage firm. The County Trustee works closely with the broker to remain up to date on trends and investment opportunities. Knox County investments managed directly by the Trustee's Office are held in a custodial account at the Bank of New York Mellon (BNY), Local Government Investment Pool, Raymond James and local banks.

The Trustee also conducts his own research and consults with other managers in the Trustee's Office as warranted. The Trustee works to match assets and liabilities with cash flows and consider timing of investment decisions. The Trustee is guided by a "benchmark rate", the minimum required return for an

investment to be considered. This benchmark rate is the interest earnings rate offered on overnight funds by the County's primary bank under a banking services contract.

The broker contacts the Trustee by email or telephone to inform him of investment opportunities. When the Trustee decides to purchase, he consults with the Chief Financial Officer to ensure that funds are available for the purchase, and if so, has the broker send a transaction ticket. The Trustee then signs the transaction ticket and submits to the Chief Deputy for additional approval. If the Chief Deputy approves the purchase, he/she signs the transaction ticket indicating such approval.

Once the transaction ticket is signed by both the Trustee and the Chief Deputy Trustee, the CFO emails a copy of the signed transaction ticket to the broker, the Trustee, and also to the Client Services Manager at BNY, indicating in the email how the purchase will be funded, either by wire transfer, utilization of uninvested cash already held in the investment account, or a combination of both.

If the investment purchase is to be funded either fully or partially by wire transfer, the CFO instructs an authorized user, usually a bookkeeper, to log onto the Trustee's bank and complete a wire transfer request originating with the County General Funds bank account. Once the wire request is completed it is released for approval. After the CFO has reviewed the wire request and verified that it is correct, the CFO or another designated Officer with authorized bank access approves the wire transfer and releases the request. The bank posts a confirmation of the wire transfer and emails a confirmation to the CFO, Chief Deputy Trustee, Financial Assistants and Legal Asst.

The decision to purchase and the payment for the purchase are segregated. The Trustee does not transfer any funds but instead directs the CFO to wire appropriate funds to complete the purchase. Conversely, the CFO, having access to the bank accounts, is not authorized to select investments for purchase without the consent of the Trustee.

When an investment matures, the broker queries the Trustee as to whether to reinvest the available capital or recoup the capital for transfer to operating funds. The Trustee consults with the County Finance Director Trustee's CFO and the ultimate decision depends on existing market conditions, expectations for future interest rate changes, and primarily on current cash needs. Current cash needs may also determine whether investments may be sold prior to maturity. The Chief Financial Officer for the Trustee monitor cash flows and cash requirements daily and if necessary, after conferring with the Trustee request that appropriate investments be selected for liquidation by the Trustee and broker in order to generate cash to meet current cash needs. A transaction ticket or sell authorization for the selected investment is then generated and signed by the Trustee and signed by the Chief Deputy Trustee indicating approval of the sale. The proceeds from the sale are held in the custodial investment account at Bank of New York Mellon and Raymond James and a wire transfer request signed by the Trustee is then submitted to Bank of New York Mellon or Raymond James authorizing the transfer of the funds to the Knox County General Operating bank account at FirstBank.

The Trustee is responsible for all decisions that do not require the express approval of the Knox County Investment Committee. For example, prospective investments with a maturity exceeding three years would require Investment Committee approval. (See Knox County Charter §2-496 and following attached for details.)

The broker prepares monthly statements of assets and activity. The statements are circulated and reviewed by the Trustee, Trustees CFO, County Finance Director, and Chief of Staff. The County Finance Director and Trustee's CFO also review the monthly custodial account bank statements from BNY and Raymond James in conjunction with the review of the brokerage statements.

Additionally, Knox County issues bonded debt from time to time. The initial bond proceeds are invested by Raymond James in their capacity as fiscal agent for the debt issuance as handled by Cumberland Securities. Raymond James determines the selection of investments for the bond proceeds in accordance with the spend-down requirements applicable to the bond issue. The Knox County Finance Department documents qualified expenditures by the County that are eligible for reimbursement from the bond proceeds, and then notifies the County Director of Financial Reporting of the number of qualified expenditures documented. The County Director of Financial Reporting then forwards this information to Raymond James and available cash from matured investments in the Bond Proceeds account is drawn down and wired to the County General Operating bank account. As a result of this arrangement, the specific procedures outlined above regarding investment selection do not apply.

5.8 County Clerk

Overview: The County Clerk's Office is responsible for the official minutes and records of the activities of the Knox County Commission and its standing committees. This office also maintains records of marriage licenses and automobile titles and registrations issued in the county. The County Clerk's Office is responsible for issuing business license, collecting hotel motel taxes, and notary. In addition to constitutional duties, the Knox County Clerk offers contracted services for Driver License replacement and renewal and is a U.S. Passport Application Acceptance Facility. The County Clerk has six locations: Halls, East, Cedar Bluff, Farragut, South, and the Old Courthouse (Downtown). Deputy Clerks receipt all transactions in the BIS system. The Knox County Clerk's Office operates on fees collected as prescribed by Tennessee Constitution and Code by the Knox County Charter

5.8.1 Account system used:

The County Clerk uses four software systems: Business Information System (BIS), ExecuTime, TeleCheck, and A-List for driver license. BIS has been used in the County Clerk's office since December 2007. ExecuTime has been used since May 2021 for timesheet purposes. TeleCheck guarantees funds to the County Clerk or rejects the check for payment. The check information is sent through TeleCheck to the banks. This process is between the Knox County Clerk and TeleCheck utilizing an IP connection. TeleCheck assigns each location its own number. When an office closes the machine for the day and prints the summary and detail report, the information is sent to the County Clerk's Finance team for verification. The TeleCheck receipts are verified to the amounts listed for Pro-21 and ECA on the daily close out filled out by each clerk and verified to the amount listed in BIS as checks and the TeleCheck summary for each machine. A-List is the State system that is used to process and update all driver license information. Any problems and all updates to A-List are provided by the Tennessee Department of Safety and Homeland Security. Any problems and updates for ExecuTime are handled through the Knox County Finance Department. Knox County IT provides equipment support for PC's having BIS software. Knox County IT loads the BIS software to the individual PC's. BIS provides software support and updates to the BIS software based on Tennessee Department of Revenue, County Clerk's requests, and

software upgrades for industry standards. Knox County IT works with BIS for support issues connected to the PC's. Knox County IT assigns the IP addresses for the TeleCheck machines. All software updates to the TeleCheck machines are maintained through TeleCheck.

5.8.2 Cash:

The County Clerk has two bank accounts with FirstBank (checking). The checking accounts with FirstBank are interest accounts. All accounts are reconciled by the Director of Finance & Accountability and verified by the County Clerk.

5.8.3 Receipts:

The County Clerk's office receives cash, personal checks, business checks, and debit/credit cards (all cards are processed as credit). Every transaction can be traced with the BIS system. The driver license monies are used in A-List and the BIS system. Driver License transactions may be paid with cash, check or credit. Both systems print receipts. The checks collected at each location are processed through the TeleCheck system. The TeleCheck system gives the clerk two copies if the check signer is in the office. If the check signer is not in the office, the check is printed with "void" over the pay to or TeleCheck prints a receipt and the voided check with the receipt are kept in the Clerk's office. If the check signer is in the office, the customer copy of the receipt is stapled to the original check and given back to the customer. The signed copy is placed in the deposit bag. These receipts are tied to the TeleCheck summary and BIS report at the end of the day.

At the start of each day, the Service Leader gives each clerk their individual change bag. Each clerk is assigned \$100 in opening change. At the end of the shift, each clerk will turn in their change bag to be verified that ending amount is the same as beginning amount. The County Clerk's office does not use manual receipt books; therefore, the BIS system creates the receipt. At the end of the day, each individual Deputy Clerk delivers their locked money bag to the service leader or the service leader's designee of that office. This deputy clerk prints a report in BIS reflecting how much cash, the total in checks, and the total in credit card transactions they should have. The Service Leader or designee counts the amount in the Deputy Clerk's lock bag and verifies the amount with the deputy clerk's daily BIS report. Any variances associated with the cash, checks, or credit cards to the daily BIS report are tracked on the close out report and signed off by the Deputy Clerk and the Service Leader or designee. After the Service Leader or designee counts and signs off on the amount in the Deputy Clerk's locked bag, he or she then places the amount of the day's transactions for the individual clerk in clerks' locked bag and places individual lock bags in a master bag. The master bags are picked up from all locations and brought to the County Clerk's finance office downtown on a rotating schedule.

Within the master bag, the Service Leader places daily BIS reports and a copy of signed acknowledgements of how much money is in the bag from the Deputy Clerk and the Service Leader. Once the master bags have been received by the County Clerk's finance team downtown, two Accounting Technicians recount the monies and verify the amounts with the daily BIS report. The Accounting Technicians process checks not processed by TeleCheck by remote capture. The Accounting Technicians will prepare a bank deposit ticket for the cash and checks not processed remotely. A courier will take the locked deposit bag to FirstBank. If an Accounting Technician or Technicians are out on the same day, the Accounting Clerk or the Director of Finance & Accountability will count the monies for deposit. The deposit is left at the bank in the afternoon by two couriers. The couriers return the locked

bag from the prior day which has the verified copy of the deposit ticket in the bag. The bag is returned to the Finance team.

The BIS system does not allow anyone without the proper clearance to void a receipt. An audit report can be run, which would show the voided transaction with the day, month, and year.

5.8.4 Other Monies:

The County Clerk offices collect donations for Donate Life Tennessee. The cash money is kept in a small box in every office. No manual receipts are given to customer for their donations. Cash donations are entered in BIS by a clerk in the office and added as an entry to the daily close out for the clerk. A check is issued to Tennessee County Clerk for the Donate Life donations by at least the 20th of the following month after monies have been collected.

5.8.5 Disbursements:

The County Clerk utilizes checks that are written using BIS's Miscellaneous Check Program. The checks are signed by the County Clerk. Checks are written to Knox County for payroll and benefits and monthly payments, State of Tennessee for monthly payments, overpayments by auto dealers, and refunds for wheel tax exemptions. Checks written for payroll processing are written to Knox County Finance and the amount is based on an invoice from the Knox County Payroll Director. The County Clerk disburses checks to the State of Tennessee based on the amount of funds collected for motor vehicle tags, sales tax, manufactured home permits, Driver License, and marriage license. The monthly payments to the State are written and mailed no later than the 20th day following the month end. The daily collections to the State are processed monthly. The payment to the State is processed in BIS through an ACH process. On the 10th day of the month following month end, an ACH is created in BIS that transfers the payment due the State for titles and renewals to the state. The County Clerk disburses checks to Knox County for marriage license, wheel tax, beer tax, beer permits, hotel motel tax, liquor license fees and permits. The County Clerk disburses checks to Knox County quarterly for excess fees above three months' Clerk salaries and earmarked funds.

5.8.6 Trial Balance:

The trial balance is verified with receipts and disbursements at the end of every month.

5.8.7 Payroll:

The County Payroll Department keeps up with all sick leave and annual leave. The same department provides a report of accrued annual and sick leave. Time sheets are submitted to the County Payroll Department by the County Clerk's finance department team. Each Services Leader at each office can view and verify the time punches of each Deputy Clerk working in their individual office. The time punches are recorded in the Munis Time and Attendance Module. Sick and/or annual leave is entered into the time system by a member of the finance team. All full-time employees are scheduled to work eighty 80 hours. Part-time employees work as their supervisor approves. The exceptions to being paid eighty 80 hours are employees who do not have accrued annual or sick leave available. A member of the finance team verifies timesheets are complete and notifies the county payroll director that time is ready to be pulled for the County Clerk's office. The county payroll director will email an electronic report for time to be paid for County Clerk employees. The report is verified, and an email is sent to the payroll director with corrections or approval to pay as indicated. Pay raises are given by the Knox County Clerk

and submitted to the County Human Resources Department with a County Employment Change Form. Employment change forms are signed by the Chief of Staff and the County Clerk.

5.8.8 Director of Finance & Accountability Responsibilities:

The County Clerk's Director of Finance & Accountability is responsible for the monies received and monies disbursed in the County Clerk's office. The County Clerk's Director of Finance & Accountability supervises the Accounting Technicians, who audit the daily close out for each clerk that collects fees; the Accounting Clerk, responsible for maintaining refunds, completing journal entries to BIS, and reconciling month end entries to State and County; and the Logistics and Supply Manager responsible for making all purchases for the County Clerk's Office.

Business Information Systems (BIS) is the software system used by the Knox County Clerk to receipt all money received in each office. All clerks (deputies) have a login to BIS and are assigned a drawer number specific to them and all fees collected by each clerk are receipted under their drawer number. The Director of Finance & Accountability and Personnel Coordinator maintains user rights permissions in BIS. The Personnel Coordinator acts as administrator to assign drawer numbers and clerk activity rights in BIS. The Director of Finance & Accountability reports to the Chief of Staff.

All money received in the office of the Knox County Clerk must be deposited within three business days. The Director of Finance & Accountability oversees the fees received in the County Clerk's offices and is responsible for making sure that all deposits are made timely and correctly within state designated guidelines.

The County Clerk's Office maintains a bank account for the deposit of fees collected in the Clerk's office. The account is verified daily for deposits sent to the bank from the Clerk's office, TeleCheck funding, credit card deposits, state deposits for business tax, and State deposits for titles. The accounts are with FirstBank. FirstBank is a member of the collateral pool. The Clerk's office maintains two accounts with FirstBank, both are interest-bearing accounts and receive interest based on Federal Funds minus .2%. Bank reconciliations are completed on all bank accounts by the County Clerk's Director of Finance & Accountability. All bank accounts are reconciled monthly from the bank account to the BIS general ledger account for each bank account.

The County Clerk's finance team maintains all bank accounts and is responsible for remitting a check to the County Payroll for the salaries of the County Clerk and the deputies of the Clerk's office. The County Clerk's finance team verifies all checks to be written to customers or dealers for refunds, verifies all checks to be written for wheel tax exemptions, and verifies checks to be written to the State for fees collected in the County Clerk's office. This check is written on or before the 20th day of the month following collections. The County Clerk's finance team verifies checks to be written to the County General Fund, on or before the 20th day of the month following collections. The County Clerks' finance team verifies motor vehicle title and renewal amounts to be remitted to the State. This balance is remitted via ACH. The ACH is created on the 10th day of the month following collections. If the 10th of the month falls on a weekend day, the ACH must be created on the Friday prior to the 10th of the month. The ACH is set up in the BIS software. BIS is responsible for pulling the money from the Clerk's bank account and remitting it to the state via ACH.

Excess Fees: Each month the Director of Finance & Accountability verifies the funds held in the Clerk's account. The amount held in the Clerk's account is the amount designated from fees collected that the County Clerk can keep from transactions as designated in TCA code. The amount to be held by the clerk is three months' salaries to pay clerk employees and earmarked funds for computer equipment. All funds in excess of payroll for three months and earmarked funds are to be turned over to the County for the Knox County general fund. The County Clerk's finance team calculates the amount to be turned over to the Knox County general fund and submits the amount to the County Clerk for approval quarterly. All fees, in excess of payroll and earmarked funds, are to be turned over to the County's general fund. Excess fees must be paid no later than quarterly.

ExecuTime is verified by the Director of Finance & Accountability at the end of the pay period. All full-time employees are paid 80 hours. The employee must enter leave in ExecuTime and the supervisor approves the leave. When time is verified, an email is sent to Payroll stating time is complete. County payroll returns a MUNIS report with the employee's name and hours to be paid. The report is verified. After payroll is complete, reports are emailed to the County Clerk's Director of Finance & Accountability. The Clerk's Office receives a payroll distribution report with an invoice amount to be paid to Knox County from the Clerk's bank account and an employee leave balance report. Approximately a week after payroll is distributed, a report is received for the amount payable to the 457 retirement plan. As need arises, and in the absence of the County Clerk's Director of Finance & Accountability, the Accounting Clerk verifies time and works with payroll to pay employees.

The County Clerk's Director of Finance & Accountability works with external auditors for Knox County and provides schedules and documentation of funds received by the County Clerk, documentation that funds were deposited as stated in code, copies of bank reconciliations and bank statements, copy of the trial balance from the clerk's software, copies of deposits of excess fees and payments to the County, and documents, as requested, by external auditors.

5.8.9 Accounting Technician Responsibilities:

Motor Vehicle Close Out

The Accounting Technicians receive blue lock bags from each clerk who does transactions and collects money for the Knox County Clerk's office. Blue lock money bags for the Motor Vehicle Department of the Old Courthouse are received from the Services Leader or the Services Leader's designee at the beginning of the day. The Services Leader or the Services Leader's designee walks the bags from the Motor Vehicle Department within the old courthouse to the finance team within the old courthouse. Blue lock bags for Cedar Bluff, East, Farragut, Halls, and South are delivered by couriers in locked master bag from each office. The master bags will have the blue locked bags for each clerk and mail to be distributed. Mail in the master bags is separated to be picked up by a courier and delivered as specified on the envelope. The blue lock bags are processed by the Accounting Technician.

At the beginning of the day, an Accounting Technician will open the main safe in the finance office and will take the keys to the wall cabinets in finance to unlock the cabinet for the day. The wall cabinet contains keys to the individual blue lock bags for each clerk, the master bags for each office, and the bank bags. The keys for the blue lock bags are numbered and the number is assigned to a blue lock bag. The wall cabinets are opened in the morning and closed and locked at the end of the day and the keys are returned to the main safe in finance.

The Accounting Technician will unlock and open the blue lock bag for a clerk. The lock bag will have a close out form for the prior day, a cash/check report for the prior day's work, and cash, coins, checks, and TeleCheck receipts. If a clerk works both driver license and motor vehicle, the clerk will have two close-out forms, two cash/check reports and money for driver license and money for motor vehicle separated within the blue lock bag. Only one clerk's bag is worked at a time. If a clerk does motor vehicle and driver license, it is not worked at the same time. The close out for driver license is separated from motor vehicle. Driver license will be explained after motor vehicle daily balancing procedures are identical to those of motor vehicle and miscellaneous receipts.

Each clerk has a close-out form for the office that they are assigned. The assigned form has the clerk's Name, Location, and BIS Site/Drawer Number. The date is filled in each day. The Accounting Technician counts the currency and coins received, verifies the currency and coins received to the motor vehicle close-out form. After the currency is verified and is correct, a check () is placed in the Finance Use Only box on the close-out. If the amount of currency is not correct, one line is drawn through the number and the correct amount is written beside the incorrect number and the Accounting Technician initials the change. The Accounting Technician verifies the cash, and the coins received to the motor vehicle close-out form to the amount of cash, and coins listed on the BIS Cash/Check report. After the cash, and coins are verified and are correct, a check () is placed in the Finance Use Only box on the close-out. If the amount of the cash, or coins is not correct, one line is drawn through the number and the correct amount is written beside the incorrect number and the Accounting Technician initials the change.

If a clerk has "Checks – Bank", the Accounting Technician adds the checks, and verifies the written amount of the check and the numeric amount of the check are the same. The Accounting Technician verifies the check has been signed by the customer. The Accounting Technician verifies the check is made payable to the Knox County Clerk. The Accounting Technician verifies the date of the check is within range and is not stale dated. After the "Checks – Bank" are verified and the dollar amount is correct, a check () is placed in the "Finance Use Only" box on the close-out. If the amount of Checks – Bank are not correct, one line is drawn through the number and the correct amount is written beside the incorrect number and the Accounting Technician initials the change. The Checks – Bank and the TeleCheck Receipt Total added together will equal the Check Total on the BIS Cash/Check report. The Accounting Technician verifies the TeleCheck receipts. The TeleCheck receipts are added and checked to the amount on the close-out report and the summary amount on the TeleCheck tape stating, "Settlement Successful". After the TeleCheck Receipts are verified and the dollar amount is correct, a check () is placed in the "Finance Use Only" box on the close-out. If the amount of the TeleCheck Receipts is not correct, one line is drawn through the number and the correct amount is written beside the incorrect number and the Accounting Technician initials the change. If a receipt is missing, the missing receipt is identified on the close-out with the customer's name and the dollar amount of the missing receipt. For Holding Check, the clerk will have a copy of an original check that has already been deposited to the Clerk's Bank Account and a copy of the BIS transaction. After the Holding Check/checks are verified and the dollar amount is correct, a check () is placed in the "Finance Use Only" box on the close-out. The dollar amounts for all checks will be verified to the BIS Cash/Check report by adding "Checks – Bank", Checks – TeleCheck and Holding Check together. The three lines added together will equal the Check Total on the BIS Cash/Check report.

The Credit Card total is taken from the BIS Cash/Check report. If the amount is written correctly, a check (☐) is placed in the “Finance Use Only” box on the close-out.

The box “Less Refunds” is to be used if an amount received is more than the amount of the transaction processed or if a transaction is rejected for a check written for multiple transactions. The amount is subtracted from the lines above the “Less Refunds” line. If the amount for refunds is correct, a check (☐) is placed in the “Finance Use Only” box on the close-out. The refund amount is listed below the final line with the dollar amount and comment of to whom the amount is to be refunded. With each close-out, the clerk includes a copy of the refund.

The amounts from “Currency” to “Less Refunds” are added and the amount is written on the “Clerk Grand Total” line. If this amount is added correctly, a check (☐) is placed in the “Finance Use Only” box on the close-out. The “BIS Grand Total” is taken from the BIS Cash/Check report. If the amount is written correctly, a check (☐) is placed in the “Finance Use Only” box on the close-out. If the “Clerk Grand Total” minus the “BIS Grand Total” equals 0 (zero), 0 (zero) is written in the “Over/Short” box on the close-out. If the amount is 0 (zero), a check (☐) is placed in the “Finance Use Only” box on the close-out or if the clerk or Services Leader has identified an amount over or short a check (☐) is placed in the “Finance Use Only” box. If an amount is over or short, the dollar amount is written on the report with an explanation in the comment section of the close-out. The Accounting Technician verifies the employee has signed and dated the close-out and the Services Leader or the Services Leader’s designee has signed and dated the close-out. Signatures of both must be on the close-out report. If the report is missing a signature, a scanned image of the report is sent to the Director of Finance & Accountability. The Director of Finance & Accountability sends the scan to the office requesting a signature. The signed copy will be received from the Services Leader or Services Leader’s designee. The signed copy will be placed behind the unsigned copy with the close-out for the day. After the Close-Out is checked and verified, the Accounting Technician initials the close-out.

After the Accounting Technician has completed the verification of the close out and money received, and the individual Clerk reports are balanced, the balances from the close out report is entered in the Finance spreadsheet for the day being worked. The dollar amount of the office is verified to BIS. This ensures all bags are received from an office and all bags are accounted for by the Accounting Technician.

After the Motor Vehicle close-out reports are verified, the money is bundled to be sent to the bank. If two Accounting Technicians verify close-out reports and count money, each Accounting Technician will count and bundle the money they have counted. Each bundle will have the Accounting Technician’s initials who counted and bundled the currency and coins. The cash bundles will be added together by each Accounting Technician and a deposit ticket will be completed by each Accounting Technician. The deposit to the bank is done with two deposit tickets. If a check will not run through remote capture, a separate deposit ticket is made for the check deposit.

After completing the verification of each office, a spreadsheet is completed of all close-out reports for all clerks. The spreadsheet lists currency, coins, Check – Bank, Checks – TeleCheck, Holding Checks, Credit Card Totals, and refund amounts. The spreadsheet is used to balance cash and coins to be sent to the bank and the amount of the checks to be sent to the bank or process remote capture. The final total of the spreadsheet is balanced to the BIS Cash/Check report for all offices for the day. The amount on the spreadsheet must balance to the amount on the BIS Cash/Check report. If it does not balance, each

office is verified. If an office is out of balance, each clerk is verified. When the difference is located, the amount is verified by the Accounting Technician with the Services Leader of the office and is sent the “before/after” of the transaction changes. If a correction must be made, the clerk’s close-out is corrected and initialed by the Accounting Technician. If a clerk is working on the wrong day, the Services Leader corrects the date of the transaction. The final spreadsheet from finance must balance to the dollar amount in BIS for the day. The final amount for the day is balanced with each change to a clerk’s close-out.

For all clerks processing Driver License transactions, a separate close-out report is completed. The close out report is office specific. The clerk lists the number of Applications for “Small Apps” and the number of Applications for “Large Apps” with the dollar amount associated to each kind of app. The driver license close-out is two parts: small apps with dollar amount, large apps with dollar amount, free safety, and Z capture. The dollar amount of the credit card transactions is added to the dollar amount of the total number of apps processed by a clerk. The second section is the money turned in by the clerk: The close-out lists, currency, coins, checks, TeleCheck, and Credit Cards. The above items are totaled. The total amount of money turned in and entered to BIS should equal the total amount of the Large Apps, Small Apps, Free Safety, Z Capture, and Credit Card Fees plus Clerk Fees. If the two items do not balance, the amount is written as (short)/over. For driver license, the amount in BIS for driver license should equal the amount from the clerk’s A-List report provided plus Clerk Fees and Credit Card Fees. If the amounts do not agree, the amount in BIS is checked to the A-List and the difference is identified.

Passport Application acceptance transactions are accounted for as miscellaneous receipts.

After completing the verification of each office, a spreadsheet is completed of all close-out reports for all clerks. The spreadsheet lists Currency, Coins, Checks, TeleCheck, and Credit Card Totals. The final total of the spreadsheet is balanced to the BIS Cash/Check report for all offices for the day. The final spreadsheet from finance must balance to the dollar amount in BIS for the day.

Open/Close of day

The day is opened for work to be processed using the current invoice. The invoice is the Julian Date which is the year and the corresponding day of the year. The day must be open for transactions in motor vehicle to be processed for the current day and current invoice. The current day is opened prior to the Clerk’s offices opening at 8:00 AM. An Accounting Technician is scheduled to begin their day at 7:45 AM to ensure the current day is open. The day is left open for the current day being processed. A day is open the current day and the day after for work to be checked. No changes that change money are to be made to the prior day until finance has been notified. The office must state what is changing for the day to be opened. A scan of the transaction before the change is made and a scan of the transaction after the change has been made must be sent to finance. This will be stated as the “before/after”. When the correction is received, the Accounting Technician will correct the clerk’s close-out report and the finance spreadsheet for the specific day. The spreadsheet is re-balanced to the BIS Cash/Check report.

The Accounting Technician will close the day the third business day. The Services Leader or Services Leader designee will contact an Accounting Technician to have the day opened if the need arises that a change must be made after the day is closed the third business day and after work is checked the second

business day. The Accounting Technician is instructed to not leave the day open over 15 minutes at any given time.

Final Finance Spreadsheet

The Accounting Technician emails the excel spreadsheet for the day worked and balanced to BIS. The spreadsheet is emailed to the Chief of Staff, Services Leader of each office, and copied to the finance team. After the spreadsheet is balanced and emailed, a copy of the spreadsheet with a copy of each refund is given to the Accounting Clerk. The final copy of the spreadsheet and a copy of the BIS balancing sheet and each clerk's close out form is the complete package ready to be scanned. The final package is scanned and saved to the network after the day is final and no more changes can be made.

Deposit to the Bank

The Accounting Technician will complete the deposit to the bank for motor vehicle receipts, and driver license receipts, and holding checks. The deposit to the bank is to be completed and ready for the couriers to take to the bank each day. The deposit is locked in a courier bag and delivered to FirstBank each day. When the couriers take the bag to the bank, the couriers pick up the bag from the prior day.

Deposit to the bank – Holding

A check is marked for the holding account when paperwork is submitted to the Knox County Clerk with a check. The customer is not in the office for the work to be processed. The office deposits the check/checks to the bank using remote capture or a deposit to the bank. The funds are journaled to an account listed on the general ledger as "Holding Money for Transaction". The Knox County Clerk's office makes sure all funds received in the Clerk's office for holding are deposited to the bank within three business days in accordance with TCA. The funds are deposited to the bank. When the customer comes to an office to have the transaction completed, a copy of the check is submitted with the close out and money is journaled to/from the Holding Account to money collected for the transaction. The Accounting Technician/Technicians keep an excel spreadsheet of all checks held for customers.

In the absence of the Accounting Technicians, the Accounting Clerk will act as a backup to make sure the deposit is completed and sent to the bank the next business day after transactions are complete and monies are received from all offices.

In the absence of an Accounting Technicians and the Accounting Clerk, the Director of Finance & Accountability will act as a backup to make sure the deposit is completed and sent to the bank the next business day after transactions are complete and monies are received from all offices.

Accounting Clerk

After a day is complete and before the day is to be transmitted, the Accounting Clerk verifies the BIS Cash/Check report to the daily reports for the Motor Vehicle 201 Balance Report and Motor Vehicle Renewal Balance Report, Miscellaneous Receipts Balance Report, Marriage License Balance Report, and the Business Tax Balance Report. All reports must balance before the day can be released to finalize to the State. The day is set to finalize the fourth day after transactions are complete. In the absence of

the Accounting Clerk, the Director of Finance & Accountability will verify all numbers and release the file to be finalized to the State.

The Accounting Clerk emails the Accounting Technician for Business Licensing and copies Director of Finance & Accountability to notify them that the day is complete and can be transmitted. The Accounting Clerk emails the motor vehicle clerks and the Services Leader, and Accounting Technicians responsible for finalizing the file to the state and copies the Director of Finance & Accountability, the day is complete, and the file may be finalized. If a request is received by an Accounting Technician to open the day being finalized, the Accounting Technician must notify the Accounting Clerk the day to be finalized has been requested to be opened. The Accounting Clerk must re-balance all reports if the day to be finalized has been requested to be opened after the email for finalizing has been sent. If the day is requested to be opened multiple times, the Accounting Clerk must verify multiple times.

After the email has been received the day has been finalized, the day is not to be opened or any changes made for the workday except for the final posting of credit cards. The Accounting Clerk posts the day to the general ledger.

The day must be open to post credit cards. The day is opened, and credit cards are posted. The day is set to automatically close when credit cards are posted for the day finalized.

5.8.10 Accounting Clerk Responsibilities:

The Accounting Clerk is responsible for the following daily activities: Refunds, TeleCheck deposits to the bank, and journal entries for deposits to the bank.

Refunds

Refunds are entered in an excel spreadsheet to ensure copies given and daily journal entries balance to the day's total refunds listed on the Accounting Clerk's excel spreadsheet. The refund packet consists of a copy of the Accounting Technician's spreadsheet for the day, copies of the original check for which the refund is due, and a copy of the clerk's completed close out. If needed, a copy of the transaction is included with the copy of the original check. When the information has been entered into the refund spreadsheet and balanced, the entire packet is scanned, and an electronic file is created. The physical copy of the clerk's close out and the copy of the check written to the Clerk's Office with the amount to be refunded is filed alphabetically. A journal is entered to BIS for the amount deposited to the bank for refunds to an account in BIS for refunds. The amount journaled to the refund account in BIS for a daily deposit will balance to the refund spreadsheet. Refund checks are issued after the check written to the Knox County Clerk clears the Clerk's bank account. Refund checks can be issued daily as needed. Refund checks are consolidated to issue multiple refunds from the same customer or dealer on one check. The amount written in refunds for a specific day is balanced to the refund spreadsheet and is balanced to the BIS check register for checks written. The refund account in BIS is balanced to the amount in the refund spreadsheet and the amount of the BIS check register and the amount in the BIS refund account. All amounts are balanced prior to checks being released to be mailed. Refunds are not issued until the day is closed and the day has been posted to the general ledger. Payments to the Knox County Clerk, made by cash, are paid immediately, but no payment is made prior to the day being transmitted and posted to general ledger.

Wheel Tax Exemptions/Wheel Tax Refunds

Each day, wheel tax exemptions are received from the offices for review of qualifying documents and the motor vehicle transaction. To qualify, the customer constituent must not exceed a maximum income requirement; must be 65 years of age or totally disabled; be full time active-duty military; and be disabled due to military service; be a former POW; or be a bus contractor with the Knox County Schools.

When customers constituents are charged wheel tax but qualify for the exemption, they may apply for a refund by submitting a request supported by a wheel tax exemption affidavit, documents to prove qualification, photo ID, and a copy of the motor vehicle transaction. After review, and if all criteria are met, a refund is issued to the registered owner(s) of the vehicle. Prior to issuing a refund, verification must be made using the BIS software. The application used within BIS is the Clerk Filing System. Dates must be verified to ensure the transaction is within the calendar year, the tag number matches the affidavit, the name and address match the affidavit and the Wheel Tax was paid. Verification must be made so duplicate payments are not made using clerk money, and the documents furnished are correct. Information is entered onto the Wheel Tax refund spreadsheet to make sure the refund requested is not a duplicate. Wheel tax refund checks are written. After the check is written, check number and check date are recorded in the spreadsheet. The amount to be written to the customer constituent is deducted from the amount collected. The amount collected for wheel tax is posted to the general ledger daily. The amount is posted the date the day is transmitted for motor vehicle transactions. For verification, Wheel Tax refund checks written must balance to the amount in the spreadsheet for refunds processed that day and for checks posted to the wheel tax account in general ledger.

Holding Account

Holding account funds are used to pay for transactions. A journal is made in the general ledger to move funds from holding to the cash account. This is done at the time the deposit tickets for that day's combined deposit are posted. When a holding check is used to process a transaction, the spreadsheet is opened, verification is made to select the correct listing, the line is dated with the transaction date, the transaction number of the posting, and the customer's tag number. The holding account spreadsheet is balanced to the amount listed in BIS in the general ledger account for holding money for transaction.

Checks

All checks written are copied along with supporting documents. Each day, these copies are scanned, and an electronic file is created. Copies of checks and their supporting documents are then stapled together and stored for a period of 5 years according to Tennessee Code Annotated (TCA) and County Technical Assistance Service (CTAS).

Unclaimed Property

Each year unclaimed property is filed for checks that have been dormant for a period of one year. The latest bank reconciliation is used to determine those checks which have been issued but not cashed. Sixty days prior to filing the Unclaimed Property Report with the State of Tennessee, due diligence letters are sent to those customers constituents with an outstanding check amount of \$50 or more. Letters are sent to the last known address requesting acknowledgement the funds are their property. If a response is received stating they are the owner of unclaimed property, the original refund check is voided, and a

new refund check is issued. For those customers' constituents who do not respond or claim their property, the funds are sent to the State of Tennessee no later than November 1st. The report is sent electronically using software called UP Exchange. All payments for unclaimed property are due to the Unclaimed Property Division of the State of Tennessee on or before November 1st of each year.

Monthly Payments to State and County

Each month payments are made to the State and County. The BIS software will create a monthly report called the "Trustee's Report".

State Payments

On or before the 20th day of the month following the previous month, an online report is filed with the State of Tennessee for sales tax collected for motor vehicles and boats. The online report will balance to the trial balance for sales tax collected and to the SLS453 form generated in BIS. The State will be authorized to ACH the Clerk's bank account for the payment for sales tax. The organ donor amount shown as due to State is payable to Tennessee County Clerk and the check is dated on or before the 20th day of the month. The amount due to the State for marriage license and premarital training is due and payable to the State no later than the 15th day of the month following the month of collection. The marriage return is created in BIS and paid online via TNTAP and an ACH is created to debit the clerk's bank account.

County Payments

On or before the 20th day of the month following the previous month, a check is written and deposited to Knox County. The check is for beer tax, marriage license fees, wheel tax, beer permits, hotel/motel tax collected, beer privilege fees, beer fines, liquor license fees, liquor privilege tax, and dogs on patios. The check is written to Knox County, and the check is deposited in Knox County's FirstBank bank account. A copy of the deposit ticket and a copy of County's Trustee Report is emailed to the email group bank.deposits@knoxcounty.org.

5.9 Circuit Court Clerk

Overview: The Clerk of the Circuit, Civil Division of General Sessions and Juvenile Courts is a constitutional office, elected by the people of Knox County for a four-year term.

The Clerk has the responsibility for all administrative functions to support the Judges of the courts, keep all the documents pertaining to the courts, collect fees owed to Knox County through the courts, maintain record books and cases and the dockets for each of the courts.

The Circuit Court is a court of general jurisdiction with judges presiding over three divisions and is the primary state level jury court for civil cases in Knox County. The court accepts lawsuits for amounts in controversy from zero dollars to an unlimited amount. Approximately 1500 cases are filed annually with the court. Filings include appeals from lower courts, automobile accidents, business disputes, condemnations, joint petition minor settlement, personal injury, workers compensation etc.

General Sessions Court has a broad range of jurisdiction and is often the public's first introduction to the judicial process. It is most commonly used by individuals seeking to represent themselves. The General

Sessions Court is divided into five divisions, each served by an elected judge. The court deals with both criminal and civil lawsuits. Because it is not a "court of record" and provides no written transcripts of its proceedings, its decisions in all matters are subject to appeal. In matters involving civil law, the court has jurisdiction over complaints with a limited value under \$25,000; automobile accidents, certain health-related committals, county ordinance violations, miscellaneous small claims disputes, and environmental codes violations. Also, the court has limitless jurisdiction for landlord/tenant cases.

For the Juvenile Court, the Clerk's staff processes cases for court hearings, prepares arraignment notices and process summons and subpoenas. This office gives notice to the child, parents, custodians, witnesses and any interested parties connected with the child's case, including legal publications for the newspaper.

The clerk's office is funded by the Knox County Commission, although revenue is generated by fees for service; the actual fee for service is set by the Tennessee Code Annotated, meaning that the Tennessee General Assembly (the State Legislature) determines the amount of the fees the Clerk may charge for service.

The deputy-clerks of the Circuit Court are responsible for accepting the filing of lawsuits. After accepting filings, our clerks create case files, and monitor those new cases by accepting additional pleadings and filings, scheduling cases for motions, hearings, and trials and processing and maintaining all orders of the court.

The Circuit Court Clerk's office is divided into three different types of court: Civil, Child Support, and Juvenile. Under civil court there are two different types of courts: Circuit and Civil Sessions.

Circuit Court

5.9.1 Account system used:

The Circuit Court uses Justice Information Management System (JIMS) and Microsoft Fox Pro Systems. JIMS, designed and maintained by the Knox County Information Technology Department, has been in place since 2003 and is used to setup and amend the court dockets. The Microsoft Fox Pro Systems system has been in place since 1999 and is used for all aspects of the Clerk's office. A private Hyland Software Solution for courts is an imaging database that has been integrated with JIMS in 2015. Rather than the clerks performing updates to the different software, all repairs, maintenances, back-ups and updates are performed by the Knox County Information Technology Department

5.9.2 Understanding:

Circuit Court deals with lawsuits, generally over \$25,000, which includes medical malpractice, automobile accidents, damages and torts, adoptions, minor settlements, foreign judgments, contract/debt, condemnations, worker's compensation and name changes. When someone comes to file a complaint, either over the counter or through the mail, the individual or company would then be charged a docket fee and assigned a docket number. Then, the docket number is assigned to one of the groups. Receipts are given back or mailed to the individual or company filing the lawsuit. After the receipting process, the process clerks enter the data into JIMS.

5.9.3 Cash:

Circuit Court has three operational bank accounts with FirstBank: the fee account, checking account and the technology fee account. The Financial Manager/Head Bookkeeper balances and reconciles all

accounts at the end of each month. Interest earned on these accounts is owed to the Circuit Court Clerk, unless a court order is established. If a court order is established then the funds, per the court order, are moved to the specific bank and all payout of interest earned is determined by court order.

5.9.4 Receipts:

At the beginning of each day the counter deputy clerk retrieves the cashier drawer from the vault, verifies the number on the printed receipt matches with the next number in the sequence, and counts to make sure that only thirty dollars is in the till. Throughout the day the counter deputy clerk is the only clerk to receipt the cash or checks received from parties or law firms and work from the drawer. Due to the office not receipting many cash transactions, there is only one deputy clerk and cashier drawer to receipt these transactions. If the counter deputy clerk has to leave or is going to lunch, then the counter deputy clerk will count the cashier drawer to verify appropriate amount of cash and checks (balance and close) and will then hand the cashier drawer over to the next deputy clerk. The deputy clerk will then perform the same duties as the counter deputy clerk until he or she returns from leave or lunch. When the counter deputy clerk returns, he/she counts the till to verify the correct monies are accounted for. At this time the counter deputy clerk prepares the daily deposit. The deposit is verified by the Collections Deputy Clerk, Administrative Assistant or Financial Manager. During busy hours, other deputy clerks will assist with the receipting process. The other deputy clerks do not have separate cashier drawers from which to work. At the end of the day, the Financial Manager prints a daily receipts journal to verify the amount of checks and cash transactions throughout the day. If, for some reason, the reconciliation process is wrong, the Financial Manager and the counter deputy clerk receipting the cash or checks must stay until it is verified and reconciled. Checks do not have to be deposited, due to a remote capture feature in the system that allows the Circuit Court Clerk to post the checks collected directly into the bank on a daily basis. These checks are posted by the Collections Deputy Clerk and Supervisor. The Financial Manager keeps the original checks for six months as a matter of practice at which time checks are shredded. Cash deposits are made by Managing Deputy Clerk each afternoon.

5.9.5 Disbursements:

The Circuit Court Clerk's office maintains manual checks and they can only be signed by the Circuit Court Clerk, the Chief Deputy, the Circuit Court Supervisor and the Administrative Assistant. The Financial Manager verifies the disbursement journal with what was needed to be paid out per court order or for payroll processing through the Knox County Finance Department. The Financial Manager is not a signatory on any accounts.

5.9.6 Trial Balance:

The trial balance is verified with receipts and disbursements by the Financial Manager at the end of each month. The month end report is then sent to the Knox County Finance Department.

Civil Division of General Sessions Court (Civil Sessions)

5.9.7 Account system used:

Civil Sessions utilizes a Microsoft FoxPro database system that fully integrates its case management and financial data. The Microsoft FoxPro systems system has been in place since 1999 and is used for all aspects of the Clerk's office. Rather than the clerks performing updates to the software, all repairs,

maintenances, back-ups and updates are performed by the Knox County Information Technology Department.

5.9.8 Understanding:

Civil Sessions court is the primary court for handling “Pro Se” litigants (plaintiffs, defendants, and those not represented by an attorney). When filing a Civil Warrant or Detainer Warrant (complaint for money damages or for back rent owed), the filing occurs at the counter in person or by mail. The individual, attorney or company would be charged a filing fee and the case assigned a docket number. A receipt is prepared in the FoxPro system and printed and handed to the individual or mailed.

5.9.9 Cash:

Civil Sessions maintains one checking account with FirstBank. The Head Bookkeeper balances and reconciles the account at the end of each month and the Financial Manager spot checks the work. Interest earned on these accounts is owed to the clerk’s office.

5.9.10 Receipts:

The Civil Sessions office receipts cash, checks, money orders, direct deposit (From the County of Knoxville), and credit cards. In the Civil Sessions court there are three cashier drawers (two that are used daily and one that is in vault for busy times or backup purposes). Each cashier drawer has \$50.00 (\$30.00 is given to the clerk and the remaining \$20.00 is left in the vault to make change) for a total of \$150.00. Each cashier drawer is also locked. In the morning, there is \$60.00 on the floor and \$90.00 in the vault. At the beginning of each day, the counter deputy clerks retrieve these cashier drawers from the vault with the Assistant Bookkeeper. Throughout the day the counter deputy clerks are the only persons to receipt the cash or checks received within their cashier drawer. If someone leaves for the day or goes to lunch, then the deputy clerk relieving that person will use the cashier drawer from the vault to receipt any transaction while that person is gone. The new deputy clerk will then perform the same duties as the counter deputy clerk until he or she returns from leave or lunch. There is also a mailing deputy clerk in the office that strictly does the receipting of mail checks. No cash is received through the mail. There are only electronic receipts that the system creates. There are no manual receipt books. At the end of the day, the Assistant Bookkeeper prints a daily receipt journal to verify the amount of checks and cash transactions throughout the day to the deputy clerk’s receipts. This daily receipt journal is separated out by individual deputy clerks. The report is also broken down by cash, check, credit card, and direct deposits. If, for some reason, the reconciliation process is wrong, the Assistant Bookkeeper and/or the Head Bookkeeper will keep a copy of the overage or underage. This is kept in a locked filing cabinet in the Head Bookkeeper’s office. Checks do not have to be deposited due to a remote capture feature in the system that allows the Civil Sessions clerk to post the checks collected, throughout the day directly to the bank. These checks are posted by the Assistant Bookkeeper after the receipts have been balanced and verified. After everything has been verified and balanced the Assistant Bookkeeper writes a bank deposit slip and deposits are made by the Managing Clerk. The Head Bookkeeper compares daily deposits report from the system to the bank statement at the end of each day. The Head Bookkeeper and the Assistant Bookkeeper are the only persons who can void receipts. This can only be done with a password, and it shows up on the monthly report that he/she verifies to the bank statement at the end of each month. These are also reviewed and signed off by the Supervisor.

5.9.11 Disbursements:

The office maintains manual checks. These manual checks are run by the Assistant Bookkeeper. The checks are signed electronically in the system. The Head Bookkeeper verifies the disbursement journal with what was needed to be paid out per court order.

5.9.12 Trial Balance:

The trial balance is verified with receipts and disbursement by the Head Bookkeeper at the end of each month. This month end report is then sent to the Knox County Finance Department.

Child Support Court

5.9.13 Account system used:

Tennessee Child Support Enforcement System (TCSES) is used to receipt payments across the counter and bond releases. This system tracks monies for payments that are released by the State. Also, this system is required by State law, and has been used for over fifteen years. Excel spreadsheets to track birth certificates, payments, bond monies and other revenue. The Bookkeeper is the only person who has access to the spreadsheets. These can be viewed and verified by the Supervisor.

5.9.14 Cash:

Child Support Court has three bank accounts. Two accounts are with FirstBank: the General Account and Cash Bond Account. The third bank account is the TCSES Account with Home Federal Bank. The Bookkeeper balances and reconciles both accounts at the end of each month. Interest earned on these accounts is owed to the county.

5.9.15 Receipts:

The Child Support Court has two clerks that receipt monies in manual receipt books. The office has one other clerk that will step in while the others are at lunch. There are three manual receipt books. Two of the receipt books are for TCSES payments, which are for child support payments and general transactions, which are for copies or other data entry fees. The two TCSES receipt books are only used by one individual clerk per receipt book. The one general receipt book is used by all clerks. The receipts have the date, person who is paying, who they are paying for, amount and the docket number. All receipt books are pre numbered and have a logo at the top. The Child Support Court has no cashier drawers with monies in them because the office only collects monies that are exact cash, money orders and cashier checks. Throughout the day, monies and receipts are deposited into a safe. At the end of the day, the Bookkeeper will balance the clerks' receipt books and what has been received in exact cash, money orders, and cashier checks to the TCSES report. The report shows what has been received and if it is cash, money orders, or cashier checks. The Bookkeeper enters all the amounts after he/she has balanced what is in the safe with the receipts into TCSES. TCSES will tell him/her if it is balanced and if it is released to Nashville to be released to custodial parent. The Bookkeeper will then sign off on these. The Manager or the Circuit Court Clerk takes the deposits to the bank. If the Child Support Court collects over \$3,000.00 to \$4,000.00, they will make separate deposits during the day. They do this because they do not want more than \$3,000.00 to \$4,000.00 in the office. The individual clerks will keep track of the receipts by running a 'tape'. This tape is done by calculator. Voided receipts are given to the Bookkeeper

at the end of the day and verifies that all receipts are still in numerical order. A copy is left in the receipt book.

5.9.16 Disbursements:

The office has manual checks that can only be written by the Bookkeeper. The authorized signors are the Circuit Court Clerk, the Chief Deputy, Circuit Court Supervisor and the Administrative Assistant. The Bookkeeper verifies the disbursement journal with what was needed to be paid out. Checks are written for cash bond money. These monies are for when someone is picked up out of jail or needs to amend his or her birth certificate. After the monies are collected, they are sent to Tennessee Vital Records. These transactions for birth certificates are taken from the General Account. The cash bond and child support monies are sent to the Knox County Juvenile Court. The office has a check ledger to verify checks that have been written.

5.9.17 Trial Balance:

The trial balance is verified with receipts and disbursements by the Bookkeeper at the end of each month. The month end report is then sent to the Knox County Finance Department.

Juvenile Court

5.9.18 Account system used:

Juvenile Court Informational System (JCIS) is the system used by Juvenile Court. This system has been in place for ten plus years and is used to setup and amend the court dockets. Rather than the clerks performing updates to the software, all repairs, maintenances, back-ups and updates are performed by the Knox County Information Technology Department. Financial software has been funded and is in place in the Juvenile Court Clerk office beginning FY2019-2020.

5.9.19 Understanding:

Juvenile court deals with petitions regarding guardianship/custody, dependency and neglect, delinquency and unruly minors. This office collects cash, money orders, cashier checks and credit cards for filing fees, fines, restitution bounds, court costs, litigation taxes and administrative fees.

5.9.20 Cash:

Juvenile court has three bank accounts with FirstBank: Cash Bond, Restitution, and a Checking Account. The Bookkeeper balances and reconciles these accounts at the end of each month. Interest earned on these accounts is owed to the county, unless a court order is established.

5.9.21 Receipts:

There is a total of \$150.00 in the Juvenile office: \$50.00 to one deputy clerk, \$50.00 to another deputy clerk, and \$50.00 in the vault, which is only used to make change. The office has maintained manual receipt books, which were pre-numbered and had the county logo on them. Financial software is now used where the system assigns the receipt numbers. The receipts can only be voided by the Supervisor. The Bookkeeper does keep track of these in Excel and verifies that all receipts are accounted for. All voids are verified and signed off on at the end of each day. At the beginning of the day the Bookkeeper will open the vault, if he/she is not available then a Supervisor will open it. Receipts are taken to the bank for deposit each day. The monies are receipted, and the deposit prepared at noon then taken to the bank. It is taken to the bank by the Managing Deputy Clerk. One deputy clerk will go to lunch at a time

and while this clerk is out, another deputy clerk will fill in. The deputy clerk uses the same cashier drawer that the first deputy clerk has used and does not count down the cashier drawer. While the monies are waiting in the office, they are placed in the vault overnight. The Bookkeeper writes the deposit and Circuit Court Clerk verifies these. The next day the Bookkeeper receives the copy of the deposit slip and verifies the previous day's deposit. The financial system prints a receipt journal report. The office does not have a check remittance processor, so checks are deposited manually. This is due to cost and that the office does not have many checks. The Bookkeeper is the only person who enters the monies into the system after the money is reconciled to the receipts. When the Bookkeeper enters these amounts into the system, he/she notes which deputy clerk receipts what amounts.

5.9.22 Disbursements:

Checks are stored in the Bookkeeper's office and the Juvenile office has to have two signors to sign off on these checks, which could be the Chief Deputy, Circuit Court Supervisor, Administrative Assistant and the Circuit Court Clerk. The Bookkeeper writes the checks, but they cannot sign off on them.

5.9.23 Trial Balance:

The trial balance is verified with receipts and disbursement by the Bookkeeper at the end of each month. This month end report is then sent to the Knox County Finance Department.

5.9.24 General Salary/Payroll – All Clerks:

The Circuit Court Clerk's office authority to pay deputy clerks is authorized by a Letter of Agreement filed each fiscal year in office. The letter includes a pay schedule for all salaries except the elected clerk whose pay is set by state law. The payroll is processed biweekly on handwritten timesheets executed and signed by each deputy clerk indicating time worked, sick leave and vacation. The Circuit Court Clerk signs each timesheet and if they are unavailable a designee signs at their discretion. Each timesheet is collected and reviewed by the deputy clerks' supervisors. The timesheets are then accumulated from Circuit Court, Civil Division of General Sessions and Juvenile Court for review and final calculation (total hours) by the Financial Manager, Administrative Assistant to the Circuit Court Clerk and/or Chief Deputy. The timesheets are then tendered to Knox County Finance Department. The data is maintained by Knox County in the MUNIS system. The clerks do not maintain, repair or upgrade the system. As part of the clerks' benefits, health insurance and retirement benefits are paid by reimbursement from the fee account to Knox County for deputy clerks. Deputy clerk salaries are appropriated by Knox County Commission, as Juvenile deputy clerks are not fee account paid salaries. Such salaries are line itemed annually as part of the general county budget process and are subject to the payroll system pay scale. The Circuit Court Clerk has a Personnel Plan submitted to Knox County Commission in 1999.

5.9.25 Risk Assessment:

Each division of the Circuit Court Clerk's office, Circuit, Civil Division of General Sessions and Juvenile, shall attempt to assess risks at least annually. The risk assessment shall include facility access, cash controls, accounting, computing security and emergency plans. The assessment shall be conducted by the Site Supervisor and the Head Bookkeeper and reported to or with the assistance of the Circuit Court Clerk.

5.9.26 Employment:

Persons who seek employment with one of the Circuit Court Clerk's offices often submit a Résumé and/or fill out an Application Form. The Application Forms are located at the front counter. The Application Form asks for educational background, prior experience and professional references to assist the Circuit Court Clerk in evaluating a potential future employee.

5.9.27 New Employee Processing:

Potential employees are interviewed by the Circuit Court Clerk. Once hired, an appointment is set up for them to meet with the Manager who will assist them in the process of completing the necessary payroll forms, getting parking reserved and providing them with the Employee's Handbook. The Manager will also schedule their new employee orientation which is conducted by Knox County Human Resources Department to assist with retirement and health benefits.

5.10 Register of Deeds

Overview: This office is the custodian of legal documents pertaining to real property, including: Warranty Deeds, Deeds of Trust, Releases, Powers of Attorney, Liens, and other miscellaneous documents designated by state law. Document Receiving Clerks record and receipt each document that comes to the office, whether by delivery, electronic filing, or walk-in. From there, documents are scanned, indexed, verified, paired and stapled to receipts, and returned to the individual.

5.10.1 Account system used:

The Register has three software systems being used: Document Technology System (DTS), SAGE 100, and Attendance on Demand. The DTS system has been in place since 1999 with system updates and the most recent version in December of 2019. It is used for recording, indexing, storage, and retrieval of all documents, as well as accessing our online records database. The Register has a systems manager that works with the vendor (DTS) to perform updates and fixes to the DTS software. In April 2019, the DTS system was updated to accommodate E-Recording. In December 2019 all computers in the office were upgraded to Windows 10. Consequently, another update was issued for DTS for compatibility purposes, improved functionality, and to improve electronic filing services. CSC, EPN, Indecomm, and Simplifile are the current vendors that provide e-filing services. SAGE 100, by Sage Software, has been used since 2004 for the Register's accounting. All updates and fixes are performed by Blytheco out of Los Angeles, CA. Previously this software was serviced by Tennessee Software Solutions, which was absorbed by Blytheco in August of 2022. Attendance on Demand, our time keeping system, is now supported by Gorrie-Regan & Associates in Birmingham, AL. This system has been used since 2002 but was updated to the cloud-based platform in December of 2019.

5.10.2 Bank Accounts:

The Register has three bank accounts with FirstBank: Payroll/ Fee Checking account, Transfer/ State Tax account, and ESCROW account. The Finance Director balances and reconciles all accounts at the end of every month. The Assistant Finance Director verifies all the disbursements, deposits, and interest earned has been deposited or withdrawn in the proper months. Interest earned on all three accounts is owed to the county.

5.10.3 Receipts:

At the beginning of each day, the Finance Director or Assistant Finance Director, opens the safe and lets the individual deputy clerks retrieve his or her own bag out of the safe. Each deputy clerk counts the amount in the bag and verifies the amount to prior day and signs it out. Each Document Receiving Clerk has a drawer with \$400 dollars in the till. There are four Document Receiving Clerk drawers in the safe, all of which are used daily. The safe also contains the records clerk's bag with \$100 and the main bag with \$1,000. The main bag is used for operations and making change. The total amount of cash in the vault is \$2,700.

Each cashier drawer, from the time it is retrieved from the safe to the end of the day, is locked in the individual deputy clerk's drawer. At the end of day, each deputy clerk will sign the amount in the cashier drawer, into the safe. The Finance Director, or the Assistant Finance Director, may sign off on monies placed back into the safe at the end of each day. If the monies placed back into the safe are over or under, then that figure is tracked on the sign off sheet, which is in the safe.

The DTS system has a 'void report' that can be ran, which would show the voided transaction during the day, month, or year. The only employees that are able to sign off on voided transactions are: the Administrative Supervisor, the Chief Deputy, and the Systems Administrator. The Register does not have manual receipt books. Receipts are generated by the DTS system.

At the end of the day, the Finance Director, prints a daily receipts journal to verify the amount of checks and cash transactions throughout the day. This is also done by each individual cashier clerk, but the Finance Director verifies the total amount on the DTS daily report to the total receipts collected. Cash is deposited by the Records Supervisor, or other available deputy clerk in case of his absence, everyday around lunch time. All checks are electronically scanned and sent to the bank daily.

5.10.4 Disbursements:

The office does have manual checks and they can only be signed by the Register of Deeds or Chief Deputy. Checks are written to reimburse Knox County for payroll and benefits, which are processed by the County Payroll Department, out of the Payroll/Fee Account. The reserve the Register keeps in the Fee Account is \$460,275 (three months payroll and benefits). After checks for payroll, benefits, and operations, any excess over the \$460,275 are written to the Trustee's office, to go to the County general fund at the end of each quarter. Monthly a check is written to the State of Tennessee Department of Revenue out of the Transfer (Tax) Account for mortgage and transfer tax. The Register does collect a two-dollar fee, from the customer, per each recording transaction completed in the Registers office. An additional two-dollar fee is charged for each document that is recorded through Electronic Filing. At the end of every month the Register writes a check to the county Trustee for these two-dollar customer fees collected. These fees go into the Data Processing Fee account, which is a restricted fund maintained by the county finance department. The two-dollar fee is to only be used on IT related expenses, technology fixes or upgrades. If the money is needed by the Register, it is requested from the finance department and the finance department would pay the vendor directly for services performed. Also, these decisions are only made by the Register of Deeds. The Finance Director verifies the Disbursement journal with what was needed to be paid or for payroll processing through the Knox County Finance Department.

5.10.5 Trial Balance:

The trial balance is verified with receipts and disbursement by the Finance Director at the end of every month. This month end report is then sent to the finance department, Mayor, and Commission.

5.10.6 Payroll:

Time sheets are approved by the Finance Director, electronically through Attendance on Demand. The Administrative Supervisor or Chief Deputy signs off on the Finance Director and the Assistant Finance Director's timesheets. These get sent to the County Payroll Department and the Register maintains hard and soft copy for two years. The Register has their own policies and procedures when it comes to sick leave, annual leave, and comp time. The County Payroll Department started tracking the Register's employee sick leave, annual leave, and comp time, as of May 1, 2015. These benefits are also tracked and approved by the Finance Director. Pay raises are done by submitting a county change form through the Register of Deeds. If the Register of Deeds approves it, then it is sent through Human Resources to be finalized and updated with the County Payroll Department.

5.11 Criminal Court Clerk

Overview: The Clerk Criminal Court, Division IV of the Circuit Court, and the Criminal Division of the General Sessions Court for Knox County, Tennessee, further referred to herein as Knox County Criminal Court Clerk or Criminal Court Clerk is responsible for all administrative, bookkeeping, and record keeping functions in support of the Knox County Fourth Circuit Court, the Knox County General Sessions Court (Criminal Division) and the Knox County Criminal Court.

5.11.1 Account system used:

The Criminal Court Clerk uses three software systems: PayIt, LLC used for credit card processing and settlement, Microsoft FoxPro used for accounting functions, and Justice Information Management System (JIMS) used as a database of defendants and docket information.

5.11.2 Cash:

The Criminal Court Clerk has four bank accounts with First Bank, one for each court division and one for excess fees. All are interest bearing accounts that are reconciled by the Criminal Court Finance Director monthly.

5.11.3 Receipts:

The Criminal Court Clerk's office receives cash, personal checks, business checks, money orders and credit cards. Receipts are processed using Microsoft FoxPro, which generates a receipt showing the date, docket number, receipt number, and amount of transaction. The FoxPro program also stores a copy of each receipt and generates a list of all receipts by cashier and day for daily reconciliation of all monetary instruments processed.

At the start of each day, each clerk assigned to cashier is given a locked cash bag with \$100 in various denominations that is assigned only to them. Keys to each bag are only held by the cashier and the Criminal Court Finance Office. At the end of the day, each cashier turns in their locked cash bag with

\$100 and a separate locked cash bag containing all monies they have collected and receipted for that day. Accompanying each set of bags is a report showing the count and sum of all cash, check, money order, and credit cards processed by that cashier on that day, along with a copy of their total receipt listing showing receipt number, docket, type of tender, and amount, the original copy of any in-person credit transaction, a copy of any checks or money orders, and a listing of any phone or online credit transactions they processed. This report requires the cashier's and a designated bookkeeper's signatures verifying that the totals contained in the receipt listing and the monies turned in both match the report and show the true balance or variance. Each bag remains locked when not in use, even if being placed in the safe, ensuring the only clerks that have access to the monies inside are the authorized keyholders. All receipts are reconciled, and deposits are compiled daily by the assigned bookkeeper, who keeps a record of the deposit made and the total receipts with all receipt backups in a daily report that is kept as the physical record of all receipts processed by the Criminal Court Clerk's office. All deposits are double counted for accuracy by designated bookkeepers before submitted to bank. All credit cards are deposited directly into the account associated with the court in which they were processed and reconciled monthly.

5.11.4 Disbursements:

Disbursements to state and local agencies are made monthly by checks written out of FoxPro except for the State Department of Revenue, which is transmitted directly from the individual court's bank account via electronic funds transfer using the Automatic Clearing House (ACH) function on the Department of Revenue's website. Individual receipts are disbursed daily either automatically using the FoxPro line-item designations associated with each individual docket entered into the system, or manually in the system by designated bookkeeper if the FoxPro system finds any possible exceptions in disbursement. Disbursements of restitution to victims or cash bonds/refunds due to defendants are made weekly via checks written out of FoxPro. The check writer cannot sign any checks they have written, and all checks require two signatures. The FoxPro system keeps an electronic record of all line items disbursed by check, and these records are unable to be altered by any clerk.

5.11.5 Trial Balance:

The trial balance is verified with receipts and disbursements at the end of every month.

5.11.6 Payroll:

The County Payroll Department keeps up with all sick leave and annual leave. The same department provides a report of accrued annual and sick leave. Time sheets are submitted to the County Payroll Department by the deputy clerk assigned to handle internal office payrolls and employee human resource files. Each supervisor can view and verify the time punches of each deputy clerk working in their department. The time punches are recorded in the Executime time clock system. Sick and/or annual leave is entered into Executime by the employee and approved by their supervisor. All full-time employees are scheduled to work seventy-five hours biweekly, or thirty-seven and a half hours weekly. Part-time employees work as their supervisor approves. The deputy clerk verifies their timesheets are complete on the Friday preceding payroll processing, and then the supervisor and deputy clerk assigned to payroll approves the timesheet for payment. Timesheets are printed to an electronic file and emailed to payroll with the notification. The county payroll director will email an electronic report for time to be paid for all approved timesheets. The report is verified, and an email is sent to the payroll director

with corrections or approval to pay as indicated. The Finance Director receives a detailed payroll report and invoice from the county for payroll remitted for that pay period, and writes a manual check out of the Criminal Court Clerk's excess fees account to the County Trustee as reimbursement which is signed by the Finance Director and the Criminal Court Clerk. Pay raises are given by the Criminal Court Clerk and submitted to the County Human Resources Department with a County Employment Change Form.

5.11.7 Director of Finance Responsibilities:

The Criminal Court Clerk's Finance Director is responsible for an accurate accounting of all monies received and disbursed by each court and the bills of cost taxed to each docket that is dispositioned by each court. The Criminal Court Clerk's Finance Director supervises deputy clerks in the bookkeeper, cashier for the Criminal Court and cashier for the General Sessions Criminal Division Court positions. The cashier positions in the Fourth Circuit Court report directly to the Fourth Circuit Court supervisor with accountability to the Finance Director for any cashier duties or transactions. The bookkeeping positions are divided into two main areas of responsibility: day to day accounting and taxing of dockets in Criminal Court. The cashier positions for General Sessions Criminal Division require taxing of dockets at time of payment in addition to processing of payments.

All money received in the office of the Criminal Court Clerk must be deposited within three business days. The Director of Finance is responsible for making sure that all deposits are made timely and correctly within state designated guidelines.

The Director of Finance works with external auditors for Knox County and provides bank reconciliations, documentation of any receipts processed, documentation of any checks written, records of disbursements, and any other financial records necessary to audit and reconcile the ledgers of the courts.