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**Additional Resources - Fiscal Year 2021 Budget Adoption**

To: Tennessee Local Government Officials

From: Betsy Knotts, Director, Division of Local Government Finance

A handwritten signature in blue ink, appearing to read "B. Knotts", is positioned to the right of the "From:" line.

Date: April 20, 2020

Subject: Additional Resources - Fiscal Year 2021 Budget Adoption

Thank you for continuing to reach out to our Office during this uncertain time. Based on the needs expressed by many Finance Directors across the State, our Office partnered with the Michigan State University Center for Local Government Finance and Policy to record a discussion on topics relevant to budgeting during a crisis - including revenue forecasting and cash management. You can watch the recorded discussion (approx. one hour in length) at the following link: [tncot.cc/COVID-19](http://tncot.cc/COVID-19). We welcome your feedback on this recorded discussion and any suggestions you may have for future panel discussions.

In Fiscal Year 2021, it is extremely important to understand that your government's budget is a changeable document. In other words, once the budget is approved by June 30, it is not fixed in stone. The procedures for amending budgets are posted on our website at the following link: [tncot.cc/budget](http://tncot.cc/budget). It is highly recommended that you consult with your city or county attorney now to prepare draft budget amendment templates and procedures, if you do not already have them in place. Please note, budget amendments must be sent to the Division of Local Government Finance for formal acknowledgement after they are approved by the local governing body.

During the past few weeks, our Office has received many inquiries related to education maintenance of effort requirements. Unless the Legislature changes the current statutory requirements when it reconvenes in June, local governments may have to raise property taxes to make up for any shortfall expected from sales tax revenues. Please note, a previously approved property tax rate for Fiscal Year 2021 can be amended, provided that the new rate is fixed before taxes become due on the first Monday in October of 2020 (See Op. Tenn. Att'y Gen. No. 04-149, Oct. 1, 2004).

If you have any questions or need assistance, please contact our office. We have enclosed contact information to help you identify the financial analyst assigned to your local government.