



Municipal Technical Advisory Service  
INSTITUTE *for* PUBLIC SERVICE

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## Monitoring the Budget Process

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Monitoring the Budget Process

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The most important step of the budget process follows adoption: monitoring revenues and expenditures for the budget year. A few basic practices will help you adequately monitor the income and expenditures of your city.

First, devise a monthly report in order to give elected officials and department heads a current picture of the city's finances.

Second, during the course of the fiscal year, prepare a quarterly or mid-year budget review. This will help with the third most important aspect of the monitoring process: budget amendments. Even the best budget will miss a line item. The law allows for amendments to the budget in order to bring actual expenditures in line with the budget. The budget ordinance may be amended "in the same manner as any other ordinance may be amended." T.C.A. § 6-56-208. A public hearing is not required for a budget amendment.

It is impossible to overemphasize the need for budget monitoring. Without it, the budget process is incomplete and may place the city in a tenuous financial position.

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*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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