

## Legitimate Expenditures

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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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## Legitimate Expenditures

**Reference Number:** MTAS-339

Click on the topics listed below in this section for more information.

## Drug Treatment and Education Programs

**Reference Number:** MTAS-345

### ***Local Drug Treatment Programs***

Cities may spend money from the Drug Fund special revenue account to assist local drug treatment programs. There are no state standards defining what constitutes a qualifying local drug treatment program.

### ***Drug Education Programs***

Funds may be spent on drug education programs, but there are no specific standards that define a qualifying drug education program. Many agencies fund all or part of the D.A.R.E. or VICTOR programs with Drug Funds. Agencies also may use the funds to purchase anti-drug literature for distribution in the community or local schools or to fund an anti-drug seminar for local residents, P.T.A., or school children.

## General Drug Enforcement Programs

**Reference Number:** MTAS-346

Drug enforcement expenditures are divided into two categories: general drug enforcement and cash transactions relating to undercover operations (confidential expenditures).

### ***General Drug Enforcement***

General drug enforcement expenditures include all drug enforcement expenditures that are not directly related to undercover operations. General drug enforcement expenditures include:

- Automobiles for drug investigators
- Maintenance and operational expenditures for a drug officer's automobile, including gasoline;
- Telephone charges, including cellular telephone charges;
- Office supplies and office equipment for drug enforcement officers;
- Drug identification kits for drug investigators and patrol;
- Drug enforcement training;
- Drug dogs and their maintenance, including food and veterinary service.

General drug enforcement expenditures are not confidential and must follow the city's purchasing guidelines. If the city has not adopted purchasing guidelines, it must follow the state purchasing guidelines for local governments. T.C.A. § 39-17-420.

### ***Confidential Expenditures***

Cash transactions relating to undercover operations are confidential expenditures. Examples of these expenditures include:

- Payments made to an informant for information
- Payments made to an independent undercover agent;
- Money spent to actually purchase drugs as part of an undercover operation;
- Gasoline or minor maintenance for an undercover vehicle or an informant's vehicle when used in undercover operations.

Office of the Comptroller *Procedures for Handling Cash Transactions Related to Undercover Investigative Operations of County and Municipal Drug Enforcement Programs (2012)*. See <http://www.comptroller.tn.gov/la/pdf/2012ProceduresForCashTransactions.pdf> [1].

## Nonrecurring General Law Enforcement

**Reference Number:** MTAS-347

Drug Fund money also can be spent for general law enforcement purposes. Unlike drug enforcement expenditures, general law enforcement expenditures must be *nonrecurring*. Generally, nonrecurring expenditures are capital expenditures, but not all qualifying expenditures will be capital expenditures. Basically, a city cannot spend Drug Fund money for ongoing, operational items.

Some examples of allowable nonrecurring, general law enforcement expenditures include:

- Patrol and administrative vehicles;
- Blue lights, sirens, radios, and radar units for the vehicles;
- Video cameras, both for vehicle units and camcorders and body cameras;
- Handguns but not ammunition (Ammunition for a drug enforcement officer is allowable as a drug enforcement expenditure.);
- Fax machines and copiers;
- Cellular telephones for general law enforcement and administrative officers, but not the monthly bill;
- Non-drug patrol dogs but not food or veterinary services.

## Automated Fingerprint Machines

**Reference Number:** MTAS-348

While the purchase of automated fingerprint machines qualifies as nonrecurring general law enforcement expenditure, there are special statutory regulations pertaining to these purchases.

All agencies must set aside 20 percent of their Drug Fund revenues each year toward the purchase of an automated fingerprint machine until they actually purchase the machine or until they enter into an agreement with another agency that has a machine to do fingerprinting. These agreements most often occur between a city police department and a county sheriff's department. The 20 percent set aside can be accounted for in a separate reserve account, or it can be left in the Drug Fund special revenue account.

Once an automated fingerprint machine is purchased, or the city has entered into an agreement with an agency that has one of the machines, the city may use up to 20 percent of each year's Drug Fund revenues to pay for some operational costs of the fingerprint machine, including telephone line charges, software maintenance contracts and hardware maintenance contracts. These operational costs should be included in any agreement the city has with another agency to perform its fingerprinting.

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### Links:

[1] <http://www.comptroller.tn.gov/la/pdf/2012ProceduresForCashTransactions.pdf>

*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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