

City of Crossville, TN  
Cash Management Policy

**1. PURPOSE**

The purpose of this policy is to establish sound principles for the management of cash assets held by the City of Crossville. This policy is designed to ensure the safety of public funds, maintain adequate liquidity to meet operating needs, and to maximize return on investments, all while maintaining public trust and complying with applicable laws.

**2. SCOPE**

This policy applies to all public funds held by the City of Crossville, including but not limited to:

- 1) Tax Receipts
- 2) Service fees, fines and charges
- 3) Intergovernmental revenues
- 4) Proceeds from asset sales
- 5) Insurance recoveries
- 6) Cash donations

**3. AUTHORITY and DELEGATION**

The City Council is responsible for approving the Cash Management Policy. The Finance Director is responsible for implementing and managing cash operations and shall:

- 1) Develop and maintain written procedures for cash handling, investment and disbursement.
- 2) Ensure delegation of responsibilities within City operations is clearly documented.
- 3) Comply with state law and best financial practices.

**4. OBJECTIVES**

The City's primary objectives in managing its cash assets are:

- 1) Safety: Preservation of principal is the foremost objective.

- 2) Liquidity: Funds must be available to meet the City's financial obligations as they become due.
- 3) Yield: Subject to safety and liquidity, the City shall seek the highest reasonable return on investments.

## **5. CASH HANDLING and DEPOSITS**

All City departments collecting cash or equivalents must submit receipts daily to the Finance Director's Office. All funds must be deposited within the time frame required by state law. Cash collections must be accompanied by appropriate documentation and reconciled daily.

## **6. BANKING and DEPOSITORY RELATIONSHIPS**

The City may engage in business only with depositories that have offices within the corporate limits of the City of Crossville. If required services are not available with the local depository branch, the City may utilize services from the nearest branch to the corporate city limits. All depositories must provide audited financial or regulatory filings upon request. Consolidation of bank accounts makes investment decision easier and reduces staff time needed to reconcile monthly bank statements. Banking relationships shall be reviewed and rebid every four years, as required by law, to ensure competitive service and rates.

## **7. COLLATERALIZATION**

All deposits not insured by the FDIC must be collateralized as required by state statute. The City prefers institutions to participate in the State Treasurer's collateralization pool. FDIC coverage shall be considered in calculating required collateral levels.

## **8. INVESTMENTS**

Idle funds shall be invested prudently in accordance with state law and the City's policies. The City currently prohibits the use of derivative financial instruments. Investment decisions will emphasize legality, safety, liquidity, and yield – in that order. Local institutions may be invited to submit competitive bids for investment opportunities.

## **9. CASH FLOW and FORECASTING**

The Finance Director may prepare periodic cash flow projections to ensure the availability of funds. Major revenues and expenditures may be forecasted to aid in short and long-term planning. Funds not required for immediate use may be invested in longer-term instruments.

**10. INTERNAL CONTROLS**

Internal controls for cash handling and management are governed by the City of Crossville’s Internal Control Policy. That policy should be consulted for specific standards and procedures related to safeguarding public funds.

**11. POLICY REVIEW**

This policy shall be reviewed at least every two years by the Finance Department and any recommendations shall be submitted to the governing body for approval.

**ADOPTED AND APPROVED, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2026**

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Mayor

ATTEST:

\_\_\_\_\_

City Clerk

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SEAL OF THE CITY