



Municipal Technical Advisory Service

UT INSTITUTE FOR PUBLIC SERVICE



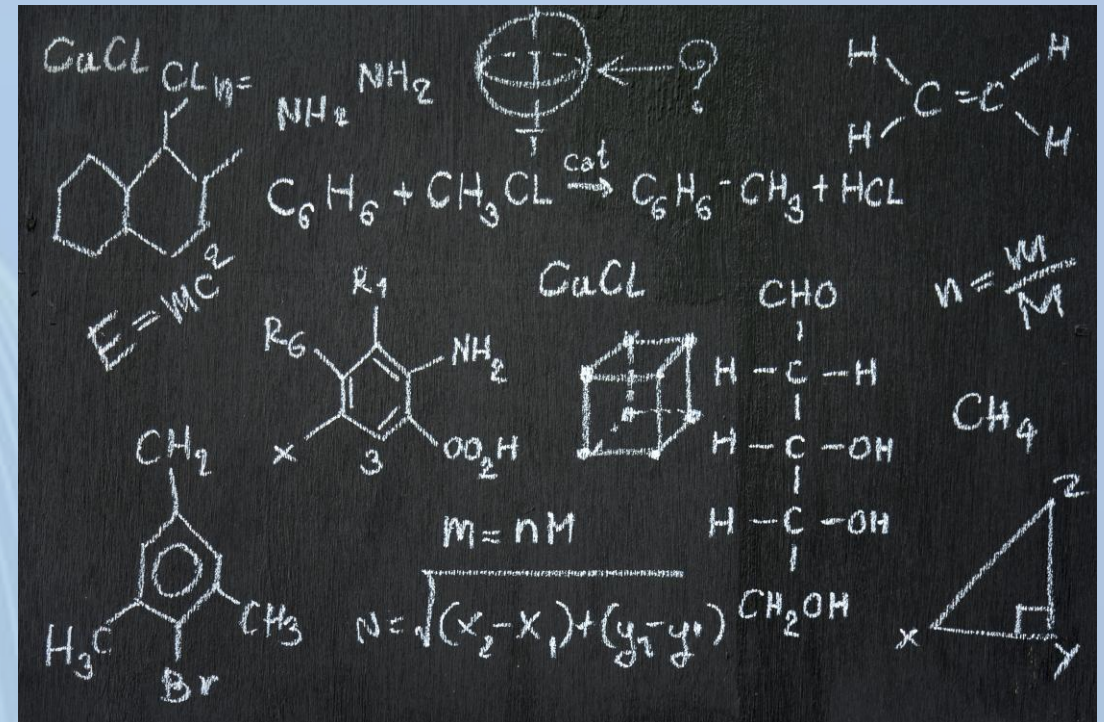
Too Much Month at the End of the Money – Cash Flow Forecasting



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INSTITUTE *for* PUBLIC SERVICE

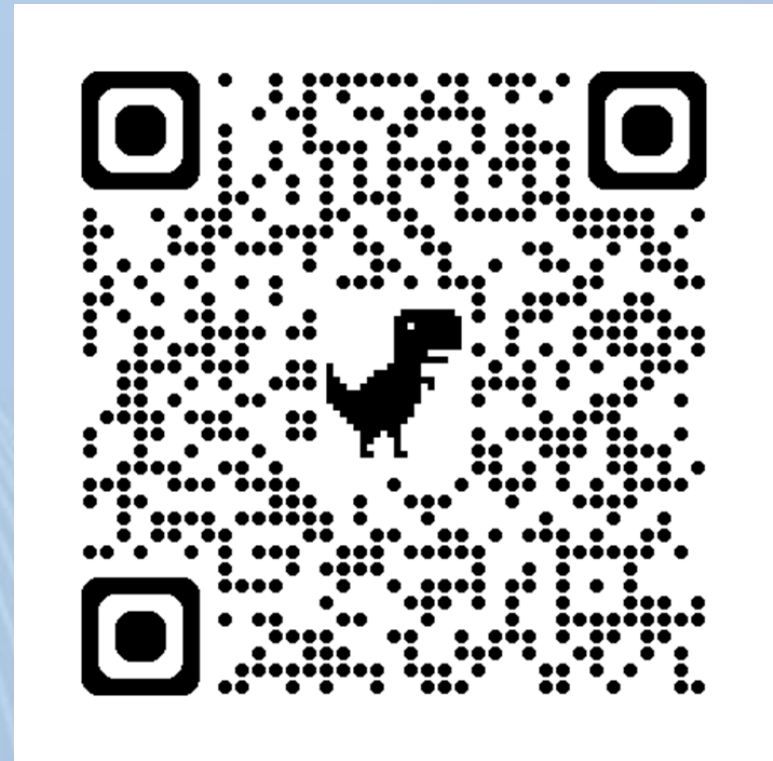


Numbers!



Monthly Take Home Pay	\$ 2,400	Paid 1st day of the month		
Expenses:				
Mortgage due 25th each month	\$ (1,500)			
Fuel	\$ (150)			
Groceries	\$ (200)			
Utilities	\$ (150)			
Other Expenses	\$ (200)			
	\$ 200			

Governments conduct cash forecasts to ensure sufficient operating liquidity by estimating the available cash deposits, expected inflows, and required disbursements during a given period.



Inflows... Revenue Sources

Common inflows include tax receipts, bond proceeds, utility payments received, grant revenue, other revenue from fees and penalties, and maturities and interest revenue from investment securities.

- Property Taxes
- Local Sales Taxes
- Court Fines and Costs
- In-Lieu-of Taxes
- State Sales Tax
- State Beer Tax
- Gas and Motor Fuel Taxes
- Transportation Modernization
- Sportsbetting
- Other Sources

Outflows – Expenditures and Expenses

- Salaries and Wages
- Payroll Taxes
- Retirement/Benefits
- Repairs and Maintenance
- Supplies
- Utilities
- Capital Projects
- Debt payments
- Other

Revenues

County #1		
Property Taxes	\$ 9,700,000	47.09%
Hotel/Motel Taxes	400,000	
Other Local Taxes	200,000	
Licenses/Permits	340,000	
Fines and Forfeitures	200,000	
Charges for Services	300,000	
Other Local Revenues	460,000	
Fees Local Officials	1,400,000	
State/Federal Revenue	6,800,000	
Other Revenues	800,000	
	\$20,600,000	

Expenditures

General Government	\$ 6,000,000
Finance	1,500,000
Justice System	1,800,000
Public Safety	9,800,000
Public Health/Welfare	1,000,000
Other	4,600,000
	\$24,700,000

It's a Matter of Time (ing)

Revenue Timing			
Property Taxes			
July	22,000		
August	16,000		
September	28,000		
October	890,000		
November	1,000,000		
December	2,361,000	24.34%	
January	1,300,000		
February	3,910,000	40.31%	64.65%
March	62,000		
April	46,000		
May	44,000		
June	21,000		
	9,700,000		

Expenditures		
Salaries and Benefits	\$15,315,000	62.00%
Repairs/Maintenance	\$ 1,496,000	6.06%
Utilities/Office Supplies	\$ 2,964,000	12.00%
Professional Services	\$ 760,000	3.08%
Debt Service	\$ 2,600,000	10.53%
Other Expenditures	\$ 1,565,000	6.34%
		100.00%

What do you see here that can be “structured” to match the timing of the revenue stream?

Expenditures		
Salaries and Benefits	\$15,315,000	62.00%
Repairs/Maintenance	\$ 1,496,000	6.06%
Utilities/Office Supplies	\$ 2,964,000	12.00%
Professional Services	\$ 760,000	3.08%
Debt Service	\$ 2,600,000	10.53%
Other Expenditures	\$ 1,565,000	6.34%
		100.00%

Expenditure Timing	
July	\$ 2,000,000
August	\$ 1,900,000
September	\$ 1,900,000
October	\$ 1,850,000
November	\$ 1,800,000
December	\$ 1,900,000
January	\$ 1,900,000
February	\$ 1,900,000
March	\$ 3,500,000
April	\$ 1,950,000
May	\$ 2,000,000
June	\$ 2,100,000
	\$ 24,700,000

Revenue Timing	
July	\$ 1,050,000
August	\$ 1,050,000
September	\$ 1,050,000
October	\$ 1,900,000
November	\$ 1,700,000
December	\$ 3,500,000
January	\$ 1,100,000
February	\$ 5,100,000
March	\$ 1,000,000
April	\$ 1,000,000
May	\$ 1,050,000
June	\$ 1,100,000
	\$ 20,600,000

Expenditure Timing	
July	\$ 2,000,000
August	\$ 1,900,000
September	\$ 1,900,000
October	\$ 1,850,000
November	\$ 1,800,000
December	\$ 1,900,000
January	\$ 1,900,000
February	\$ 1,900,000
March	\$ 3,500,000
April	\$ 1,950,000
May	\$ 2,000,000
June	\$ 2,100,000
	\$ 24,700,000

Key Aspects of GFOA Cash Flow Forecasting

Purpose: To manage liquidity, avoid short-term borrowing, and maximize interest income.

Components: Forecasts must include all major cash inflows (tax revenue, grant revenue, bond proceeds) and outflows (payroll, debt service, vendor payments).

Methodology:

Frequency: **Monthly or more**, with regular updates.

Process: **Analyze historical trends** (seasonal/cyclical) and factor in **non-routine payments like capital projects** or legal settlements.

Rolling Forecasts: Using rolling forecasts (e.g., 12-month rolling) allows for **constant adjustment** as new data becomes available.

Risk Management: Developing a range of scenarios (best-case, worst-case) is advised to enhance accuracy.



Managing Financial Distress

eLearning Course

October 27, 2026

1 - 3 p.m. ET

October 28, 2026

1 - 3 p.m. ET

October 29, 2026

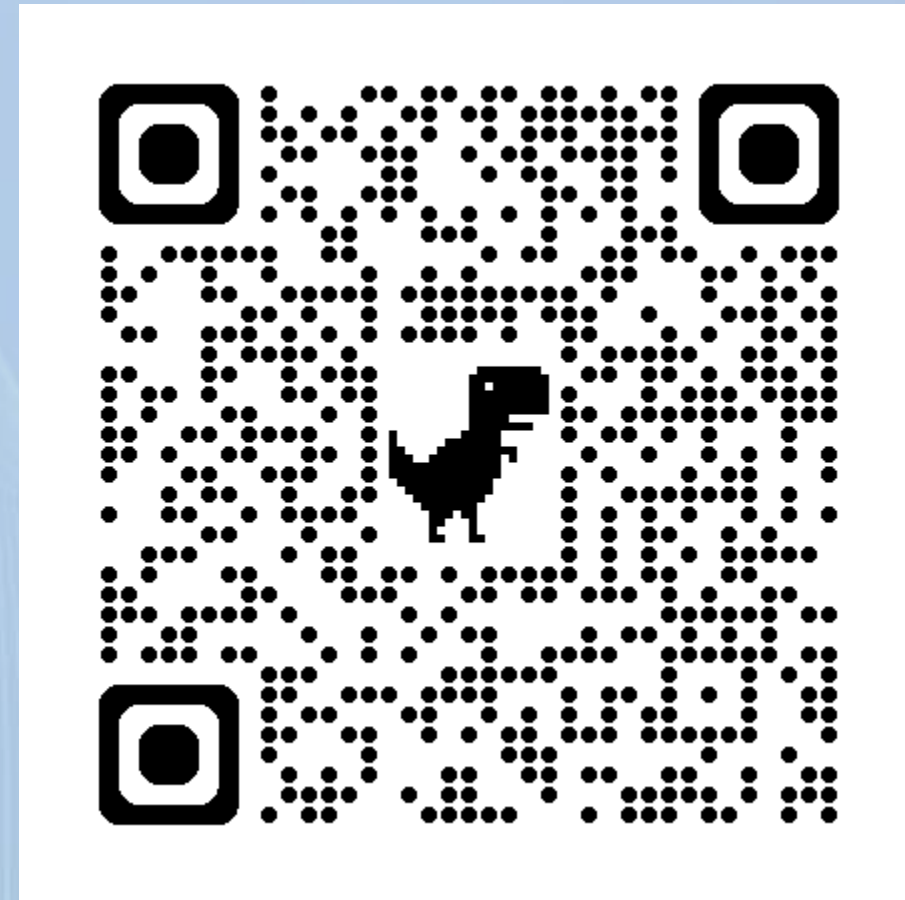
1 - 3 p.m. ET

 [Katie Ludwig](#)

Field of Study: Finance

Level: Basic

Credits: 6



GFOA – Cash is King March 2020

- Ensure enough cash on hand for essential services
- Can you slow the outflow of cash?
- Develop strategies to deal with financial crises
- Can you decrease personnel costs?
- Can you reduce/delay capital spending?
- Leadership must be willing to endure the same cuts as they ask of all other employees

Personnel

- Short-term hiring freeze – delay filling vacant positions
 - Don't let overtime costs overcome freeze/vacancies
 - Delay professional development/conferences/travel
 - Share employees across departments/funds
 - Some employees may volunteer to work parttime for a season
 - Some services may have to be reduced

Capital Outlay

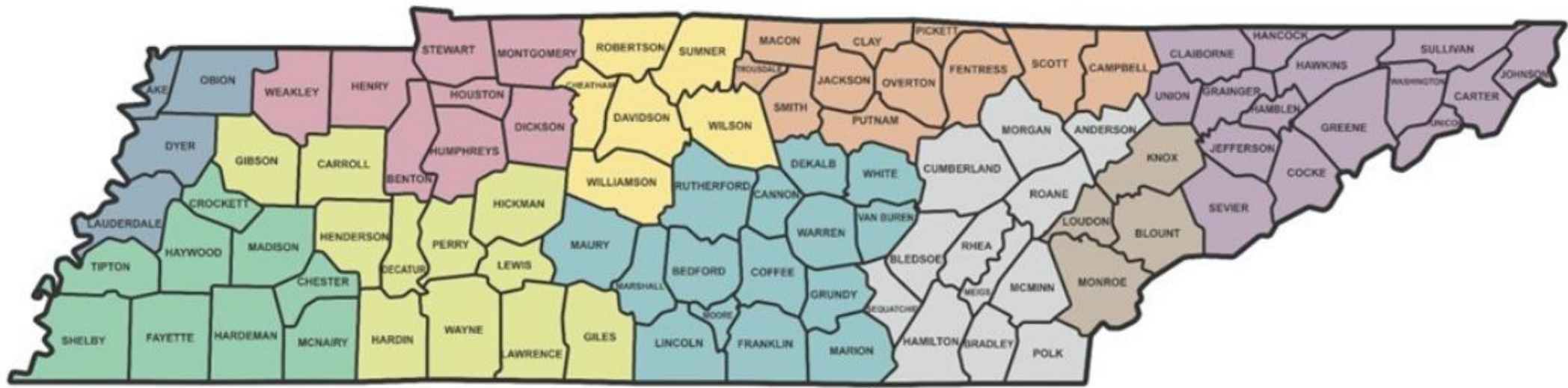
- Defer what can be deferred
- Can police cars last another year? PW/Parks vehicles?
- Reexamine maintenance and repairs standards – is everything being done to maintain current equipment?
- Review maintenance contracts – for older assets are these essential?
- Sell surplus equipment that is not being used or is no longer needed

Other Measures

- Revisit interfund charges and PILOT payments
- Redesignate assigned/committed fund balances
- Implement new or revised fees where appropriate

GFOA – Financial Recovery and Fiscal First Aid

- 1) Bridging – getting through the immediate crisis and create breathing room
- 2) Reform – Carry out the short-term recovery plan while developing long-term strategies
- 3) Transform – move toward long-term financial planning that helps to become more resistant to financial distress



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January 2026



☰ Section

General Guidance

Budget Manual

Budget Submission Portal

Steps to a Well Managed Budget

Reappraisal Year Budget Adoption

Better Utility Budgeting

Instructional Videos

Instructional Videos

Budget Related

Cash Flow Forecasting

Strategic Planning

Please note, a link to the presentation used in the cash flow forecasting video is provided below the following cash flow forecasting video:

Basic Cash Flow Estimating and Forecast Schedule





Annual Memorandum and Report

[Submission Checklist](#)

Budget Worksheet and Cash Flow

Adoption Templates and Schedules

Best Practice Preparation Tools

Amendment Templates

General Budget Guidance



Be Sure to Include:

1. **Signed/certified** and **dated** copy of the appropriation ordinance (and tax levy ordinance, if adopted separately). Separate resolution for proprietary/utility funds, when applicable.
2. Detailed budgets for **all funds** including enterprise funds and school funds, as applicable, that include estimated beginning and ending balances.
3. The Comptroller's **required budget worksheet** (available on our [website](#)).
4. Documentation for the TISA Act local contribution —for local governments with a school system (see separate requirements).
5. Cash flow forecast schedules for:
 - Operating funds with a budgeted ending cash balance less than 15% of annual expenditures;
 - Operating funds with an ending cash balance in the prior year audit less than 15% of annual expenditures;
 - Any fund that received proceeds from TRANs for the past two consecutive years; and
 - All operating funds if the prior year audit has not been issued/is late.
6. When applicable, other supporting budget schedules and information. For example, schedules to support budget information, narratives explaining specific issues in the budget that you would like to bring to our attention, policies, and other relevant information.

Cash Flow Estimator

Budget Year | 2026

Step 1 of 4) Indicate fund being used in below yellow tinted box.

Enter Name of the Fund Below ↓
 Type Fund Here

Step 2 of 4) Input budget year beginning cash, projected revenues, and forecasted expenditures.

Enter budget year beginning cash, projected revenues, and forecasted expenditures in yellow tinted boxes.

Beginning Budget Year 2026 Cash :
 Budget Year 2026 Projected Recurring Revenues :
 Budget Year 2026 Forecasted Recurring Expenditures :

Step 3 of 4) Enter monthly data for current year. For months without data, estimate inflow and outflow items. **DO NOT** type in gray cells.

Enter inflow and outflow data in the yellow tinted cells in the below table. Use estimates for months without data.

Type Fund Here | Current Fiscal Year | 2025

	July	August	September	October	November	December	January	February	March	April	May	June	Annual
Inflows													
All Bank Deposits →													\$
Less: Non-Recurring Bank Deposits													
Loan Proceeds →													
Grant Proceeds →													
Other Non-Recurring Proceeds →													
Total Non-Recurring Cash Inflows :	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Cash Inflows :	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Recurring Inflows as % Annual Inflow :	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Outflows													

Outflows														
All Bank Withdrawals →														\$ -
Less: Non-Recurring Bank Withdrawals														
Capital Projects →														-
Grant Expenditures →														-
Other Non-Recurring Disbursements →														-
Total Non-Recurring Cash Outflows :	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Cash Outflows :	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Recurring Outflows as % Annual Outflow :	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

4 of 4) Enter estimated monthly data for upcoming budget year. DO NOT type in gray cells.
 proceeds, debt service, and transfer out information in yellow tinted cells.

Type Fund Here Budget Year 2026													
	July	August	September	October	November	December	January	February	March	April	May	June	Annual
Beginning Cash Balance	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ -
Add: Inflows													
Estimated Cash Receipts	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Loan Proceeds →													-
Grant Proceeds →													-
Total Cash Inflows :	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Available Cash	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Less: Outflows													
Estimated Cash Payments	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Capital Projects →													-
Grant Expenditures →													-
Other Non-Recurring Disbursements →													-
Total Cash Outflows :	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Ending Cash Balance	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Inflows - Cash Outflows	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ -

Budget Worksheet and Cash Flow

Adoption Templates and Schedules

Best Practice Preparation Tools

Amendment Templates

General Budget Guidance

Return to Main LGF Page

Contacts

The budget worksheet is **required for all entities**, and the cash flow schedule is required ONLY if certain conditions, as outlined within the [submission checklist](#), are met.

> Required Budget Worksheet

∨ Cash Flow Forecast Schedule



The cash flow forecast schedule is required ONLY if certain conditions, as outlined within the [submission checklist](#), are met. Click the button below to download the schedule.

Cash Flow Forecast Schedule

<https://comptroller.tn.gov/office-functions/lgf/budgets/municipalities-counties-metros-utilities/municipalities/budget-worksheets-and-cash-flow.html>



Planning Tools...

Revenues:

- Little can be done in this situation
- If you plan to borrow money or work with a grant:
 - Receive debt proceeds up front
 - Be timely in grant reimbursement requests
 - Incentivize collections (later hours/Saturdays/Online payment)

Planning Tools...

Expenditures/Expenses:

- Structure debt payments to largest revenue collection months
- Purchase capital assets when cash flow is highest
- Do NOT 'spend the budget' in June "so they won't take it from me next year"
- Work with department heads closely to time large purchases
- Track monthly revenues/expenditures in a spreadsheet to recognize trending

GFOA Recommendations

GFOA recommends that governments perform ongoing cash forecasting to ensure that they have sufficient cash liquidity to meet disbursement requirements and limit idle cash. The cash forecast period should be at least a 12-month rolling period, as opposed to a fiscal year basis. The forecast within this rolling period should be divided up in at least monthly sections for most governments, or weekly or daily for larger and more complex governments.

The cash forecast should be based on conservative assumptions about both the cash receipts and disbursement portions of the analysis, and these assumptions should be reviewed and updated regularly, as well after any major changes in operations (e.g., a new debt issuance, new taxes, etc.).

An appropriate tool for conducting the cash forecast should be selected; most governments can complete a forecast using simple spreadsheet software, while organizations that require more complex modeling can use commercially available analytic or business intelligence systems, or modules found within common enterprise resource planning (ERP) or financial management systems.

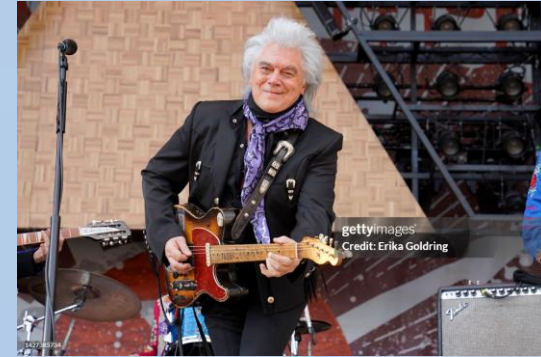


Thank you so much! I look forward to being
back with you real soon!
And by all means enjoy
the rest of your conference!

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Too much month at the end of my money...

