



## State of Tennessee

Justin P. Wilson, State Comptroller

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### Comptroller Seeks Input on Debt Management Practices

To promote sound debt management practices, Comptroller Justin P. Wilson is encouraging Tennessee's cities and counties to share what works best for them.

The Comptroller is asking for comment on a draft statement on debt management. The draft is based on four guiding principles for Tennessee governmental debt issuers to consider while developing their own policies. These principles are: Understanding transactions, explaining to citizens what is being considered, avoiding conflicts of interest and disclosing costs and risks. The draft sets forth specific language explaining these principles in greater detail.

Included with the draft is a guide and checklist on best practices in debt management, which includes examples from current debt policies. And the Comptroller's staff has developed a list of recommended sources and resources for governments to reference.

Comptroller Wilson is inviting written comments and suggestions for these draft documents by Sept. 15. Comptroller Wilson plans to hold a public forum on debt management practices for Tennessee governmental debt issuers, tentatively scheduled to be held in Nashville Sept. 22. Further details on the forum will be posted on the Comptroller's web site at a later date.

"Each local government's debt policy should address each of the four guiding principles. Beyond that, it is not advisable or practical to try to create a 'one-size-fits-all' debt management policy," Comptroller Wilson said. "Cities and counties throughout our state have different needs and different challenges relating to debt management. Once the basics are met, I believe it is best to create a general framework for sound debt management, but give governmental debt issuers the flexibility to adopt policies tailored to their specific needs. I want the Comptroller's office to serve as a clearinghouse for the sharing of ideas about what works and what doesn't."

After receiving input from governments and interested parties, Comptroller Wilson will consider making recommendations to the State Funding Board regarding debt management. The State Funding Board has authority to adopt a model debt policy for Tennessee governmental debt issuers.

To view the documents prepared by the Comptroller's office online, go to:

<http://tn.gov/comptroller/lf/lfDebtManagement.htm>

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