



# State of Tennessee

## PUBLIC CHAPTER NO. 537

HOUSE BILL NO. 1785

By Representatives Greg Martin, Hale

Substituted for: Senate Bill No. 1959

By Senator Crowe

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 2, Part 1, relative to financial recordkeeping procedures for local school systems.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-2-110(e), is amended by deleting the subsection and substituting instead the following:

(e) The department of education shall prepare an internal school funds manual for local school systems, subject to the approval of the comptroller of the treasury, and each local school system shall adopt the manual when issued and maintain all internal school funds books and records in accordance with the requirements of the manual.

SECTION 2. Tennessee Code Annotated, Section 49-2-110(g), is amended by deleting the subsection and substituting instead the following:

(1) If funds raised by organizations composed of parents and teachers or parents and students are used in a manner that benefits less than the student body as a whole, then § 49-2-203 and the internal school funds manual for local school systems do not prohibit such use of funds; provided, that such use:

(A) Benefits the overall school program; and

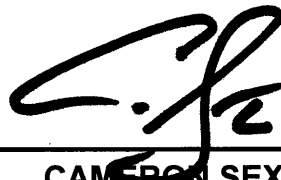
(B) Is subject to the policies of the local board of education.

(2) This subsection (g) does not prohibit the use of funds in any manner that was authorized prior to April 17, 1995, under § 49-2-203 and the former uniform accounting policy manual for local school systems.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: February 22, 2024



CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES



RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 7<sup>th</sup> day of March 2024



BILL LEE, GOVERNOR