



# County Technical Assistance Service

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## Summary of Steps in Issuing Debt

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Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county 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 county 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 e-Li material.

Sincerely,

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## Summary of Steps in Issuing Debt

**Reference Number:** CTAS-1794

This is a brief summary of the major steps in making the decision on financing a project:

Step 1 – County determines its needs and potential costs.

Step 2 – County determines if funds are currently available. If not, step three.

Step 3 – County determines if capital outlay notes are a viable option.

- If yes, then the county determines if sufficient funds can be borrowed internally.
- If so, should the county borrow internally?
- If no internal borrowing, then can funds be borrowed at local financial institutions?
- If not, then consider loan pools as an option for capital outlay notes.
- If capital outlay notes are not an option, proceed to step four.

Step 4 – Should the county borrow from a loan pool or issue bonds?

- If loan pool, then contact loan pool representatives for quotes.
  - If bonds, then solicit financial advisor to assist in bond sale.
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