

Your



Government Finance Officers Association

What

How

Why



Thriving Communities

Resource | Educator | Advocate | Facilitator

Advance excellence in gov't finance

GFOA Best Practices

Best Practices by Topic

- › Financial Policies
- › Accounting & Financial Reporting
- › Budgeting & Financial Planning
- › CIP / Economic Development
- › Debt Management
- › Financial Management
- › Pension & Benefit Administration
- › Technology
- › Treasury and Investment Management



Government Finance Officers Association

BEST PRACTICE

Debt Management Policy

BACKGROUND:

Debt management assurance practices, debt portfolio, and evaluate the quality, issuance, and debt management will managed and management policy financing options, debt management transparency and regarding the less.

RECOMMENDATIONS:

GFOA recommends management policy. To assist with this Management Policy address at least the

1. Debt Limits. The of debt limits per
2. Fiscal condition



Government Finance Officers Association

BEST PRACTICE

Fund Balance Guidelines for the General Fund

BACKGROUND:

In the context governmental budget process, funds calculate to serve as a difference be

1. GAAP type of debt or restricted fund or construction fund or on special from pi
2. The ca by the amount
3. Other GAAP common prap

The effect of the budgetary fun



Government Finance Officers Association

BEST PRACTICE

Electronic Payments

BACKGROUND:

Moving funds electronically is efficient, effective, and common within local government, however, many governments still rely on producing paper checks to disburse funds. This method is not only costly, but it includes additional risk for fraud, requires additional handling and processing time, and is more difficult to track than using electronic payments. While electronic payments are not immune from fraud, and criminals are becoming more sophisticated, governments can put safeguards in place to help prevent fraudulent activity.

Many types of electronic payments exist, and banks may offer specific products or services as the market evolves. The most popular types of electronic payments include:

- **Automated clearing house (ACH)** – movement of funds in a batch process, which is best for high volume, low dollar transactions such as payroll, expense reimbursement, and routine vendor payments, as the cost per transaction is low relative to other forms of electronic payment.
- **Wire transfer** – immediate movement of funds between bank accounts with guaranteed settlement, which is most suitable for high dollar transactions because the cost per transaction is high relative to other forms of electronic payment.
- **Purchasing (procurement) cards** – a credit card transaction designed to reduce the volume of purchase orders issued or to eliminate petty cash. Purchasing cards are used at the point of sale, which is convenient for the customer, and payments are made in aggregate. Vendors that accept the payment will pay a processing fee. There is usually no cost to the government and the issuing bank usually provides a rebate based on transaction volume.
- **Electronic accounts payable** – a credit card transaction, often without physical checks, that allows governments to pay invoices electronically. These transactions are similar to purchasing cards but occur after the point of sale and thus do not provide the processing



2019

Awards for Excellence

IN GOVERNMENT FINANCE

- ▶ **West Metro Fire Protection District, Colorado**
Fund Balance Guidelines for General Fund
- ▶ **City of La Quinta, California**
General Fund Balance and Reserves Policy
- ▶ **City of Roseville, California**
EngageRoseville
- ▶ **City of Kansas City, Missouri**
The Public Improvements Advisory Committee on the City of Kansas City's Capital Improvements Program
- ▶ **East Bay Municipal Utility District, California**
Capital vs Operating: Decisions for the Non-Accountant
- ▶ **City of Winnipeg, Manitoba**
Capital Projects Dashboard
- ▶ **City of Raleigh, North Carolina**
Online Calculator for Development Services Fees
- ▶ **City of Colwood, British Columbia**
Sustainable Infrastructure Replacement Plan

Award Programs




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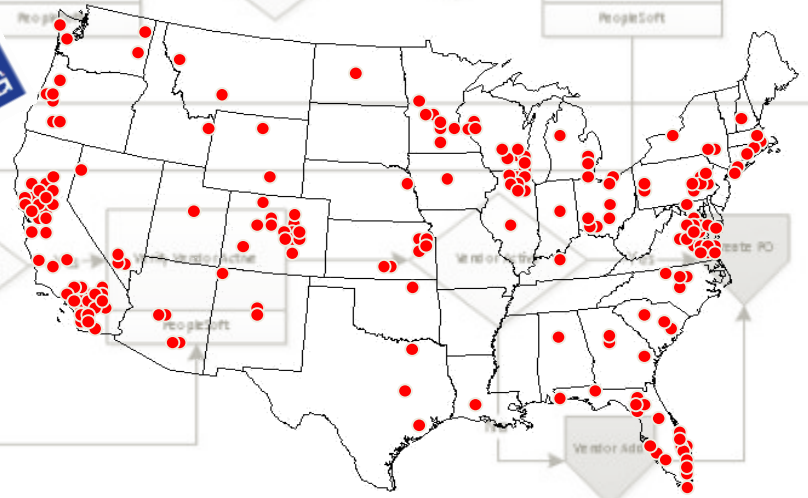
GFOA Consulting

Recognized leader in the ERP system market generating value for clients through:

- Software selection / contract negotiations
- Reducing costs
- Reducing risk during implementation
- Providing best practice recommendations for improving business processes



'We've always done it this way'
Helping Find a Better Answer to those 'Why?' Questions
GFOA.ORG/CONSULTING



Engaging our members

Screenshot of the Facebook page for GFOA of the US & Canada. The page features a cover photo for GFOA2018 in St. Louis, MO, with a FOX logo. The profile picture is the GFOA logo. The page name is "GFOA of the US & Canada" with the handle @GFOAofUSandCanada. A blue "Learn More" button is visible. The page is categorized as a "Nonprofit Organization" in "Chicago, Illinois" with a 4.8 star rating and "Open Now" status. The bottom navigation bar shows a 76% response rate and 7-minute response time.

Screenshot of the Twitter profile for GFOA (@GFOA). The profile picture is the GFOA logo. The bio states: "The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit." The location is Chicago, IL, and the website is gfoa.org. The profile was born on February 1, 1906. It has 1,407 following and 3,032 followers. A recent tweet from 2 hours ago says "Congratulations!" and mentions "Maier Moments @MarionCountyK12" and "Our Finance Dept just received the highest honor possible from @GFOA for a gov't agency for full disclosure & transparency - for the 18th year in a row! bit.ly/2HEIK33 for more #FinancialAccountabilitv".

Screenshot of the LinkedIn page for the Government Finance Officers Association (GFOA). The page features the GFOA logo and the name "Government Finance Officers Association (GFOA)". The location is "Government Administration · Chicago, IL" with 12,304 followers. It shows "20 connections work here" and a "Following" button. Below, it indicates "1,134 employees on LinkedIn". The "About us" section describes GFOA as the premier association for public-sector finance professionals in the US and Canada, founded in 1906, with over 19,000 members. A "Show details" button is visible at the bottom.

Future of the profession initiative

 Government Finance Officers Association

Become a GFOA Student Member

Discover Careers
in Government Finance



CONNECT | EXPLORE
EXCHANGE

#GFOA

gfoa.org



Over
\$110,000
in scholarships
awarded annually



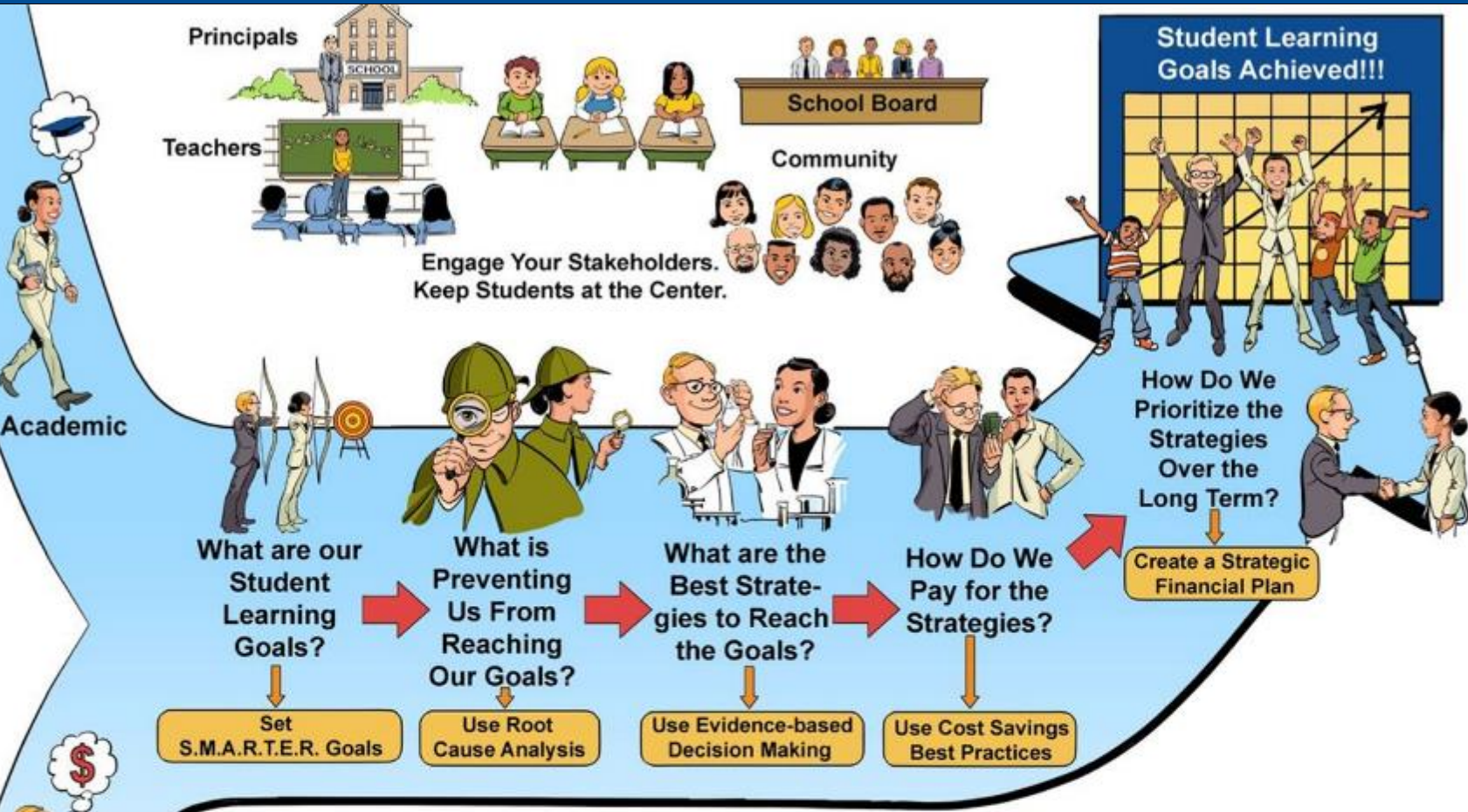
Are you a student interested in:

- Accounting
- Government
- Public Finance
- Public Service



Student Chapter

Best Practices in School Budgeting



Smarter School Spending

<http://www.gfoa.org/pk-12budget>

<http://smarterschoolspending.org/>



Government Finance Officers Association

24TH ANNUAL GOVERNMENTAL

GAAP UPDATE

Our panel of expert presenters will discuss a myriad of important new developments, including:

In-depth discussions of GASB's extensive new implementation guidance on fiduciary activities and leases

New GASB guidance on issuer accounting for conduit debt

Audit update

Three offerings available

NOVEMBER 7, 2019 / DECEMBER 5, 2019 / JANUARY 16, 2020

1:00–5:00 p.m. (Eastern)

1:00–5:00 p.m. (Eastern)

New Time! 12:00–4:00 p.m. (Eastern)

Advocacy

- ✓ Congressional Advocacy
 - ✓ Tax exempt municipal bonds
 - ✓ Infrastructure
 - ✓ Deductibility of state & local taxes
 - ✓ Pensions & benefits
- ✓ Executive Advocacy
 - ✓ SEC
 - ✓ MSRB
- ✓ Amicus Briefs to the Supreme Court
- ✓ GASB



#builtbybonds



Government Finance Officers Association

JANUARY 2018

Understanding Financing Options Used for Public Infrastructure

A PRIMER

POLICY RECOMMENDATIONS

- **Protect the full tax-exemption for municipal bonds,** a fundamental component of the federal/state/local partnership that develops the nation's infrastructure.
- **Restore advance refunding bonds,** a critical tool that allowed state and local governments to achieve substantial savings for taxpayers.
- **Adopt bond modernization provisions** to help state and local governments meet infrastructure challenges of the tax century and beyond.

Background: While the tax exemption for municipal bond interest remained intact despite threats of elimination during the tax reform debate in 2017, Congress may continue to look at changes to the tax code that impact public finance going forward. If state and local governments lose the ability to use tax-exempt bonds and are compelled to issue taxable bonds as an alternative, it is estimated that debt issuance costs would increase around 20%, and possibly more for smaller governments.

Governments should continue efforts to educate their Representatives and Senators of the important role tax-exempt bonds play for financing essential infrastructure in their communities.

Tax-exempt Bond Issuance (2014 to 2016)

CATEGORY	Amount (in billions)	Percent of Total
Education	66.7	27%
General Purpose	66.0	26%
Utilities	21.7	9%
Transportation	29.8	12%
Healthcare	22.6	9%
Housing	11.8	5%
Public Facilities	9.4	4%
Electric Power	5.1	2%
Development	1.9	1%
Environmental Facilities	0.7	0%
Total	\$248.54	100%

Source: 2016 GFOA/Planned Parenthood Statewide as of 10/1/16

Government Finance Officers Association

PUBLIC FINANCE NETWORK



GFOA.org

GFOA Member Survey: Key Challenges

Rank	Challenge (surveyed September 2019)
1	Cost of new infrastructure
2	Pension costs/liabilities
3	Attracting qualified staff
4	Maintaining infrastructure
5	Health care costs
6	Declining or limited revenue
7	Cyber-security
8	Upcoming retirements
9	Technology
10	Revenue instability

In a world that is...

V
U
C
A





INTERNET OF THINGS



Self-driving Vehicles



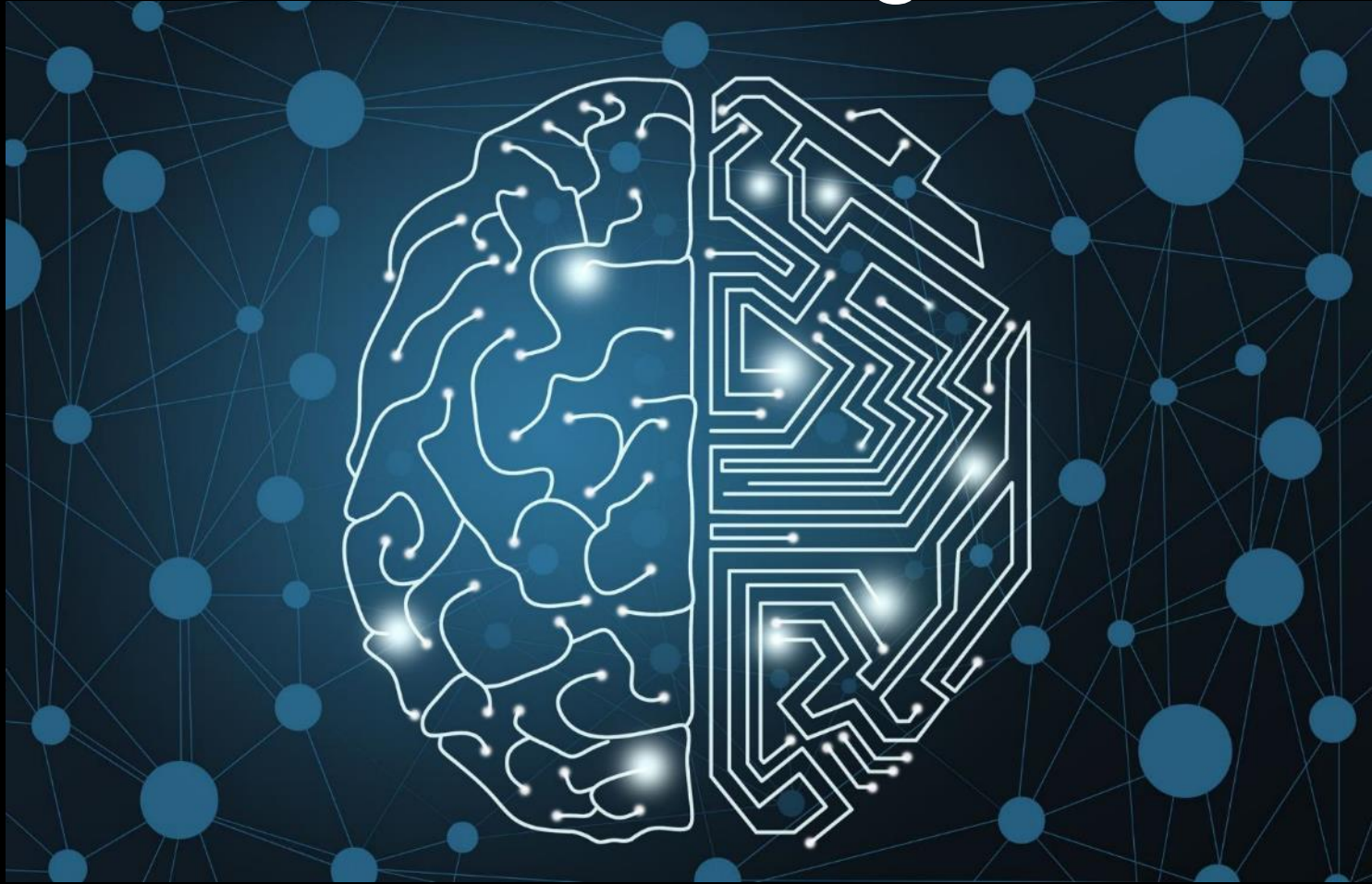
Blockchain



Vertical Farming



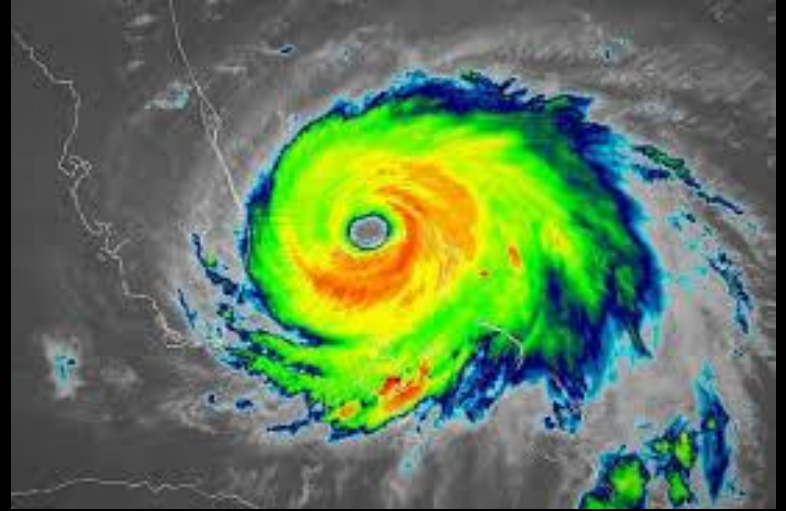
Artificial Intelligence



Extreme Weather



Source: Wall Street Journal

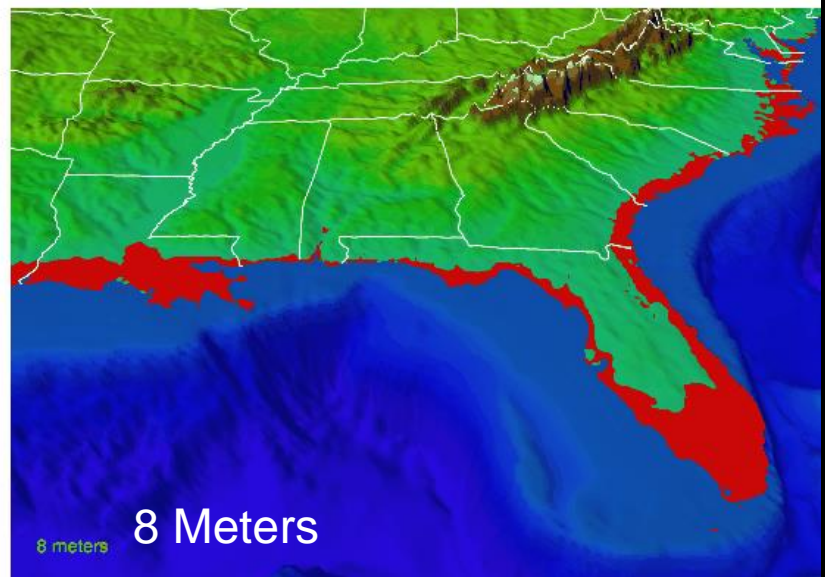
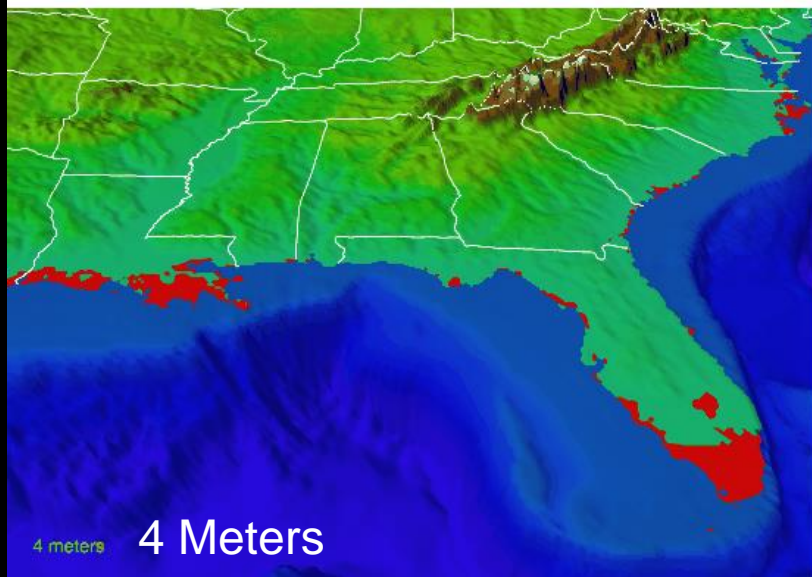
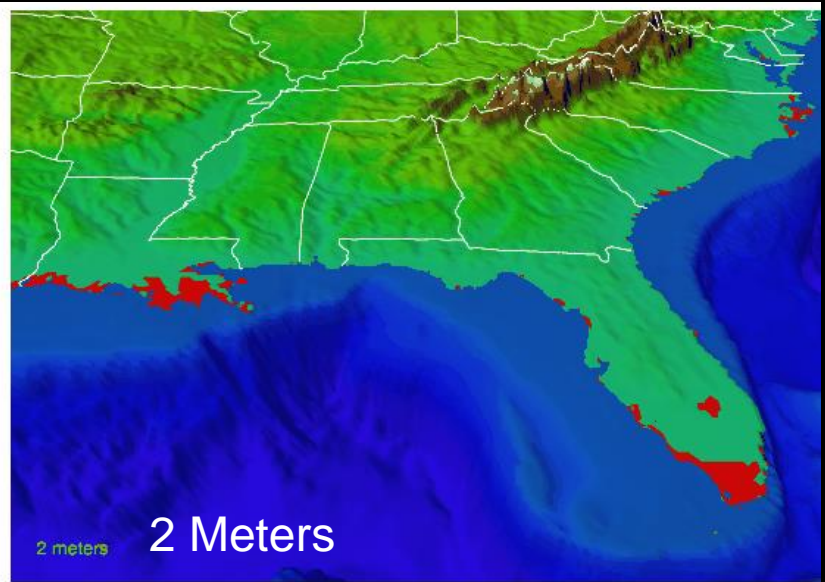
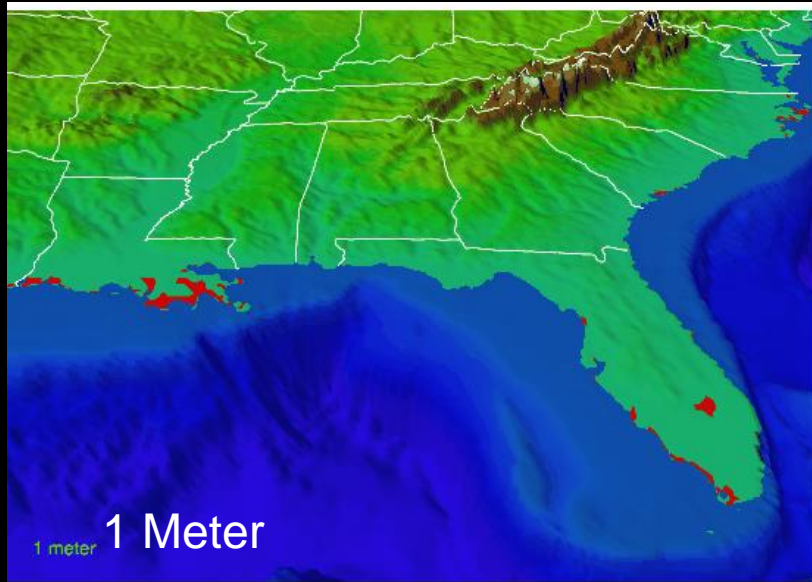


Climatenews.org



Washington Post

Sea Level Rise



Opioid Epidemic



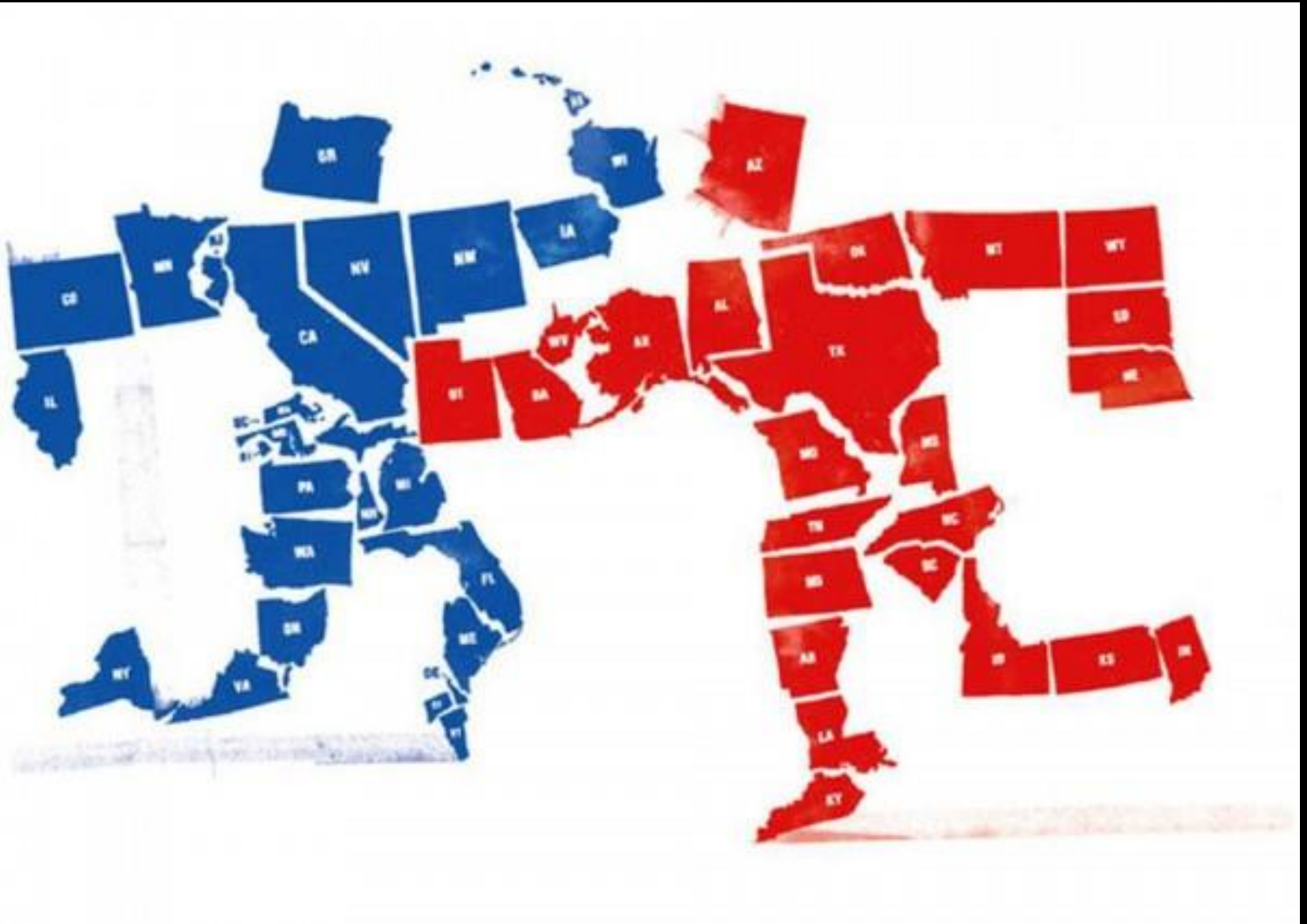
Mass shootings in the U.S. since 2006

Number of deaths: 4 ● 58



SOURCE The USA TODAY/AP/Northeastern University mass killings database
Mitchell Thorson/USA TODAY

Polarization

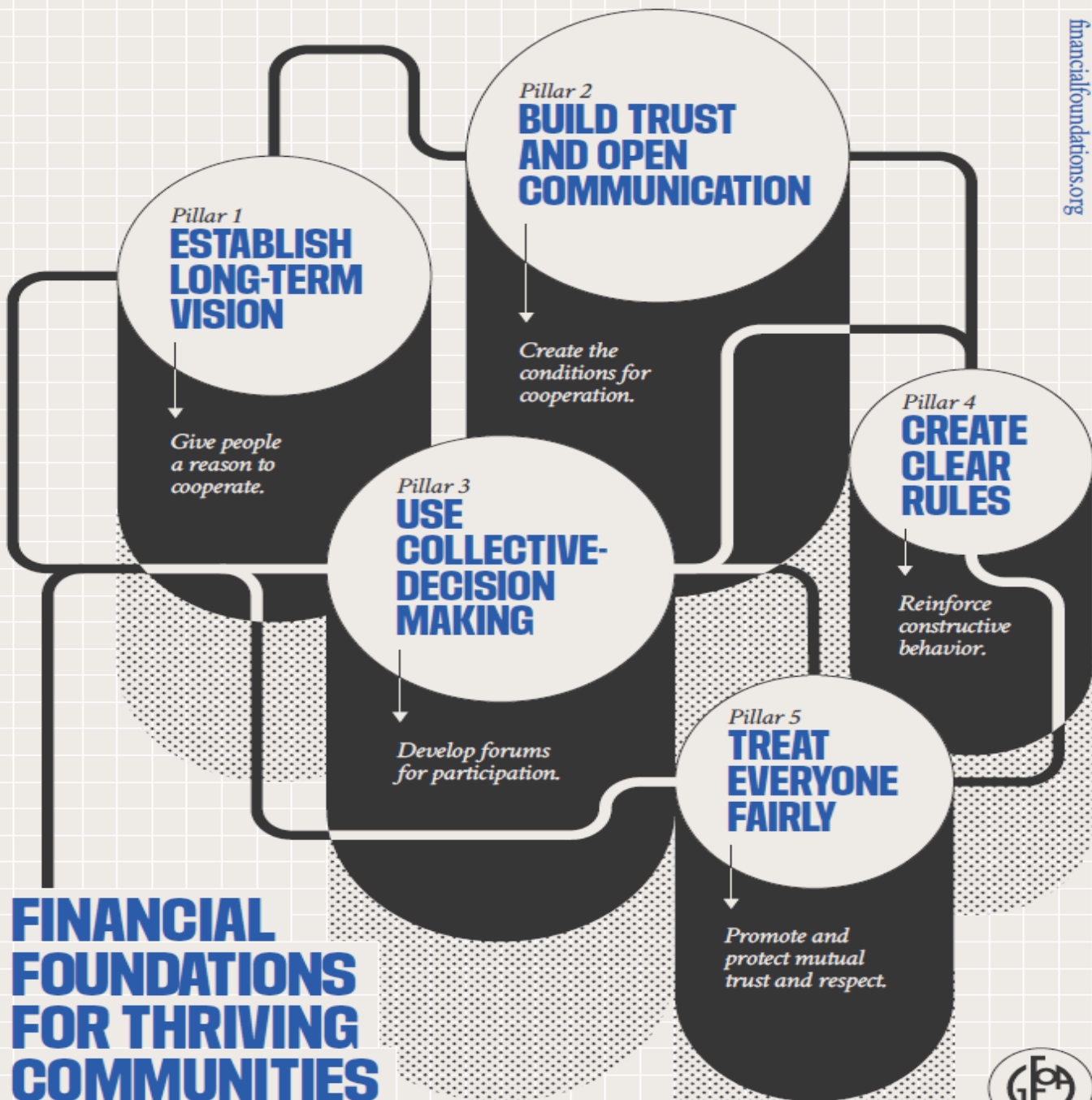


From Heroic Leadership to...



Collaborative Leadership





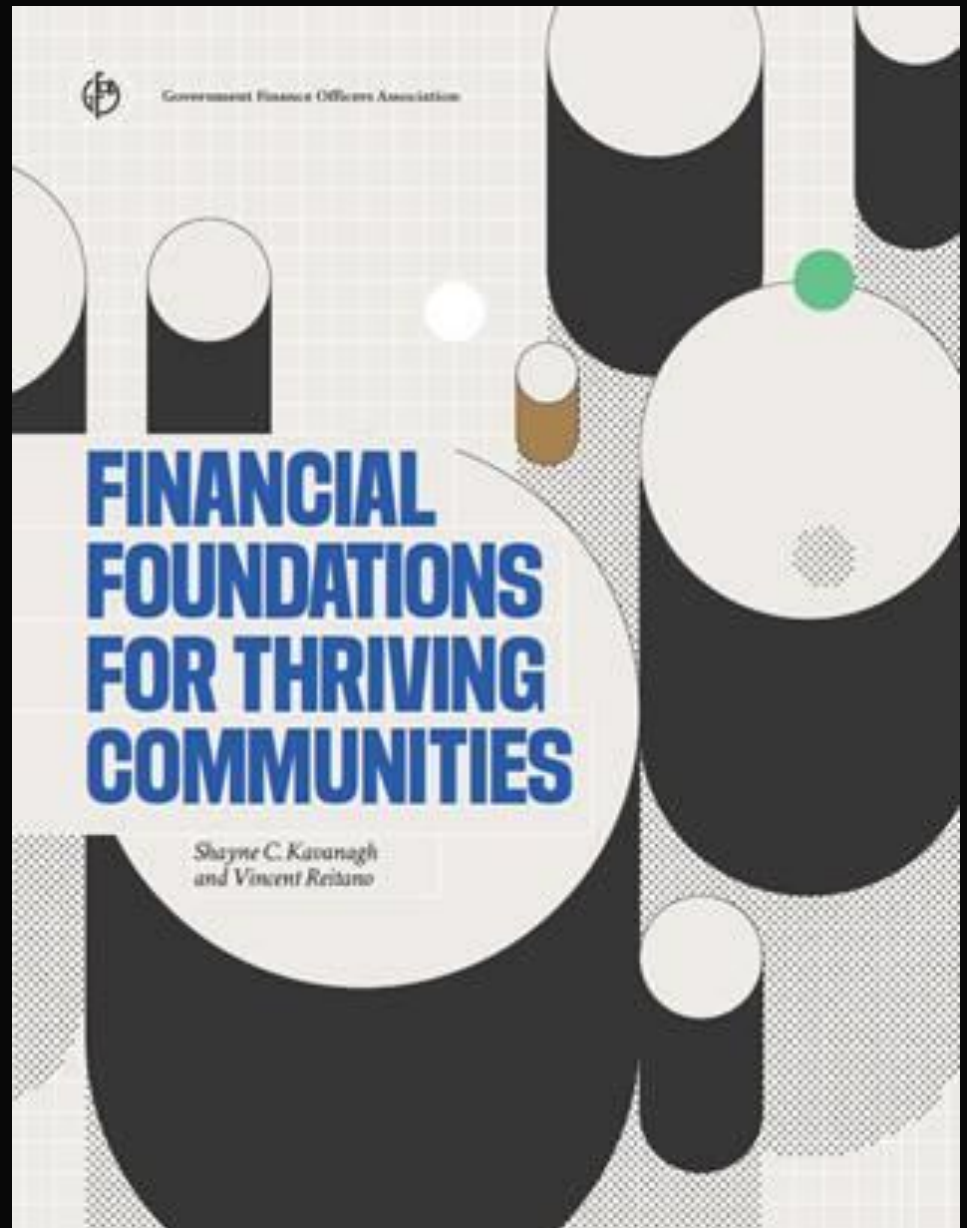
FINANCIAL FOUNDATIONS FOR THRIVING COMMUNITIES



New book
just
released

Available at

[GFOA.org](https://www.gfoa.org)



Our Most Valuable Asset...

Trust

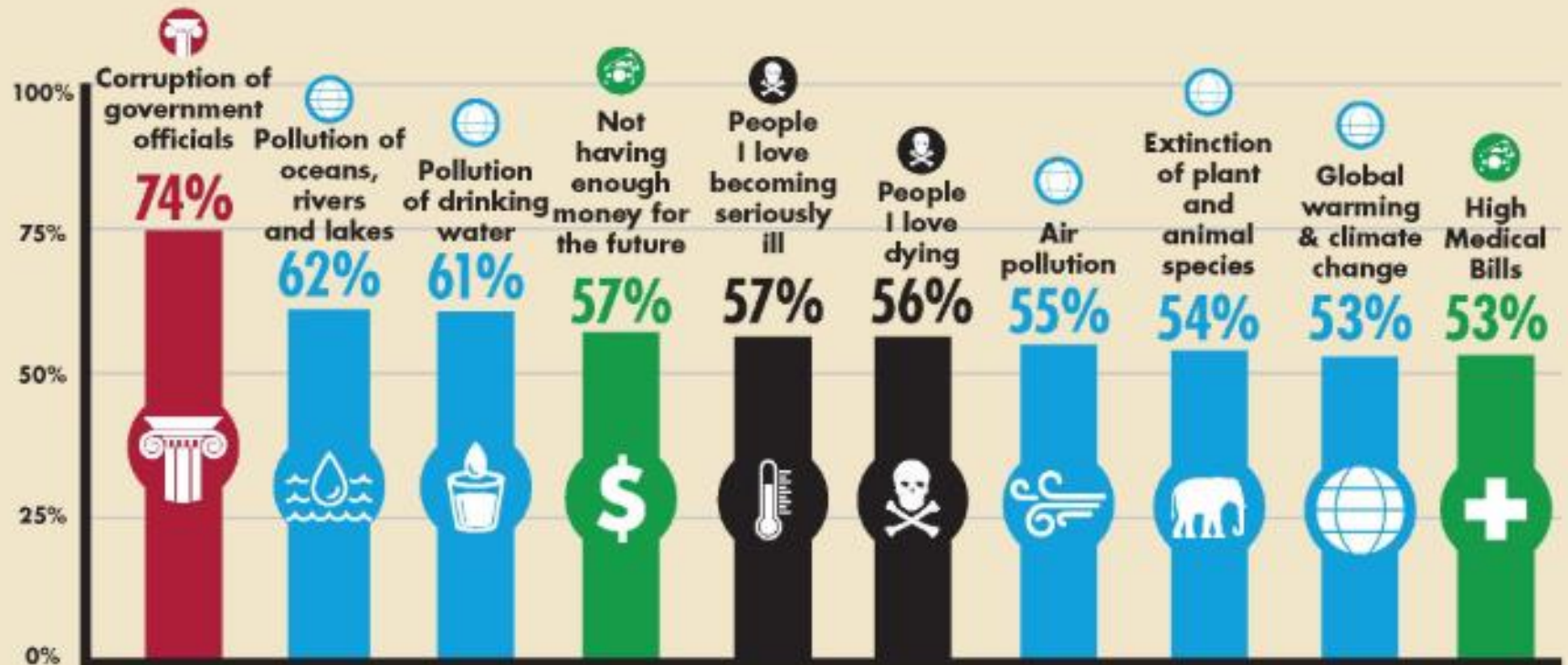


Trust in US Government has Declined

	1998	2018
Federal Executive Branch	63%	42%
Federal Legislative Branch	61%	40%
State government	80%	63%
Local Government	77%	71%

Source: Gallup Survey

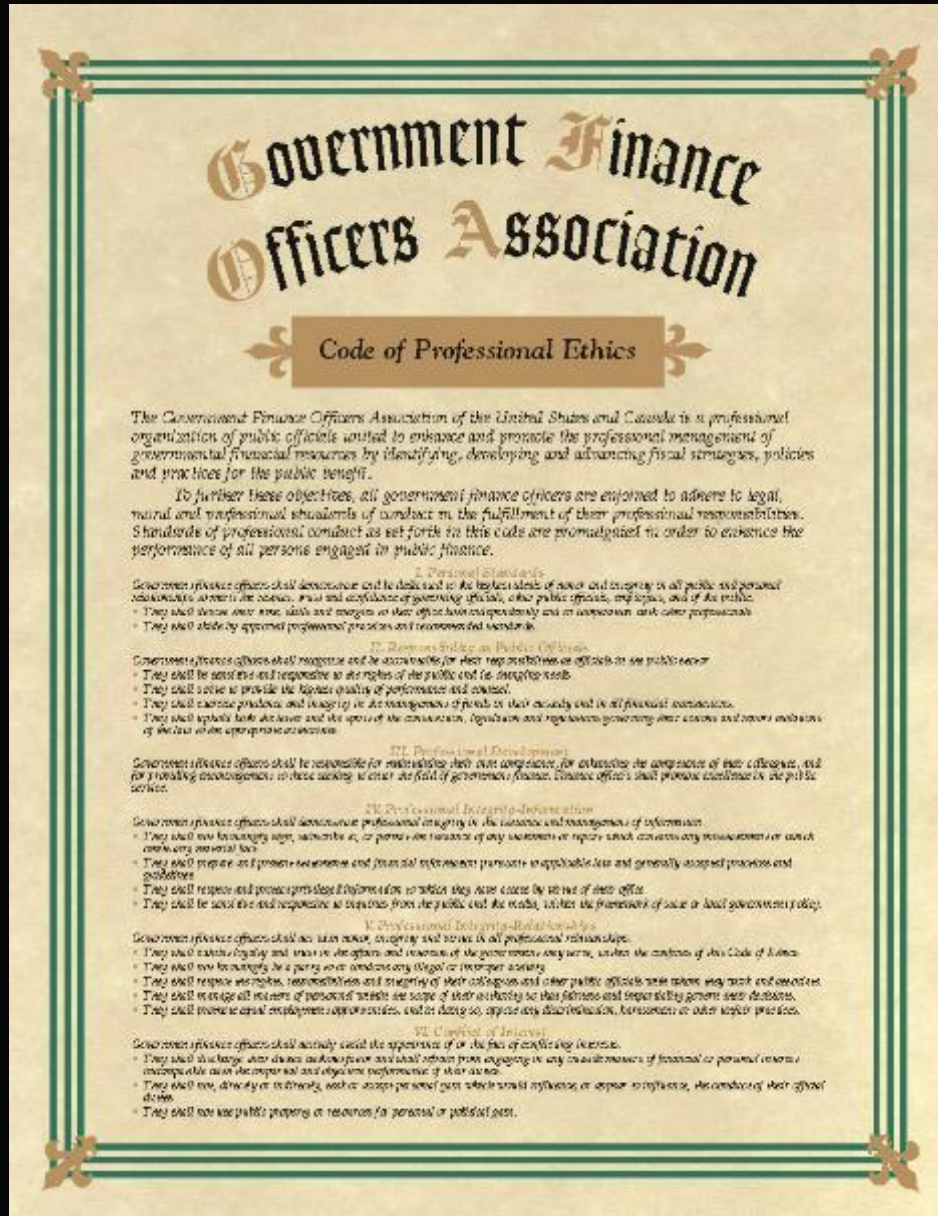
Top 10 Fears of 2018



Above are the 10 fears for which the highest percentage of Americans reported being *afraid* or *very afraid*.

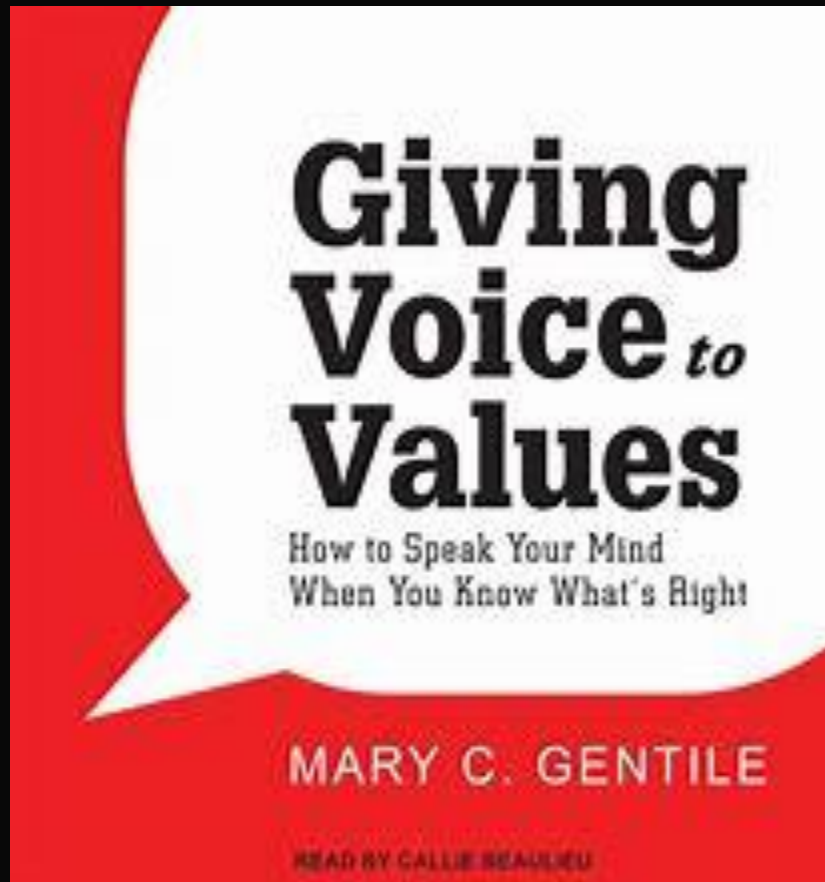
 Government  Environment  Economic  Illness and Death

Code of Ethics Reboot



- Code was decades old
- Goal was to develop new code that is:
 - ✓ Values based
 - ✓ Addresses current realities
- Used latest research
- Engaged members in process
- Supported with research & training

Giving Voice to Values



Self defense
class for the
soul



[About Us](#)

[The Research](#)

[Resources](#)

[Culture Measurement](#)

[For Researchers](#)

[Blog](#)



**Our mission is to make the world's best research available
and accessible, for free, to anyone interested in
improving the ethical culture and behavior of an organization.**



Cognitive Biases

Overconfidence Bias



50% of business people surveyed thought they were in the top 10% of most ethical people.

Most People:



- Know the difference between right & wrong
- Want to *be seen* as ethical

The GFOA ethics program helps by making people....

More
Resilient in
Challenging
Situations



More Vigilant
Against Unethical
Behavior from
Others



Anyone can face
circumstances that
challenge their ethics...



Social
support...



..strengthens the
inner angel

New code based on these values...

- ✓ Integrity and Honesty
- ✓ Producing Results for My Community
- ✓ Treating People Fairly
- ✓ Diversity and Inclusion
- ✓ Reliability and Consistency

Treating People Fairly

Local governments depend on trusting relationships. If people feel unfairly treated, relationships break down, and they may withhold their support from my local government. This puts the financial health of my community at risk. Therefore, I will treat people fairly and develop processes and procedures that are fair.

How We Treat People Fairly

- ✓ **Respect the rights of others**
 - Use the power of finance wisely
 - Oppose unethical discrimination and harassment

- ✓ **Develop processes and procedures that are fair**
 - Perceived fairness is essential for getting people's support
 - Concept of procedural justice
 - Example: Budget process perceived as fair



Code of Ethics

We, the government finance officers of the United States and Canada, have a deep and abiding desire to show that we are worthy of the special trust that the communities we serve have placed in us. As a member of my government's finance office, I commit to living the following values to show that I am worthy of that trust.

INTEGRITY AND HONESTY

Integrity and honesty are the foundation on which trustworthiness is built. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing even when it is hard.

PRODUCING RESULTS FOR MY COMMUNITY

Public finance offices have an important job. Doing that job well honors the trust the public has placed in me.

TREATING PEOPLE FAIRLY

Local governments depend on trusting relationships. Therefore, I will treat people fairly and develop processes and procedures that are fair.

DIVERSITY AND INCLUSION

Embracing diversity and fostering inclusiveness helps finance offices cultivate organizations and promote policies that reflect the communities they serve. When people feel included, they see that I am concerned for their wellbeing. That shows I am worthy of their trust.

RELIABILITY AND CONSISTENCY

When I consistently apply my standards – especially to myself – I honor my commitment to the community I serve and make it easier to do the right thing even when faced with challenging circumstances.

Adopted by:

- ✓ California
- ✓ Colorado
- ✓ Great Plains
- ✓ New York
- ✓ Ohio
- ✓ Oklahoma
- ✓ Virginia

Get involved in your GFOA

- ✓ Committees
- ✓ National and Internet Training
- ✓ Participation in Research Project
- ✓ Award Reviewer
- ✓ Networking Group
 - ✓ Urban Forum
 - ✓ Small Government Forum
 - ✓ Utility Forum
 - ✓ Black Caucus
 - ✓ Women's Public Finance Network
- ✓ GFOA Social Media

Join us at the 2020 Conference in New Orleans
May 17 - 20



NEW ORLEANS
MAY 17-20, 2020

Thank You



Government Finance Officers Association

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