



Government Finance Officers Association

2018 Best Practices **Standing Committee Presentations**



Emily Brock

Director, Federal Liaison

Committees and Best Practices

Our Committees span fields across government finance:

[Committee on Accounting, Auditing, and Financial Reporting \(CAAFR\)](#)

[Committee on Governmental Budgeting and Fiscal Policy \(BUDGET\)](#)

[Committee on Canadian Issues \(CCI\)](#)

[Committee on Governmental Debt Management \(DEBT\)](#)

[Committee on Economic Development and Capital Planning \(CEDCP\)](#)

[Committee on Retirement and Benefits Administration \(CORBA\)](#)

[Committee on Treasury and Investment Management \(TIM\)](#)

- Applications open from the last day of Annual Conference (mid-May) until mid-July





Government Finance Officers Association

Committee on Governmental Budgeting and Fiscal Policy

Chair

**David Schmiedicke, Finance
Director, City of Madison, WI**

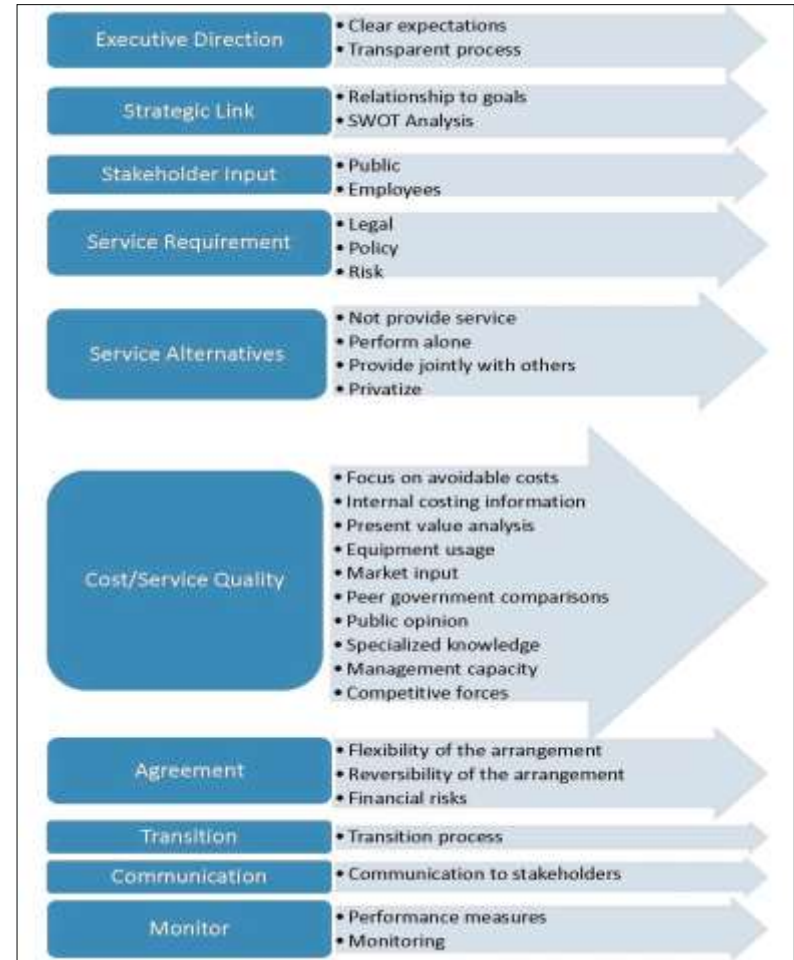
Vice Chair

**Ann M. Carbone, Budget Director,
City of Boston-Public Works Dept.,
Boston, MA**



Evaluating Service Delivery Alternatives

- Governments are always looking for ways to save costs and deliver efficient and effective services.
- Alternative service delivery approaches are one way to achieve those goals.
- Key issues to consider – consistency with strategic plans/goals, comprehensive research, risk evaluation and mitigation, communication and monitoring.
- The GFOA recommends that governments carefully analyze all aspects of a service delivery option, including levels of service, service quality, and expected performance, service revenues and costs, required transition activities and other relevant factors before changing service delivery methods.
- [Link to BP](#)



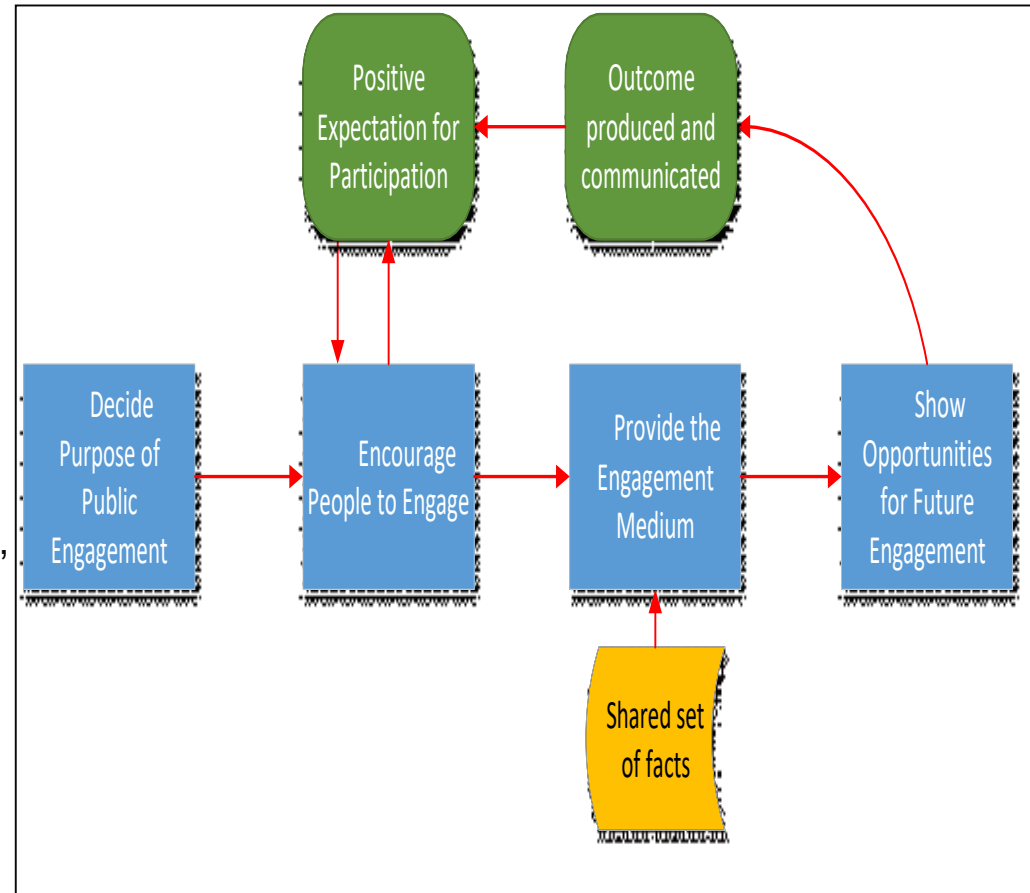
Presenting the Capital Budget

- Capital budgeting should start with master plans – clear ground rules on how the organization will approach capital planning.
- Multi-year capital improvement plans should be connected to the master plans.
- Condition ratings and service reliability are good ways to clearly relate capital plans to the public.
- Presentation formats should be clear and include sources and uses of funds and whether the cost is recurring or non-recurring.
- Individual project information should include a concise description, a timetable, maps and pictures, links to other plans and revenue and expenditure estimates.
- Finally, operating impacts should be estimated, clearly stated, and cross-walked to the operating budget.
- [Link to BP](#)



Public Engagement in the Budget Process

- Accountability and transparency in government is critical.
- Public participation is one way to achieve those goals.
- Be clear about the aim of the participation, encourage engagement through a clear schedule, education, fairness and diversity (racial equity and social justice principles), integrate technology tools, consider a variety of engagement formats (e.g., focus groups, surveys, interviews, etc.).
- Most importantly, follow-up with the public – let them know how you responded to their input.
- [Link to BP](#)





Government Finance Officers Association

Committee on Accounting, Auditing, and Financial Reporting

Chair

Melanie Keeton, Assistant Finance Director, City of San Antonio, TX

Vice Chair

**Diane Allison, CPA, CGFO, Director of Business Services, Ascension Parish
School Board, Donaldsonville, LA**

Immediate Past Chair

Melinda Gildart, Controller, Chicago Public Schools

Accounting & Financial Reporting for Fiduciary Activities-Advisory

- The GFOA recommends that governments begin to review their current fiduciary activities and devote time to developing a plan for the implementation of GASB 84 within their organization.
- Key considerations for guidance
 - Educate stakeholders on the new GASB guidance
 - Identify all potential fiduciary activities
 - Identify the types of fiduciary funds
 - Determine when to recognize a fiduciary fund liability
 - Apply the Standard retroactively and prepare the disclosures
- Implementation Guide forthcoming
- [Link to ADV](#)



Accounting for Leases-Advisory

- The GFOA recommends that governments develop a plan for the implementation of GASB 87 within their organization.
 - Considerations for guidance
 - Identify who maintains lease information across departments
 - Examine existing agreements that are not currently being recognized as leases
 - Review the details of each lease contract
 - Assess all leases greater than twelve months
 - Contact outside professionals and explain the new terms for accounting purposes
 - Communicate requirements of the Standard with all stakeholders
 - Review or establish a capitalization threshold that may be applied to leases.
 - Review all lease agreements and consider renegotiating the terms to make them easier to understand
 - Review the general ledger to collect all leases that were formerly reported as rent line items or expenses of the period.
 - Plan early and begin organizing information in the enterprise
 - [Link to ADV](#)





Government Finance Officers Association

Committee on Retirement and Benefits Administration

Chair

Barry Faison, CPA, Chief Financial Officer, Virginia Retirement System

Vice Chair

Drew Corbett, Assistant City Manager, City of San Mateo, CA

Selecting Third-Party Investment Professionals for Pension Fund Assets

- The GFOA recommends state and local government pension plans develop investment professional selection policies, which address the following:
 - Selection method
 - Sourcing Investment Professionals
 - Ethics and Potential Conflicts of Interest
 - Selection criteria
 - Contractual Considerations
 - Performance Monitoring
- [Link to BP](#)



Investment Fee Guidelines for External Management of Defined Benefit Plans

- The GFOA recommends that defined benefit plans adopt an investment management fee policy that will allow them to negotiate competitive fees
 - To be successful, the policy should follow guidelines that address people, process, performance, and price.
- [Link to BP](#)





Government Finance Officers Association

Committee on Economic Development & Capital Planning



Chair

**William Jones, City Administrator
Mequon, Wisconsin**

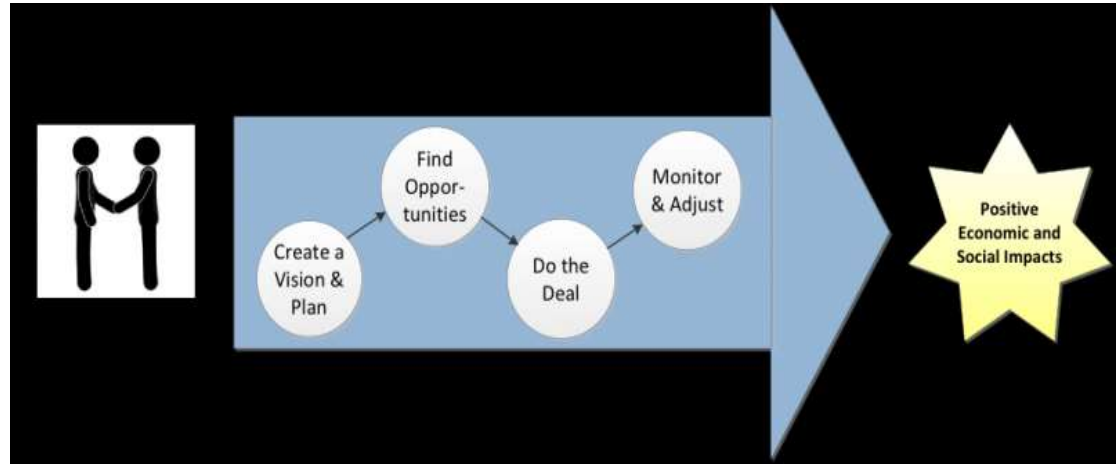
Vice Chair

**Laura Allen, Town Administrator
Berlin, Maryland**



Administering Economic Development Agreements

GFOA recommends governments take steps to ensure effective administration of economic development agreements through an on-going assessment of government benefits, monitoring of commitments and requirements, and communicating progress to the governing body.



- Evaluate capacity to administer agreement
- Develop processes to achieve goals, compliance
- Monitor deviations from agreement
- Provide periodic updates to the governing body
- Ensure resolution of all items at project close-out
- [Link to BP](#)

Coordinating Economic Development and Capital Planning

GFOA recommends economic development strategies and capital improvement planning should be coordinated and integrated within and among governments.

Finance officers should consider:

- Alignment with goals and objectives
- Project timing
- Opportunities for developer funded assets
- Impact on existing assets, ongoing maintenance and debt
- Use of economic development tools to fund capital projects
- [Link to BP](#)





Government Finance Officers Association

Committee on Governmental Debt Management

Chair

Kenton Tsoodle, Assistant Finance Director, Oklahoma City, OK

Vice Chair

Kathy Kardell, Office of Budget and Finance, Hennepin County, MN

Investment and Management of Bond Proceeds

- The GFOA recommends:
 - Issuers should have investment policy outlining permitted investments and other investment requirements related to bond proceeds.
 - Issuers should be aware of unique considerations related to investing bond proceeds and ensure compliance with any invested bond proceeds.
 - Issuers should coordinate the management of bond proceeds with the necessary staff
- [Link to BP](#)



Types of Legal Counsel

- The GFOA recommends that issuers be aware of the different roles played by the types of counsel involved in bond transactions.
- Issuer Counsel
- Bond Counsel
- Underwriter's Counsel
- Disclosure Counsel
- Special Tax Counsel
- Bank Counsel
- [Link to BP](#)





Government Finance Officers Association

Committee on Treasury and Investment Management

Chair

Tammy Queen, Deputy Director of Finance, Kansas City, MO

Vice Chair

Cory Kampf, Division Manager, County of Anoka, MN

Investment Program for Public Funds

- The GFOA recommends that all governments establish a public funds investment program by completing the following steps:
 - Review all applicable laws and regulations
 - Establish an investment leadership team
 - Create an investment policy
 - Determine the portfolio management team
 - Establish risk and return objectives
 - Identify the funds being invested and develop a cash flow forecast for each
- [Link to BP](#)



Payments Made by Governments

- Revision to expand beyond just electronic payments
- The GFOA recommend that governments have policies and controls in place for each payment method, relying on electronic payment as often as possible.
- Defines electronic payment methods, including benefits
 - Cryptocurrency concerns
- Outlines cash and check payments
- [Link to BP](#)



Receivables and Handling Receipts in the Treasury Office

- The GFOA recommends that governments:
 - Ensure all policies related to customer receipts and accounts receivable are in compliance with current regulation and law.
 - Establish invoicing and accounts receivable controls
 - Accept a variety of receipt types and have controls established to allow for proper handling of transactions
 - Establish controls related to receiving money from customers
 - Establish and deliver training for employees covering the proper handling of various payment types.
 - Should have robust segregation of duties incorporated into receivables policy.
 - Establish policies for record retention
- [Link to BP](#)



Questions?

