2020 FINANCIAL POLICY CHALLENGE FAQs

What is the 2020 Financial Policy Challenge?
It is a GFOA-wide effort to encourage members to adopt and share financial policies that are essential to a strong financial foundation.

Why is GFOA doing this?
Our surveys show that significant portions of the GFOA membership do not have some of the policies that GFOA considers critical. For example, only about ½ of GFOA member have a one-time revenue policy. We want to make these policies much more common. Also, the Challenge is a pilot test for a number of concepts that GFOA might like to use for member engagement in the future.

What policies are the subject of the challenge?
The following are the core policies for the challenge:

- Capital Planning
- Structurally balanced budget
- Debt (focused on affordability)
- Long-term forecasting and planning
- Reserves (fund balance or working capital)
- One-time revenues
- User fees
- Investment
- Economic development
- Procurement

Are those the only policies that are part of the challenge?
No. GFOA will collect examples of other types of financial policies. If your government has any new policies that address current challenges or other issues that the policies above don’t cover, we are interested!

How do you win the challenge?
There are two ways you can win.

- First, you can submit policies that address at least 80% of the criteria that GFOA will establish for each policy. Any number of people can win this way.
- Second, your policy could be judged “best-in-class.” Only up to 10% of policies submitted can win best-in-class.

What are the criteria for winning the first way?
The criteria are from the “essential” policy features described in the GFOA book Financial Policies. This means that the criteria are not comprehensive of all possible useful policy features, just the most important ones. People who are submitting policies will self-assess if their policy contains the features we are looking using an electronic checklist.

Who judges which policies are best-in-class?
GFOA will recruit judging panels to review and comment on submitted policies. If you are interested in becoming a financial policy challenge judge, please email research@gfoa.org.

What do you win?
Fame and glory. Also, the warm feeling you get from helping advance the entire profession. Winners will be recognized by GFOA, featured on the GFOA website, social media, etc.

How long does the Challenge last?
All of 2020. We may break it into phases if that helps manage it.

How do you submit your policies?
We will have an online form at www.gfoa.org/financial-policy-challenge that allows you to upload policies...and download policies from other governments.

JOIN THE CHALLENGE:
gfoa.org/financial-policy-challenge

*GFOA will periodically survey small samples of GFOA members to estimate how widely policies are being adopted.
Give people a reason to cooperate.

Create the conditions for cooperation.

Develop forums for participation.

Reinforce constructive behavior.

Promote and protect mutual trust and respect.

Pillar 1
ESTABLISH LONG-TERM VISION

Pillar 2
BUILD TRUST AND OPEN COMMUNICATION

Pillar 3
USE COLLECTIVE DECISION MAKING

Pillar 4
CREATE CLEAR RULES

Pillar 5
TREAT EVERYONE FAIRLY

FINANCIAL FOUNDATIONS FOR THRIVING COMMUNITIES