Your

Government Finance Officers Association of the United States & Canada
To advance excellence in government finance

GFOA
A little bit about GFOA…

- Established in 1906
- 20,500 Members
- Based in Chicago
- Product and Services
  - Best Practices
  - Annual Conference
  - Publications
  - Training
  - Award Programs
  - Consulting
  - Research
Current membership 20,500

Population Served | % of Total
--- | ---
< 10,000 | 9.87%
10,000 – 49,999 | 26.69%
50,000 – 99,999 | 16.31%
100,000 – 299,999 | 19.38%
300,000 – 499,999 | 7.26%
500,000 – 999,999 | 8.44%
> 1,000,000 | 10.07%

Title of GFOA Members | % of Total
--- | ---
Chief Financial Officer (Finance Director) | 44.0%
Comptroller/Controller/Accounting Manager | 14.5%
Accountant | 9.9%
Analyst (Budget / Management) | 6.3%
Budget Director | 5.3%
Treasurer | 4.2%
Chief Executive Officer (City Manager, Exec Dir) | 2.7%
GFOA Strategic Roles

Best Practices

- Accounting Auditing & Financial Reporting
- Budget & Fiscal Policy
- Debt Management
- Treasury & Investment Management

- Economic Development & Capital Planning
- Retirement & Benefits Administration
- Canadian Issues

Resource
- Best practice guidance
- High quality technical resources
- Research on current issues

Educator
- Professional development
- Transparency & understanding of public finance concepts

Advocate
- State & local issues at federal level
- Working with regulators (GASB, SEC, MSRB)
- Scholarships

Facilitator
- Member networking & engagement
- Annual conference
- Recognition for innovations

Toolbox
- Member networking & engagement
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Diagram:

- GFOA Strategic Roles
- Best Practices
- Resource
- Educator
- Advocate
- Facilitator

Boxes:
- Accounting Auditing & Financial Reporting
- Budget & Fiscal Policy
- Debt Management
- Treasury & Investment Management

- Economic Development & Capital Planning
- Retirement & Benefits Administration
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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

http://www.gfoa.org/best-practices
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
## GFOA Member Survey: Key Challenges

<table>
<thead>
<tr>
<th>Rank</th>
<th>Challenge</th>
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<tbody>
<tr>
<td>1</td>
<td>Declining or limited revenue</td>
</tr>
<tr>
<td>2</td>
<td>Unstable revenue</td>
</tr>
<tr>
<td>3</td>
<td>Cost of new infrastructure</td>
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<tr>
<td>4</td>
<td>Pension costs/liabilities</td>
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<tr>
<td>5</td>
<td>Health care costs</td>
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<tr>
<td>6</td>
<td>Uncertainty with state government</td>
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<tr>
<td>7</td>
<td>Maintain existing infrastructure</td>
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<tr>
<td>8</td>
<td>Attracting qualified staff</td>
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<tr>
<td>9</td>
<td>State/Federal regulations</td>
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<tr>
<td>10</td>
<td>Cyber-security</td>
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CAFR, PAFR & Budget Award Programs

Illinois  355  38  119
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<tr>
<th>National Training</th>
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<tr>
<td><strong>Financial Policies</strong></td>
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<tr>
<td><strong>Budgeting &amp; Financial Planning</strong></td>
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<tr>
<td><strong>Capital Planning/Infrastructure</strong></td>
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<tr>
<td><strong>Pension &amp; Benefit Administration</strong></td>
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<tr>
<td><strong>Technology/ERP</strong></td>
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<tr>
<td><strong>Treasury &amp; Investment Management</strong></td>
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<tr>
<td><strong>Accounting &amp; Financial Reporting</strong></td>
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GFOA Consulting

GFOA has become a 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
Weeklong immersive leadership training designed for government finance officers (October 13 – 18)
Engaging our members
Future of the profession initiatives

Become a GFOA Student Member

Discover Careers in Government Finance

CONNECT | EXPLORE | EXCHANGE

GFOA.org

Government Finance Officers Association

5 scholarships 9 recipients
1 vast network of public finance professionals

Over $100,000 awarded annually

Are you a student interested in:
- Accounting
- Government
- Public Finance
- Public Service

GFOA Student Chapters

Government Finance Officers Association (GFOA) is a major professional membership organization founded in 1985. The association assists local government professionals in improving their finance function. GFOA members work in government finance offices, city and county treasurers' offices, state agencies, university finance offices, support departments in the private sector, and numerous other positions of leadership. GFOA promotes the development of professionals who are committed to excellence in government finance and leadership. www.gfoa.org

Why join?
- Each student chapter receives a welcome kit and additional student chapter resources from GFOA.
- Free access to state chapter of GFOA member's directory.
- Complimentary GFOA membership for all chapter members and faculty advisor for one full year.
- GFOA access to career development opportunities and means GFOA members receive and help build a network of state and local government finance professionals.

What do GFOA student chapter members do?
- Meet guest speakers
- Organize networking events
- Work with government finance offices
- In the community
- Help provide a student voice to GFOA

Who is eligible?
- All U.S. college/university students, undergraduates and graduate.

Join today!

Connect | Explore | Exchange

GFOA.org

#GFOA

$100,000
Financial Foundations for Thriving Communities
Pillar 1: Establish Long-Term Vision
- Give people a reason to cooperate.

Pillar 2: Build Trust and Open Communication
- Create the conditions for cooperation.

Pillar 3: Use Collective Decision Making
- Develop forums for participation.

Pillar 4: Create Clear Rules
- Reinforce constructive behavior.

Pillar 5: Treat Everyone Fairly
- Promote and protect mutual trust and respect.

Financial Foundations for Thriving Communities
Time for a New Code of Ethics
Old Code of Ethics Needed a Refresh

Code had not been updated in many years....

More importantly.....

Did not play a meaningful role in GFOA training, certifications, etc.
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.
Giving Voice to Values frames common ethical dilemmas around the new code.
What is Giving Voice to Values?

- Instead of “ethical analysis”, GVV helps people implement and take action on their values.
- Developed by Mary Gentile of the University of Virginia, Darden School of Business
- Helps answer the questions:
  - What if I were to act on my values?
  - What would I do or say?
  - How would I be the most effective?
We Decided to Center the New Code around Key Values

- We interviewed randomly selected GFOA members and those values that rose to the top were:
  
  • Honesty / Integrity
  
  • Doing good work
  
  • Treating people fairly
The key ingredients for... 

Trust
Why Trust as our Organizing Value?

- Attracting and retaining employees is top concern of GFOA members...
- ...GFOA surveys show lack of trust in workplace is a top reason people leave

- Maintaining a good financial condition is THE top concern for GFOA members...
- ...GFOA research shows that trust is essential for people to collaborate with the finance officer in maintaining a strong financial foundation
Change Ethics from Constraint to Enabler

If being “ethical” is defined as being more “trustworthy”, then…

…when there is more trust in the finance office:

1. Finance is invited to be part of important discussions and decisions for the entire organization

2. Work is more efficient because there are more free flows of accurate information. People are more willing to share information.
“Enforcement” of the GFOA Code

Some associations take a punitive approach

GFOA is opting for a different approach...
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

See something. Say something.
Anyone can face circumstances that challenge their ethics...

Social support...

..strengthens the inner angel
The Code’s Five Key Values

- Integrity and Honesty
- Producing Results for My Community
- Treating People Fairly
- Diversity and Inclusion
- Reliability and Consistency
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 local government 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
Join us at the 2020 Conference in New Orleans May 17 - 20
Thank You

Government Finance Officers Association of the United States & Canada
Advances in understanding of human behavior provides opportunity to develop more powerful approach to ethics.

Example: Cognitive Biases

Example: Social Pressures
Case Study - Gift Policy Guideline

The Ethical Issue: Following your organization’s gift policy while maintaining a good working relationship with your boss.

The Scenario:

- Susan McMasters is the Treasurer for a City in Ontario. She is attending GFOA’s 113th annual conference.
- Also attending the conference is the City’s Finance Director, John Steward.
- John is Susan’s boss.
City has clear gift policy: employees are not allowed to accept anything valued at more than $25 from any vendor or contractor for the City.

Susan receives invitation from City’s Financial Advisor to attend a steak dinner and the Los Angeles Angels of Anaheim baseball game during the conference. Due to the policy, Susan politely declines the event.

On the flight to Los Angeles, John asks Susan whether she will be attending the dinner and ballgame. Susan informs John that, under their policy, she couldn’t accept the invitation.
Gift Policy Guideline (continued 3)

- John tells Susan that at conferences like this, everyone accepts those invitations and she shouldn’t worry about those types of situations.

- The City’s policy, he informs her, is aimed at stopping corruption and awarding contracts based upon nepotism or personal relationships.
Susan faces a dilemma -- how to comply with the City’s clear ethics guidelines and still remain on a good working relationship with her boss.

- What is the position Susan is expected to take?
- What is at stake or risk to all involved?
- What is the reason and rationalization Susan is likely to go through?
- How should Susan act on her values?
Case Study – City Council Conundrum

The Ethical Issue: providing accurate information to your council or board without upsetting your boss.

The Scenario:

- Mike Parrot the City Finance Director is appointed by and reports to Mayor Dawkins, and it is an election year.
- Mayor Dawkins has asked Mike to research a new tax proposal that would be levied to address the opioid crisis in the City.
Mike and the Finance Department team diligently analyze the proposal and provide a forecast of potential revenues and costs.

Because the program is new and the proposed tax is not something the City has used before, both the expenditures and the revenues provided to the Mayor have caveats, assumptions and various hedges built in.

The analysis Mike provides to the Mayor provides ranges for both expenditures and revenues due to the uncertainty.
When Mayor Dawkins announces the new proposal, he shares only the highest revenue and lowest cost projections. Mike knows they are unrealistic.

Mike expresses concerns to the Mayor and is told that it is his responsibility to back the Mayor’s proposal. Finance completed its work and the Mayor made the decision.

When City Council deliberates on the proposal, the Mayor sends Mike to testify due to his good working relationship with the City Council and the trust they have in his department’s work.
City Council Conundrum (continued 4)

- Mike is certain there will be significant questions about the lack of nuance to the projections as the Council has been used to seeing thorough work from the finance team.

1. What is the action Mike is expected to take?
2. What is at stake for all involved?
3. What is the likely reason and rationalization Mike is expected to go through?
4. How should Mike act on his values?
Questions and Resources:

- Mary Gentile, Darden School of Business, Creator and Director of Giving Voice to Values: https://www.darden.virginia.edu/faculty-research/directory/mary-gentile/

- Giving Voice to Values Program: https://www.darden.virginia.edu/ibis/initiatives/giving-voice-to-values/


- GFOA Ethics Code: gfoa.org/ethics