

Your

**Government Finance Officers Association of the
United States & Canada**

To advance excellence
in
government finance

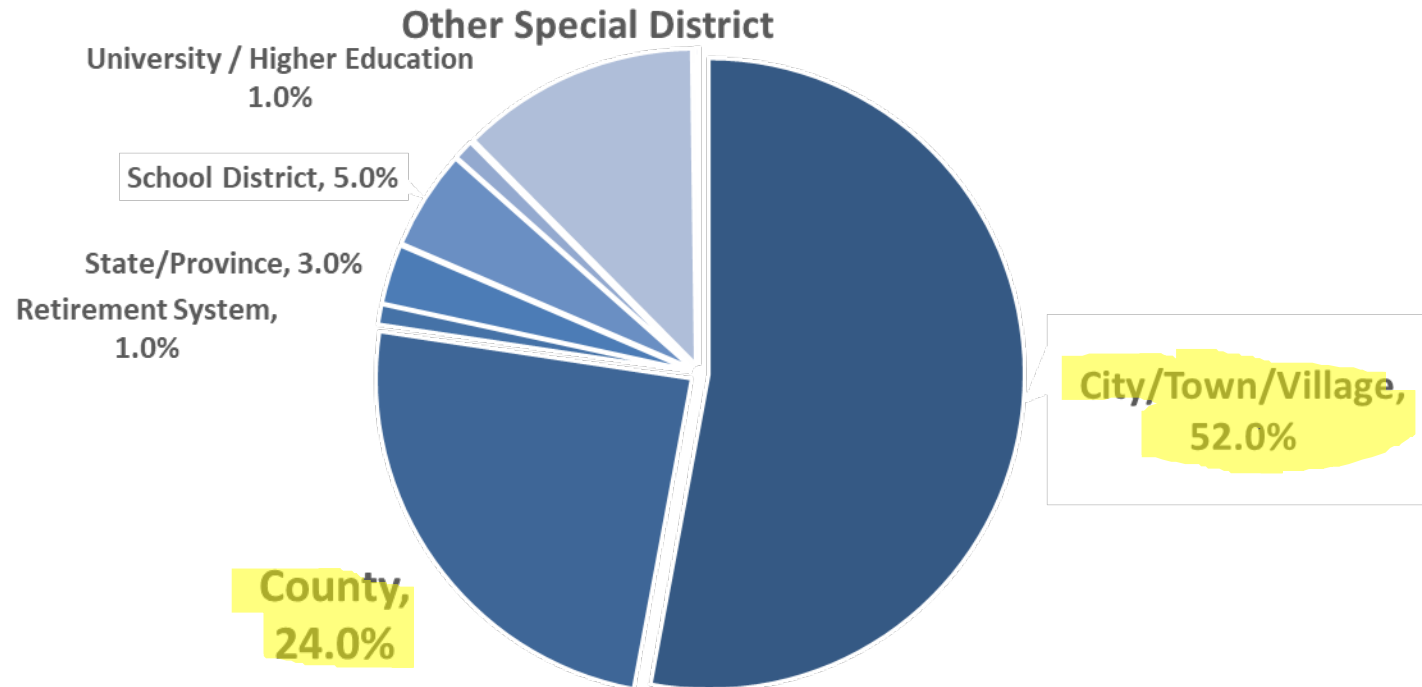
GFOA

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



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:

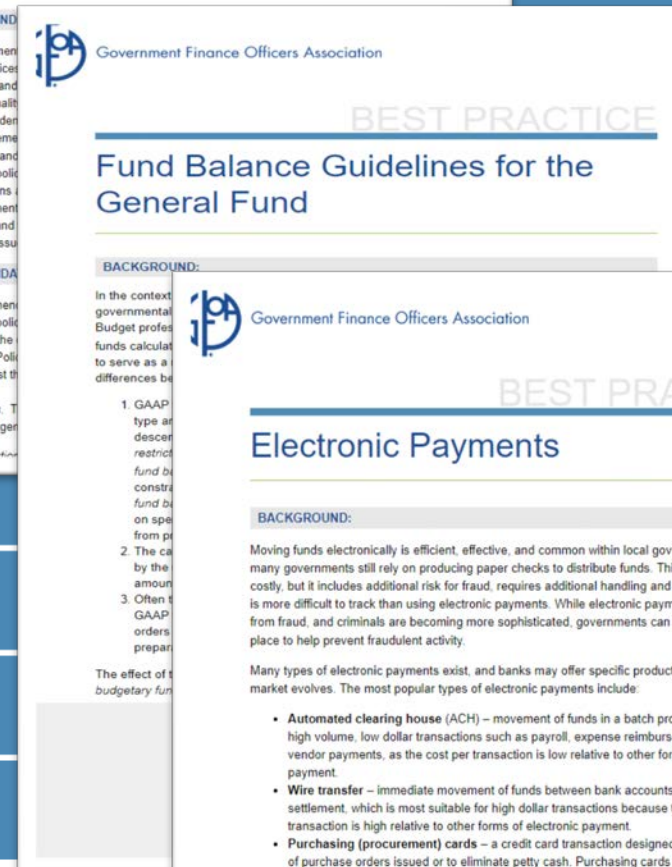
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RECOMMENDATIONS:

GFOA recommen management management polik To assist with the Management Polik address at least th

1. **Debt Limits.** T of debt. Limits ger

Local restrictions



Government Finance Officers Association

BEST PRACTICE

Fund Balance Guidelines for the General Fund

BACKGROUND:

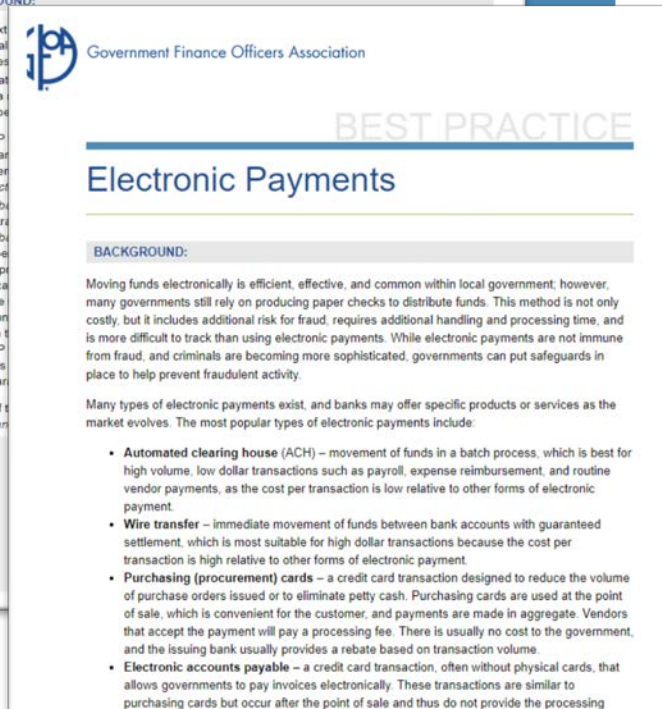
In the context governmental Budget profes funds calculat to serve as a differences be

1. GAAP type at descri restrict fund bi constr fund bi on spe from pr

2. The ca by the amount

3. Often t GAAP orders prepar

The effect of 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 distribute 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 cards, 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



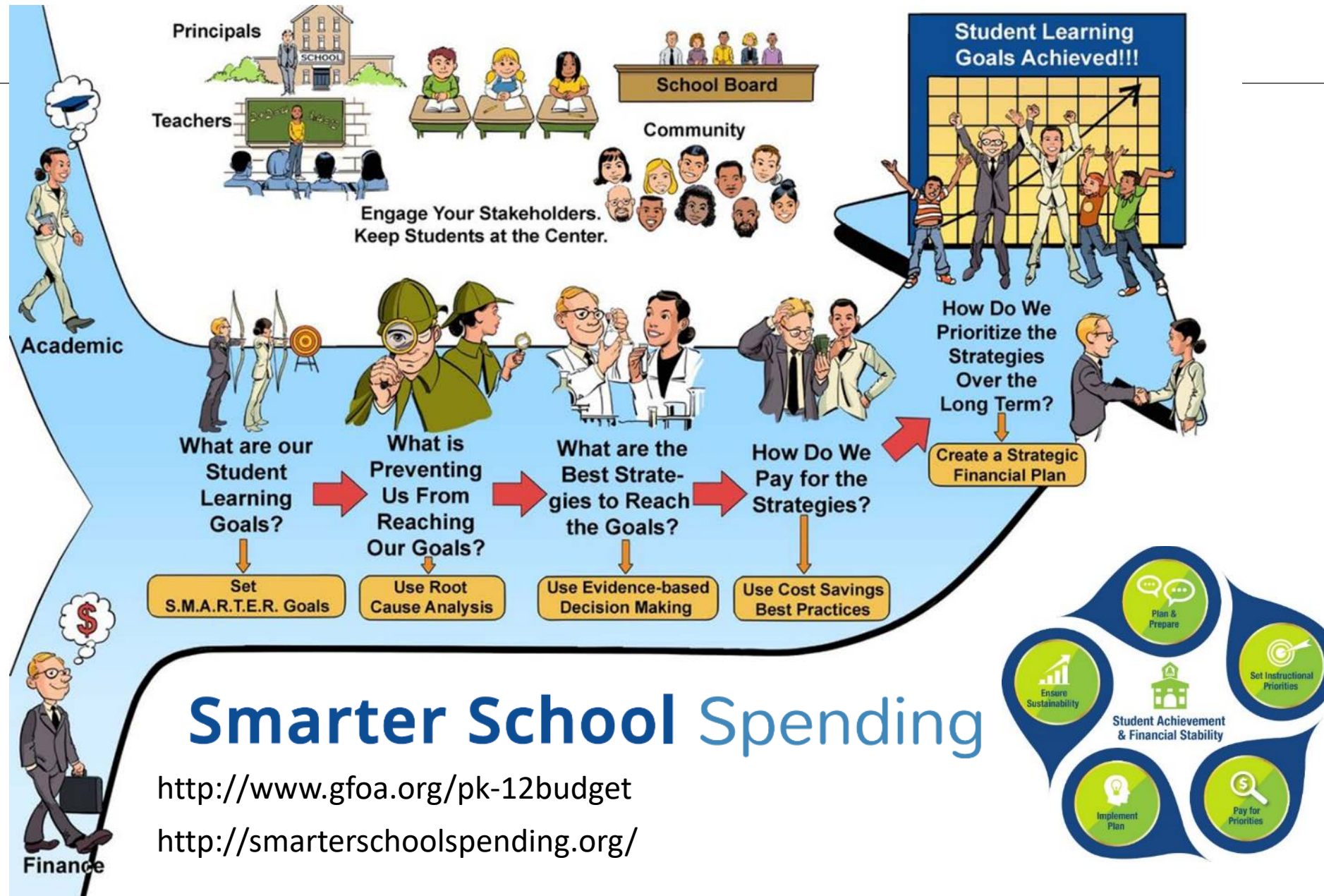
2018

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

Best Practices in School Budgeting





GFOA Member Survey: Key Challenges

Rank	Challenge
1	Declining or limited revenue
2	Unstable revenue
3	Cost of new infrastructure
4	Pension costs/liabilities
5	Health care costs
6	Uncertainty with state government
7	Maintain existing infrastructure
8	Attracting qualified staff
9	State/Federal regulations
10	Cyber-security



CAFR, PAFR & Budget Award Programs



Illinois

355

38

119



National Training

Financial Policies

Budgeting & Financial Planning

Capital Planning/Infrastructure

Debt Management

Financial Management

Pension & Benefit Administration

Technology/ERP

Treasury & Investment Management

Accounting & Financial Reporting

GFOA Consulting

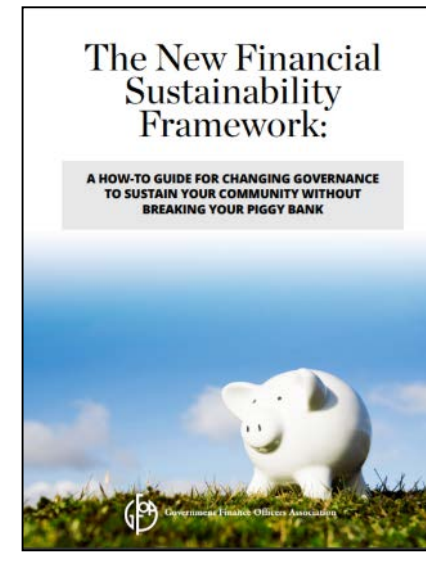
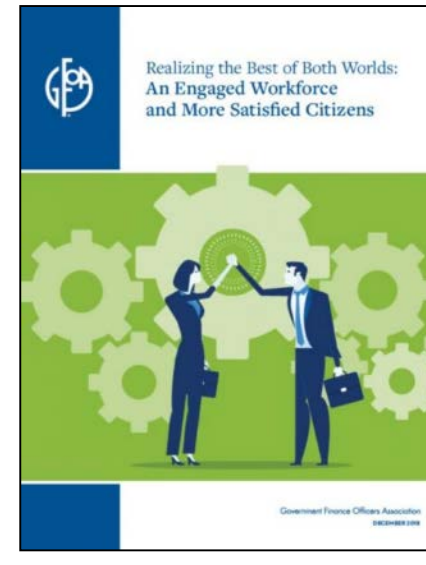
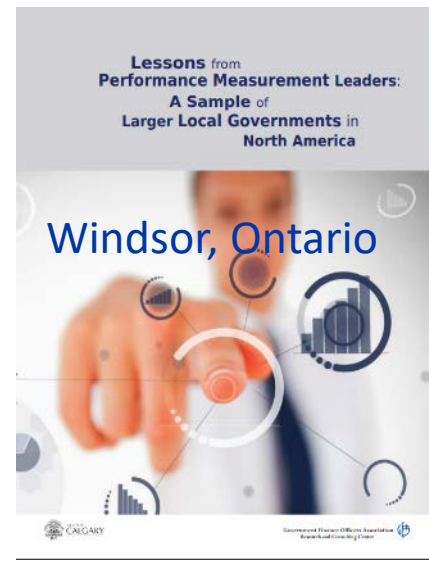
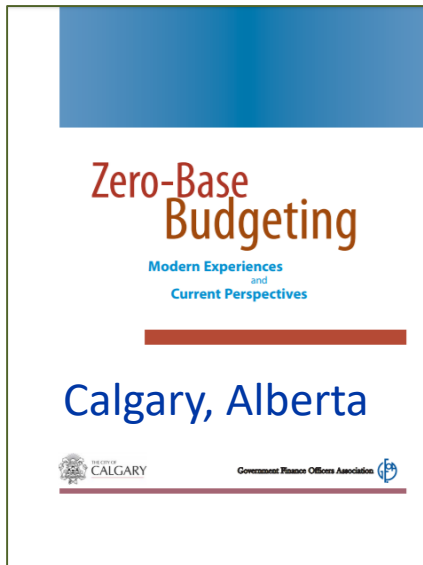
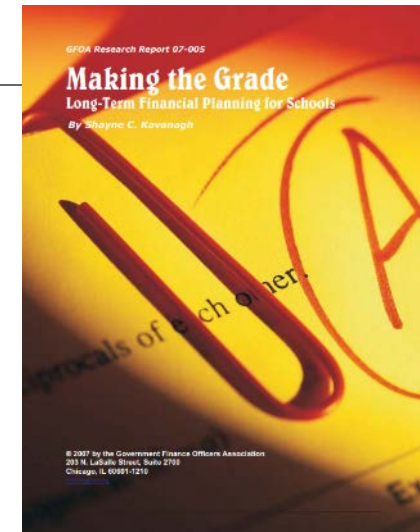
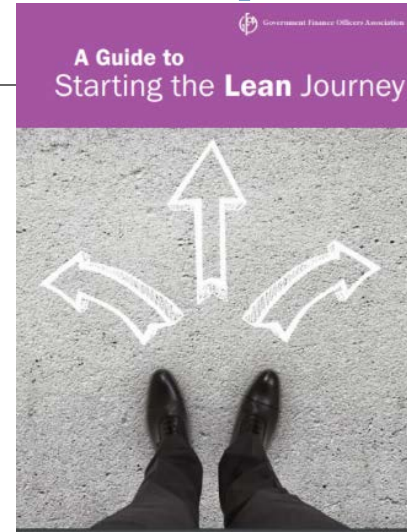
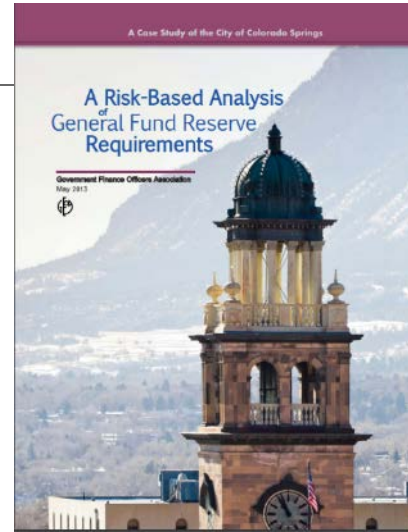
■ GFOA has become a recognized leader in the ERP system market generating value for clients through:

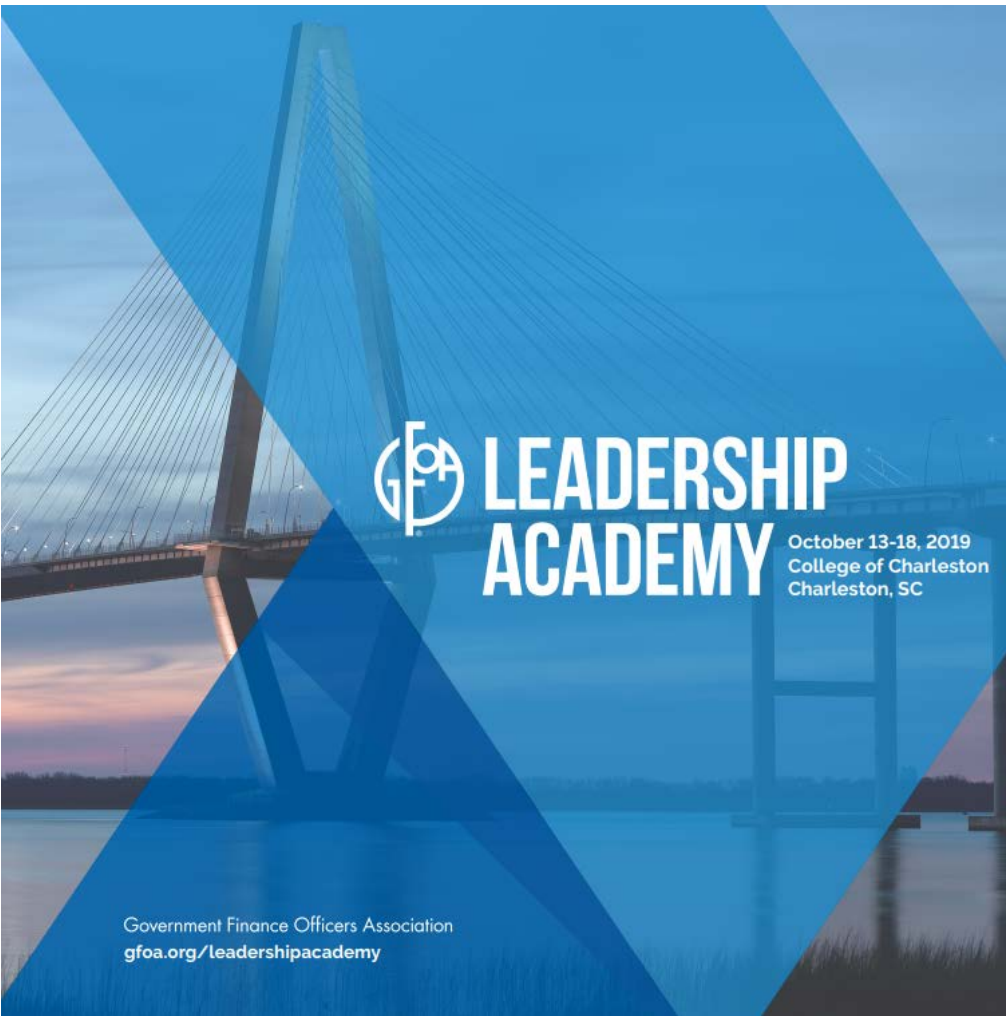
- Software selection / contract negotiations
- Reducing costs
- Reducing risk during implementation
- Providing best practice recommendations for improving business processes



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

Research Reports





Weeklong immersive leadership training designed for government finance officers (October 13 – 18)



Engaging our members



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GFOA of the US & Canada

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GFOA2018 | May 6-9 | St. Louis, MO

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@GFOAofUSandCanada

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76% response rate, 7-mins response time



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GFOA @GFOA

The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit.

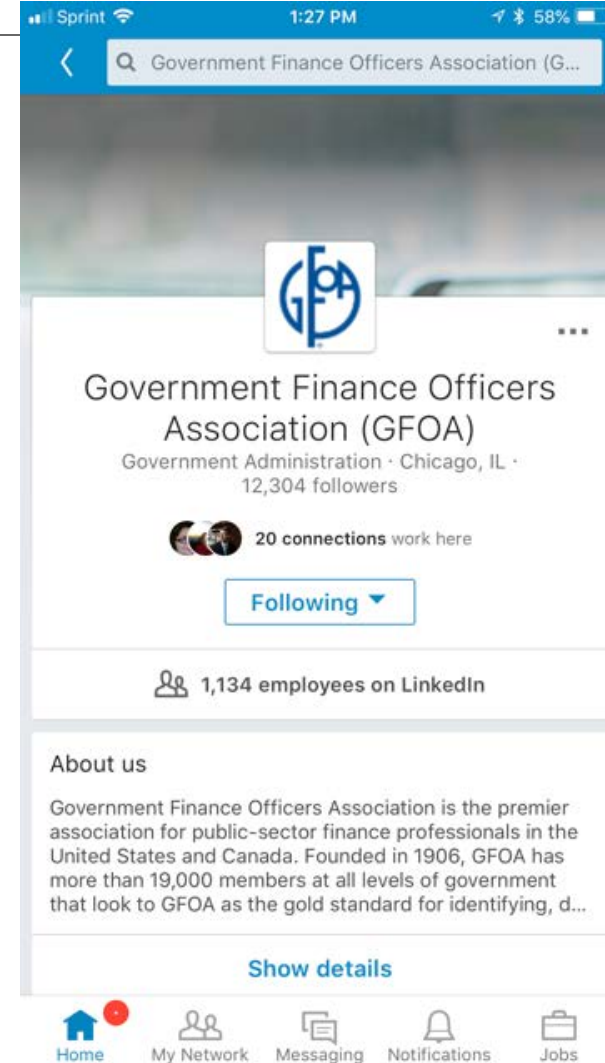
Chicago, IL [gfoa.org](#)
Born on February 1, 1906

1,407 Following 3,032 Followers

Tweets Tweets & replies Media Likes

GFOA @GFOA · 2h
Congratulations!

Maier Moments @MarionCountyK12
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



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Government Finance Officers Association (GFOA)

Government Administration · Chicago, IL · 12,304 followers

20 connections work here

Following

1,134 employees on LinkedIn

About us

Government Finance Officers Association is the premier association for public-sector finance professionals in the United States and Canada. Founded in 1906, GFOA has more than 19,000 members at all levels of government that look to GFOA as the gold standard for identifying, d...

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Future of the profession initiatives

Government Finance Officers Association

Become a GFOA Student Member

Discover Careers in Government Finance

CONNECT | EXPLORE EXCHANGE

#GFOA gfoa.org

5 scholarships
9 recipients

1 vast network of public finance professionals

Over **\$100,000** awarded annually

Are you a student interested in:

- Accounting
- Public Finance
- Government
- Public Service

Government Finance Officers Association

GFOA Student Chapters

Become part of North America's largest network of public finance professionals! By joining a GFOA student chapter at your college or university, you take a critical step toward translating your education into a career.

Why join?

- ▶ Each student chapter receives a welcome kit and additional student chapter resources from GFOA.
- ▶ Free access to a set number of GFOA webinars per year.
- ▶ Complimentary GFOA membership for all chapter members and faculty advisor for one full year.
- ▶ Gain access to career development opportunities—meet GFOA members face-to-face and begin building your network of field-related contacts.

What do GFOA student chapter members do?

- ▶ Host guest speakers
- ▶ Organize networking events
- ▶ Work with government finance officers in the community
- ▶ Help provide a student voice to GFOA

Who is eligible?

- ▶ All full-time or employed students, undergraduate and graduate

Join today!

To join your GFOA student chapter, see your student chapter president or faculty advisor. If you do not yet have a student chapter president, take the lead and create a student chapter today!

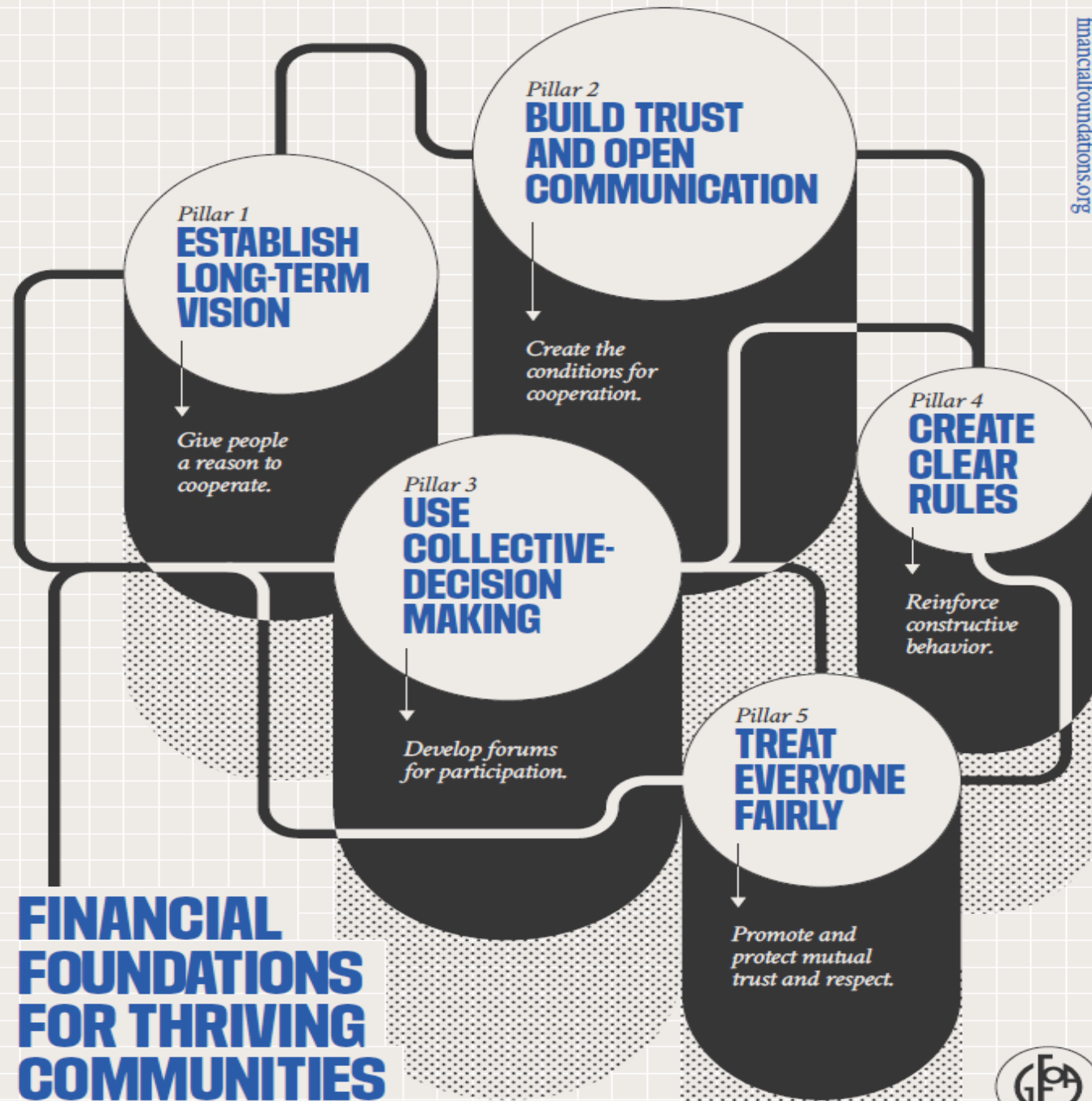
If you have any questions, e-mail studentchapters@gfoa.org.

www.gfoa.org

Government Finance Officers Association (GFOA) is a major professional association serving the needs of more than 20,000 appointed and elected local, state, and provincial-level government officials and their finance practitioners. It provides top quality training programs, publications, services, and profiles designed to enhance the skills and performance of those responsible for government financial management. The association is headquartered in Chicago, Illinois, with offices in Washington, DC.

Financial Foundations for Thriving Communities







Time for a New Code of Ethics

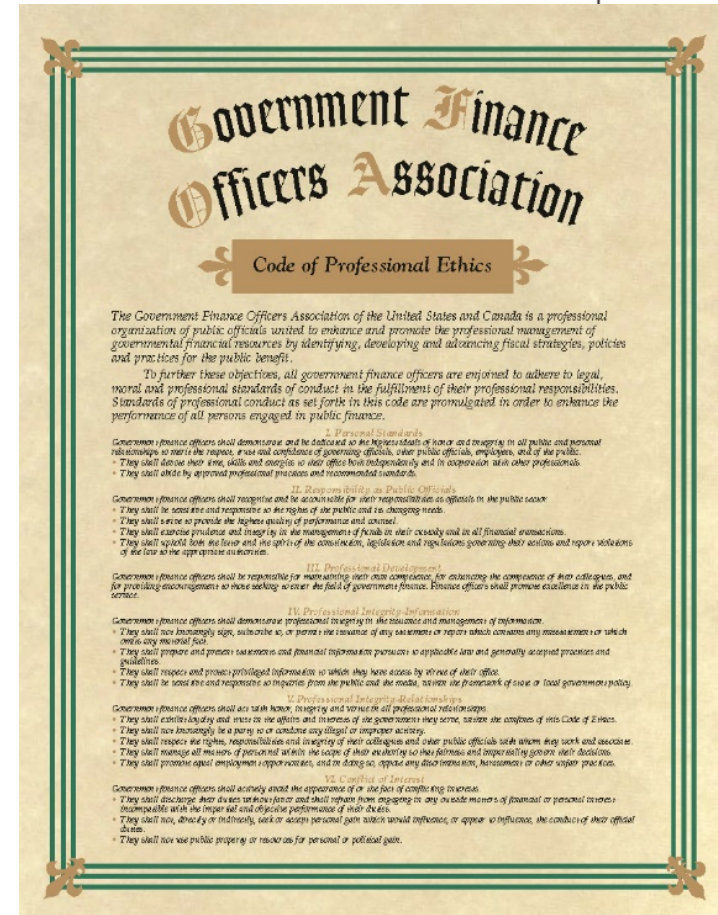


Old Code of Ethics Needed a Refresh

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

More importantly.....

Did not play a meaningful role in GFOA training, certifications, etc.





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[The Research](#)

[Resources](#)

[Culture Measurement](#)

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**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 – Case Studies

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

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 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**

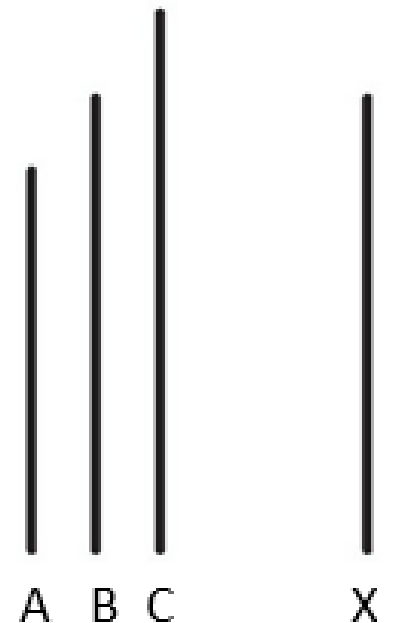
Advances in Research

Advances in understanding of human behavior provides opportunity to develop more powerful approach to ethics

Example: Cognitive Biases

Example: Social Pressures

Which line, A, B, or C, is the same length as line X?



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.



Gift Policy Guidance (continued 2)

- 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.



Gift Policy Guideline (continued 4)

- 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 of the opioid crisis in the City.



Council Conundrum (Continued 2)

- 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.



City Council Conundrum (continued 3)

- 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/>
- Crucial Conversations: https://www.amazon.com/Crucial-Conversations-Talking-Stakes-Second-dp-0071775307/dp/0071775307/ref=mt_hardcover?_encoding=UTF8&me=&qid=
- GFOA Ethics Code: gfoa.org/ethics