



BEST PRACTICES

An informational exchange for the best practices in municipal government

Recognizing Outstanding Financial Management

The Distinguished Budget Presentation Award Program has been recognizing best practices in government budgeting since 1984. The award program is sponsored by the Government Finance Officers Association (GFOA) and is one of several programs the organization uses to recognize exemplary budget practices.

Last year over 1,000 units of government, from across the nation, submitted their budget documents for the review process. The review allows governmental units to receive feedback regarding their budgets, obtain favorable bond ratings, as well as receive recognition for following appropriate budget techniques.

The process does not look at the financial strength of an entity, but rather looks at the way the information is compiled and presented.

The Review Process

The review starts with a preliminary screening at the GFOA level and is then sent to three independent reviewers who evaluate each budget based on a rather lengthy set of criteria. Evaluation categories include sections on reviewing the budget as a policy document, as a financial plan, as an operational guide, and as a communications device. Each is an important component of how the budget document is used by decision-makers and citizens.

As a policy document, the budget refers to the overall message that assigns priorities for various policies and programs during a given year. This component is often highlighted by the vision of the organization as well as the ability to plan on both a short-term and long-term basis.

As a financial plan, the budget document refers to all the funds covered by the budget, as well as a summary of expenditures and revenues for the upcoming year.

As an operational guide, the budget document describes the purpose of the

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organization through the types of services and programs that are offered. It also highlights priorities through staffing or personnel spending levels.

As a communications device, the budget document transmits information regarding funding choices and available resources. Information should be accessible and presented in a responsible and clear manner.

For a government to receive the award, a budget must satisfy each of the four categories by at least two of the three independent reviewers. Each category also includes subcategories that can result in special recognitions if all three reviewers give outstanding ratings on certain components.

The process of submitting budgets to outside independent reviewers can be a rewarding and educational experience for units of local government. Each reviewer makes comments and suggestions on each of the submitted budgets. While the government being reviewed is not required to adopt these suggestions for future budgets, serious consideration is highly recommended.

The process is taken quite seriously. In fact, if a government submits its budget each year, the entity must provide a response to comments from previous years and discuss what suggestions were incorporated into the new budget and also list why any suggestions were not utilized.

"The main purpose of the award is to educate government entities by providing a variety of reviewer comments. We do this in a timely manner, so the entity can incorporate these comments in the preparation of future budgets," said John Fishbine, Senior Manager, Technical Services, GFOA. "Regardless of size, the same number of reviewers will offer comments to allow entities to improve the way a budget is prepared and presented."

Recent Kansas Distinguished Budget Presentation Award Winners

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|-----------------|-------------------|
| • Atchison | • Merriam |
| • Hays | • Overland Park |
| • Johnson Co. | • Prairie Village |
| • Junction City | • Sedgwick Co. |
| • Lawrence | • Topeka |
| • Leawood | • Wichita |
| • Lenexa | • Wichita Public |
| • Manhattan | Schools |

The Distinguished Budget Presentation Award is designed to encourage budget practitioners to strive for the highest levels of quality and to produce budgets that meet the needs of decision makers and citizens. For more information regarding the award programs of the GFOA, please visit their website at www.gfoa.org.

KSGFOA

Another tool for local practitioners to increase their budget knowledge is professional membership in the Kansas Government Finance Officers Association (KSGFOA).

This state affiliate of the GFOA was founded in 1999 and serves more than 200 professionals from across the State of Kansas. The organization promotes financial management techniques through a variety of educational programs, conferences, and online resources. The organization also offers testimony regarding state legislation and national accounting policies that impact finance professionals in Kansas.

Additional information regarding the KSGFOA can be found at www.ksgfoa.com/.

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