

Financial Policies 2013 Budget

Presentation to Ways and Means/Budget Committee
November 13, 2012

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Purpose
Scope
Overview of Policies

FINANCIAL POLICIES

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Financial Policies

Purpose

- Provide consistency and predictability for financial and budgetary decision making and management.
- Best Practice established by National Advisory Council on State and Local Budgeting (NACSLB)¹
 - Establish broad goals to guide government decision making
 - Develop approaches to achieve goals
 - Develop budgets consistent with approaches to achieve goals
 - Evaluate performance and make adjustments
- Generally include these types of policies
 - Financial Planning
 - Revenue
 - Expenditures

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1. Source: Government Finance Officers Association (GFOA), www.gfoa.org

Financial Policies

Scope

- Financial policies are necessary to:
 - Institutionalize good financial management practices
 - Clarify and crystallize strategic intent for financial management
 - Define boundaries
 - Support good bond ratings
 - Promote long-term and strategic thinking
 - Manage risks to financial condition
 - Comply with established public management best practices

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Financial Policies

Scope

- Financial policies are not intended to:
 - Specify administrative procedures
 - Specify business processes
 - Instruct staff on the way to implement organizational policy

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Financial Policies

Overview

- Goal of Policies:
 - Explicit and concise
 - Current and relevant
 - Literal
 - Accessible
 - Comprehensive

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Financial Policies Overview

Proposed Financial Policies

- | | |
|------------------------|------------------------------------|
| • Operating Budget | • Allocation Models |
| • Revenue | • Pension |
| • Fund Balance | • Administrative |
| • Accounting | • CDBG Reprogramming |
| • Investment | • Capital Budget and Project Admin |
| • Development Finance | • Debt Policies |
| • Public Participation | |

Financial Policies Overview – Proposed Changes

- Clarified “base” level of funding as service levels
- Simplified and eliminated redundant language to more clearly articulate policy intent
- Grouped similar items together
- Removed procedural items to focus on policy
- Defined terms where previously missing
- Eliminated project-specific items
- Reduced reference to specific legislation
- Added references where more specific guidelines and procedures can be found where applicable

Financial Policies

Next Steps

- Continued Review for:
 - Clarification of Agency Relationships
 - Inclusion of Procedural Activities
 - Concise language
 - Incorporation of related policies from other City functions

Questions?

FINANCIAL POLICIES