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Cash is King: Short-Term Strategies to Slow the Flow of Money Out the Door and Keep the Budget Balanced

Local governments need to make sure they have enough cash on hand for essential services. Thus, one of the first things local governments should do is slow the net flow of cash out the door and find ways to rebalance the budget. This could be done by reducing expenditures, delaying expenditures, or even finding new resources. There are many financial retrenchment techniques a government could use to get this done.

This paper presents a number of tried-and-true retrenchment techniques that can improve cash flow during difficult times and provide time and resources for governments to develop strategies to deal with the financial crisis.

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Author: Shayne C. Kavanagh Joseph P. Casey, PhD