Bond Case Briefs

Municipal Finance Law Since 1971

GFOA Board-Approved Best Practices - February 28, 2014.

Below are summaries of the best practices recently approved by the GFOA's Executive Board and listed by the committee in which they originated.

Committee on Governmental Budgeting and Fiscal Policy

- Financial Forecasting in the Budget Preparation Process (revised). This revised best practice updates the Financial Forecasting in the Budget Preparation Process (1999) and The Use of Trend Data and Comparative Data for Financial Analysis (2003). The committee merged these best practices and made fairly extensive changes in the process, resulting in the new Financial Forecasting in the Budget Preparation Process. This revised best practice recommends that governments at all levels forecast major revenues and expenditures for several years into the future, and that the forecast, along with its underlying assumptions and methodology, should be regularly monitored and periodically updated.
- Effective Presentation of the Budget Document (revised). Last updated in 1996, this revised best practice recommends that governments incorporate guidelines into their budget organization process to facilitate broader consumption and greater comprehension of the budget document. These guidelines include organization, detail, design, consistency, highlights and format.
- Establishing Government Charges and Fees (revised). Last updated in 1996, this revised best practice makes recommendations on the process for setting charges and fees for the purpose of financing governmental goods and services.

Committee on Accounting, Auditing and Financial Reporting

- Implementing OMB Uniform Guidance (new). This new best practice provides recommendations on steps that state and local governments should take to ensure that they fully comply with the U.S. Office of Management and Budget's final guidance on Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Uniform Guidance was developed by OMB to streamline the federal grant-making and monitoring process, to ease administrative burden for grant applicants and recipients, and to reduce the risk of waste, fraud, and abuse.
- Indirect Cost Allocations (new). This new Best Practice encourages governments to allocate their indirect costs, and provides considerations for governments to keep in mind in connection with indirect cost allocation.

Committee on Retirement and Benefits Administration

- Actuarial Audits (new). This new best practice was developed to provide guidance to public pension plan fiduciaries on the types of actuarial audits, and to encourage fiduciaries to gain provide for actuarial audits at least once every five years.
- Developing a Process for Complying with the Patient Protection and Affordable Care Act (revised). Last updated in 2011, this revised best practice recommends that state and local government employers that sponsor group health plans implement a process for reviewing federal health-care benefit requirements at least quarterly to ensure that they are aware of any newly issued or soon-

to-be issued regulations related to the Affordable Care Act.

Committee on Governmental Debt Management

- Selecting and Managing the Method of Sale of State and Local Government Bonds (revised). Updated to alert members to changes in the conduct and business practices of underwriters and municipal advisors, which state and local governments should be aware of following the SEC's approval of a final Municipal Advisor Rule in September 2013. The rule is scheduled to go into effect July 1, 2014.
- Selecting and Managing the Engagement of Municipal Advisors (revised). Updated to alert members to changes in the conduct and business practices of underwriters and municipal advisors, which state and local governments should be aware of following the SEC's approval of a final Municipal Advisor Rule in September 2013. The rule is scheduled to go into effect July 1, 2014.
- Selecting and Managing the Engagement of Underwriters for Negotiated Bond Sales (revised). Updated to alert members to changes in the conduct and business practices of underwriters and municipal advisors, which state and local governments should be aware of following the SEC's approval of a final Municipal Advisor Rule in September 2013. The rule is scheduled to go into effect on July 1 of this year.

Committee on Treasury and Investment Management

- Use of Cash Flow Forecasts in Treasury Operations (revised). This best practice, last updated in 2011, is revised to recommend that state and local governments take into account a series of factors (described in the document) when undertaking cash flow forecasting.
- Procurement of Banking and Related Services (revised). Incorporating best practices in selecting banking services will help a government procure appropriate and cost-effective banking services that best meet the needs of the government, while minimizing risk of loss. This updated best practice recommends that state and local governments establish a process to assure the periodic review and procurement of banking services.
- Electronic Payment and Electronic Collection Systems (revised). Last updated in 2010, this revised best practice recommends that state and local governments perform cost/benefit analyses, implement safeguards, and routinely evaluate opportunities to make and receive electronic payments that are suitable for their specific needs.
- Merchant Card Acceptance Internal Controls (new). This new best practice recommends that state and local governments establish internal controls for merchant card acceptance programs and provides factors to consider when establishing these controls.

Links to the full text here:

http://www.gfoa.org/index.php?option=com_content&task=view&id=2963

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com