

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **GFOA Approves New Best Practices.**

GFOA's Executive Board recently approved five best practices in the areas of treasury and investment management, retirement and benefits, and municipal debt. GFOA best practices identify specific policies and procedures that contribute to improved government management. They aim to promote and facilitate positive change rather than merely to codify current accepted practice. GFOA has emphasized that these practices be proactive steps that a government should be taking. Best practices are applicable to all governments (both large and small), are approved by the GFOA executive board, and represent the official position of the organization.

New best practices include:

- [Procurement of Financial Services](#), recommends that governments review their financial services contracts every five years and use a competitive process for the procurement of financial services.
- [Investment Program for Public Funds](#), recommends that all governments establish a public funds investment program by completing several steps: developing an investment leadership team, identifying the funds being invested and their cash flow characteristics, reviewing all applicable laws and regulations, establishing a risk profile, determining the portfolio management team, and creating an investment policy.
- [Defined Contribution Retirement Plan Design](#), clarifies and updates the design elements governments should include if they choose to provide a defined contribution (DC) plan as a primary retirement vehicle. These include analysis to determine the cost of providing the benefit and determining whether employees are eligible for a federal insurance program that provides benefits to retired people (e.g., Social Security).
- [Electronic Payments](#), recommends that governments use electronic payments for all payments.
- [Refunding Municipal Bonds](#) recommends that issuers include guidelines in their debt management policies that address preservation of future refunding flexibility. Issuers should also analyze their refunding objectives, the efficiency of any related escrow, and the unique aspects of executing the refunding transaction.

To help governments understand and implement the best practices, GFOA will be holding an [internet training seminar](#) on April 20, 2017 title New GFOA Best Practices.

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