



Government Finance Officers Association

**GFOA Best Practices and Budget Awards
Program (Community Colleges)**

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2015 Spring ICCCF0 Conference

Matt Bubness GFOA Senior Manager 312-578-2267 (mbubness@gfoa.org)

John Fishbein GFOA Senior Program Manager 312-578-2268 (jfishbein@gfoa.org)

GFOA Budget Awards Program Background

- Established in 1984
- Educational purpose:
 - Encouragement and recognition
 - Assistance
- Focus on budget *document*
- Incorporates NACSLB's *Budget Guidelines*
- Incorporates GFOA's *Best Practices*



Program Participants and Reviewers

- Over 1,500 participants submitted budget documents for budgets FY beginning in 2014
 - 239 counties (16%)
 - 31 colleges (2%) – 13 from Illinois
 - 945 municipalities (63%)
 - 3 pension entity (0%)
 - 98 schools (6%)
 - 184 special districts (12%)
 - 8 states (1%)
- Over 580 budget reviewers in 2015



Benefits of Participation

- Practical method for continually improving the budget document
- Evidence of sound financial management
- Positive factor in credit ratings
- Recognition for government and staff
- Document meets well-respected standards
- Results in a better, more informed document for legislators and taxpayers

Eligibility

- Open to all U.S. and Canadian governments
- Open to both general-purpose and special-purpose governments
- Open to both annual, biennial, and triennial budgets
- Open to any type of budgeting

Application Form

- Available on GFOA website (“Awards Programs”)
- 2 pages
- Fee
 - Sliding scale based upon expenses
- Includes information about becoming a budget reviewer



Criteria Location Guide

- Available on GFOA website (“Awards Programs”)
- 27 criteria
 - 14 mandatory
- Four categories
 - Policy document
 - Financial plan
 - Operations guide
 - Communications device
- Cite specific page references on location guide



Submission Packet

- Budget document
 - Four hard copies or electronic submission
- Criteria location guide and application form
 - Five hard copies or electronic submission



Deadline for Submissions

- Two options
 - Proposed budget
 - Within 90 days of submission to governing body
 - Adopted budget
 - Within 90 days of adoption
- Extensions

Review Process

- Submission package sent to reviewers
- Each reviewer rates separately
- Reviews returned to staff and results compiled
- Results provided to participant
 - Within 6 months

Ratings Categories

- Not applicable
- Not present
- Does not satisfy
- Proficient
- Outstanding

Award Decision

- Compliance with all 14 mandatory criteria
- At least two “proficient” or “outstanding” ratings
- Positive overall assessment for each of the four basic categories
- At least two “proficient” or “outstanding” ratings

BUILDING A BETTER
BUDGET
DOCUMENT

SECOND EDITION

John Fishbein

 Government Finance Officers Association



1 = Information not present, 2= Does not satisfy criterion, 3=Proficient, 4= Outstanding

Please rate each criterion and each overall category

	<i>Policy</i>	<i>Financial</i>	<i>Operations</i>	<i>Communications</i>	<u>Criteria Description</u>
	Grade				
* C1	█	█	█	▣	Introduction and Overview
P1	▣	█	█	█	Table of contents (mandatory)
P2	▣	█	█	█	Strategic goals & strategies
* P3	▣	█	█	█	Short-term organization-wide factors influencing decisions
* C2	█	█	█	▣	Priorities and issues (mandatory)
					Budget Overview (mandatory)
					Financial Structure, Policy, and Process
* O1	█	█	▣	█	Organization chart (mandatory)
F1	█	▣	█	█	Fund descriptions and fund structure
O2	█	█	▣	█	Department/fund relationship
F2	█	▣	█	█	Basis of Budgeting
* P4	▣	█	█	█	Financial policies (mandatory)
* P5	▣	█	█	█	Budget process (mandatory)
					Financial Summaries
* F3	█	▣	█	█	Consolidated financial schedule (mandatory)
* F4	█	▣	█	█	Three (four) year consolidated and fund financial schedules (mandatory)
* F5	█	▣	█	█	Fund balance (mandatory)
* F6	█	▣	█	█	Revenues (mandatory)
F7	█	▣	█	█	Long-range financial plans



1 = Information not present, 2= Does not satisfy criterion, 3=Proficient, 4= Outstanding

Please rate each criterion and each overall category

Policy
Financial
Operations
Communications

Criteria Description

Capital & Debt

* F8	█	▢	█	█
F9	█	▢	█	█
* F10	█	▢	█	█

Capital expenditures (mandatory)
Impact of capital investments on operating budget
Debt (mandatory)

Departmental Information

* O3	█	█	▢	█
* O4	█	█	▢	█
O5	█	█	▢	█
O6	█	█	▢	█

Position summary schedule (mandatory)
Department descriptions (mandatory)
Unit goals and objectives
Performance measures

Document-wide Criteria

C3	█	█	█	▢
C4	█	█	█	▢
C5	█	█	█	▢
C6	█	█	█	▢

Statistical/supplemental section
Glossary
Charts and graphs
Understandability and usability

█	█	█	█
▢	█	█	█
█	▢	█	█
█	█	▢	█
█	█	█	▢

Overall as a policy document
Overall as a financial plan
Overall as an operations guide
Overall as a communications device



<http://www.gfoa.org/budgetaward>

Distinguished Budget Presentation Award Program (Budget Awards Program)

- [Details on how to become a Participant or Reviewer](#)
- [Most Recent Participant Award Results Sorted by State/Province: Budget Years Beginning 1/1/2013 12/31/2013](#)
- [Reviewers of Budget Documents During 2014 Calendar Year](#)

The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOAs best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

Documents submitted to the Budget Awards Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting. The following links offer access to detailed information on specific aspects of the Budget Awards Program:

Information for participants and potential participants:

- [Eligibility requirements](#)
- [How to submit a budget document](#)
- [Application Form](#)
- [Requests for an extension of the submission deadline](#)
- [Judging Process](#)

Detailed Location Criteria Guide and Explanation of Criteria

- [Detailed Location Criteria guide](#)
- [Explanation of Criteria](#)

Information for reviewers and potential reviewers:

- [Eligibility requirements](#)
- [Application form to become a reviewer](#)

Vote Page For Budgets

- [Electronic Vote Page](#)



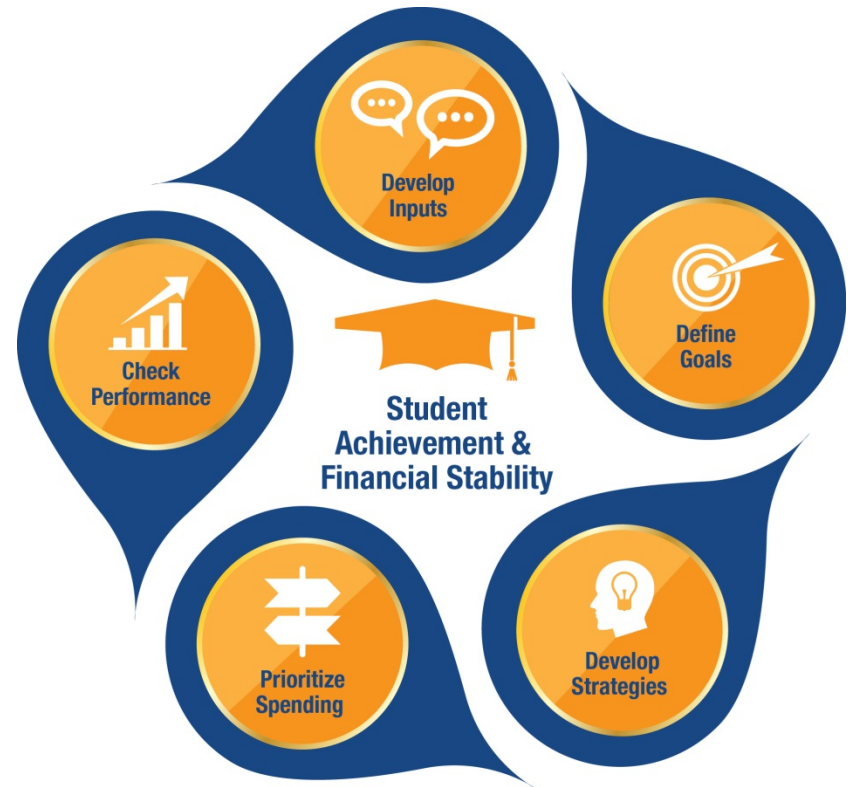
New Best Practices in Community College Budgeting

- Best Practices developed in conjunction with a number of CC partners – including several from Illinois
- Done in conjunction with new Best Practices in School Budgeting
- Focuses on budget process as a whole – not just the presentation
- Centered on aligning of resources to student achievement
- Emphasis on collaboration between Finance and Academic staff



Core Concepts of New Best Practices

- Develop Inputs
- Define Goals
- Develop Strategies
- Prioritize Spending
- Check Performance



Develop Inputs

- Budget principles to guide process
- Adopting policies to frame financial outcomes
- Analyze current revenue and expenditure structure and utilize long-term forecasts
- Analyze student performance data to inform budget decisions
- Internal Capabilities – HR, student needs, remediation
- External Influences – stakeholders, labor market, legislation

Define Goals

- Define goals using SMARTER framework
 - Specific
 - Measurable
 - Achievable
 - Relevant
 - Time-bound
 - Exciting
 - Resourced

Define Goals (continued)

- Root Cause Analysis – identify underlying cause of issue
- Research and utilize proven practices to help address deficiencies
- Develop strategies to close gaps
- Develop plan to implement strategies
- Formally adopt strategies

Prioritizing Spending to Enact Strategies & Allocate Resources

- Prioritize Expenditures
- Define Subunits/Cost Centers
- Allocate Resources



Fundamental Organization of Budget Document

- The Challenges
- Goals
- Strategies and Initiatives
- Financial Plan
- Long-Term Financial Sustainability

Key Items for Budget Process

- Include All Funds in Budget
- Transparency in Spending
- Transparency in Reserves
- Provide Context

Check Performance

- Monitor Strategy Implementation
- Evaluate Interim Results throughout Year
- Adjust Strategy and Budget in Response

Enhanced Budgeting Practices

- Governance and Ownership of Budget Process
- Establish Criteria and Measures for Success of the Budget Process
- Allocate Costs of Shared Support Services to Subunits

Next Steps & More Information

- In early stages of recruiting additional Community Colleges to join our early adopters group – the Alliance for Excellence in Community College Budgeting
- For copies of draft of the Best Practices and more information – go to:
<http://www.gfoa.com/school-budgeting>

