

TRANSPARENCY, COMMUNICATIONS, AND ORGANIZATIONAL DESIGN: BUDGET BOOK PRESENTATION

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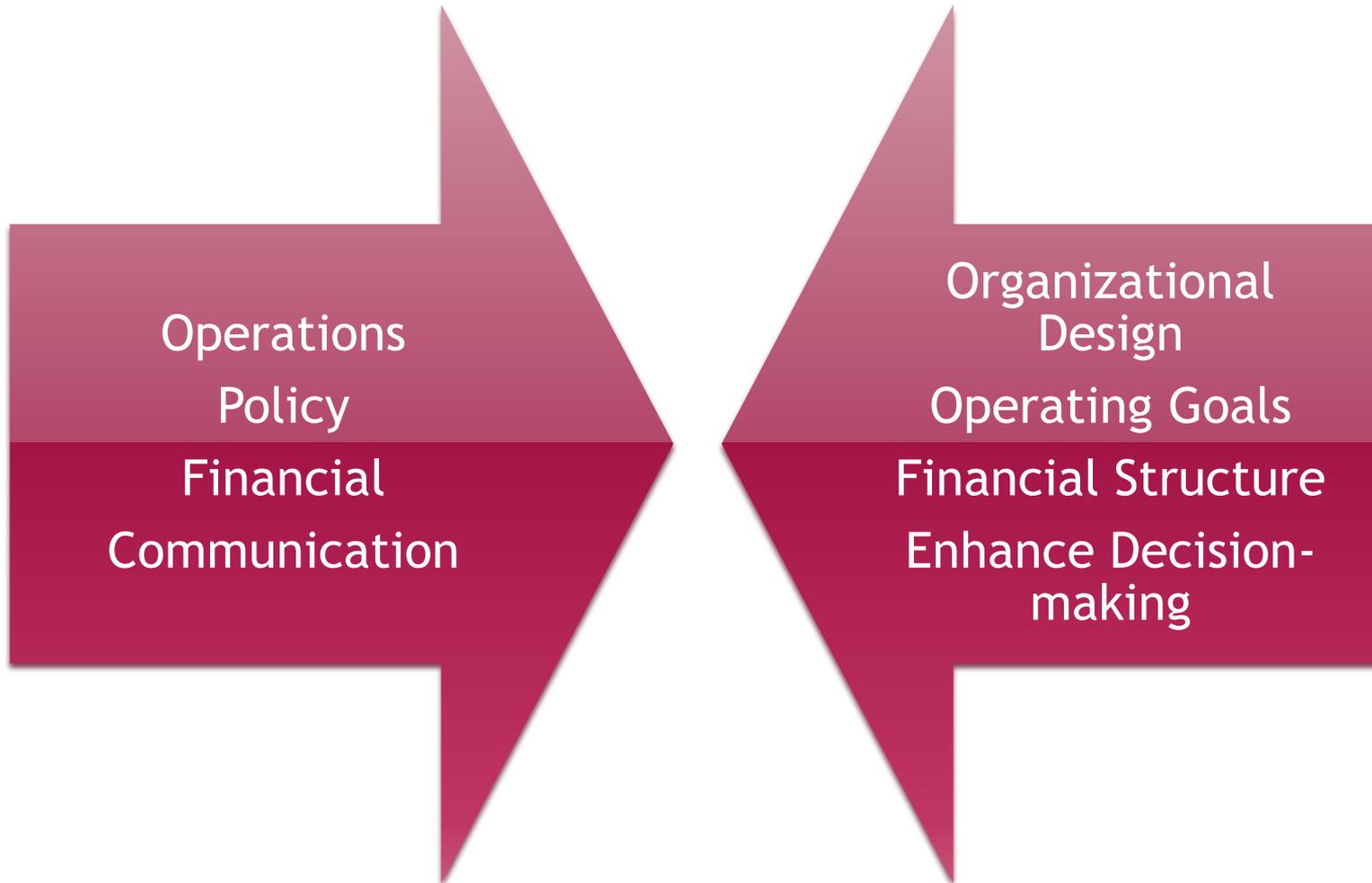
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TRANSPARENCY - PURPOSE

- ◉ Legal Compliance
- ◉ Public education
- ◉ Public engagement
- ◉ Trust, credibility
- ◉ Other agencies, bond and livability ratings
- ◉ Performance- establishes and measures what is valued

Always assume the reader does not know much about the organization: its goals, its structures, or its issues. (KISS)

BUDGET & TRANSPARENCY



POLICY DOCUMENT

- The most important policy statement all year, even as it is amended regularly.
- Establishes the priorities the government is funding for the coming year.
- 3-5 major themes including
 - Priorities in coming budget year
 - Continuation of prior year goals
 - Biggest issues and influencing factors
 - Legislative, economic, political, environmental
 - Major changes in goals and influencing factors
- Long-term outlook and ambitions
 - Community and organization vision
- How do budget decisions support related goals

POLICY DOCUMENT

- Parameters that govern decision making
 - Financial policies
 - Debt
 - Fund balance/ Reserves
 - Investment
 - Revenues and cost recovery
 - Procurement
 - Expenditure authority
 - Budget process
 - Annual Budget development, adoption, amendment
 - Other processes - Capital Plan, Debt Plan, Strategic Planning
 - Calendar
 - Balance between detail and comprehensive mirror of process

FINANCIAL REPORTS

- Total resources and how they are determined
 - Tier 1: all Funds summary
 - Tier 2: Fund types summary
 - Tier 3: Individual Fund summary
- Total uses and how they are allocated
 - Tier 4: Operating unit/ program summary
- Long-term elements including debt, capital, OPEB, retirement and healthcare, changes in fund balance, etc.
- Multi-year information

FINANCIAL REPORTS

- Capital plans: include brief descriptions, amounts, and likely impact on future operating budgets. What, How Much, and Why
- Include amount and type of impact: Nearly every project has some impact or it wouldn't be undertaken even if it is difficult to quantify.
- Long-term financial forecasts/ projections:
 - Comprehensive but brief summary of contributing plans and likely influences
 - Economic, legislative, environmental, political, contractual factors
 - Capital, master or development, marketing plans
 - State assumptions
 - Include revenues and expenditures for at least 2 years

OPERATIONS GUIDE

- Explain form and structure of governance
- Relate financial structure to operating structure
- Introduce who does the work- positions, departments, units, hierarchy, etc.
- Explore what departments/ units/ programs do and services provided.
 - Do not rely on Mission Statements to describe departments!
 - If including legal citations, also include layman's explanation.
 - Avoid jargon.

OPERATIONS GUIDE (CONTINUED)

- ◉ Establish how departments should be evaluated for success- what they are supposed to do and the expected level of service
 - Avoid task or duty lists, or generic statements presented as goals.
- ◉ Combination of performance measure types convey more complete picture of body of work
 - Inputs: # hours, # days, # agenda items
 - Outputs: # reviews, # inspections
 - Efficiency: \$ per mile, inspections per staff hour
 - Effectiveness: Survey responses, % reviews completed within X days

ORGANIZATIONAL DESIGN

- More than just a chart or department summaries but should include both
- Reporting relationships between hierarchical levels, peers, related agencies- all participants in the operations or service provision
- Organizational vs. Accounting Structures
 - Fund by department
 - Fund by Function (include departments within each function)
 - Matrix, grid, graphic, staffing allocation, department list in each fund

COMMUNICATIONS TOOL

- Provide a map:
 - Table of Contents
 - Readers Guide
 - Index
- Summary/ Overview
 - Budget-in-Brief or “liftable” section
 - SHORT set of highlights- big picture (See Policy)
- Reader Helps
 - Statistics
 - Brag section, introduction to the community, history, **MARKETING**
 - Glossary (AND Acronyms): Provide clear definitions- ensure everyone has the same starting concept. i.e. public safety means...

GRAPHS AND CHARTS

- ◉ Pictures, charts, and graphs help illustrate narrative and break up large paragraphs or narrative.
- ◉ Illustrate trends, behavior over time
- ◉ Provide multiple views, slices of the same pie to show how elements relate to one another.
- ◉ If possible, include comparisons across the organization, and/or with other similar agencies.
- ◉ Round up and summarize: avoid micro-detail or clutter
- ◉ Pictures, pictures, pictures ... Make it fun!

CONTEXT AND PERSPECTIVE

○ Context and Perspective:

- “The City spent \$12 million on Police services last year”
 - Compare to prior year
 - Compare to other services and departments
 - Compare to other agencies with similar demands and situation
 - Show how much revenue was received for Police services last year

COMMUNICATIONS

- ◉ 3-5 reading level is the average for adults
- ◉ Use variety of sentence types; short and simple sentence structure
- ◉ Variety of words particularly using the different levels of comprehension; use different phrases that communicate the same theme to ensure widespread understanding
- ◉ Use Bullets and paragraphs to present narrative with easier flow
- ◉ Easy to read print/fonts without color narrative
- ◉ Use 2 pages when needed: do not shrink below 8 point.
- ◉ Proofread and Test it! - ***Does this document help readers make better decisions?***

CULTURE & CLIMATE

- ◉ Unique characteristics or combination of attributes distinguish one organization from another
- ◉ Messages about the values of the organization beyond the words-demonstrates and supports statements
- ◉ Influences Operations, Goals & Vision, Long-term financial picture, governance
- ◉ Influenced by community, history, personalities, governance, long-term financial picture

EFFECTIVE TRANSPARENCY

- Timely
- Accurate
- Consistent
- Combines elements of organization: goals, finances, operations
- Avoid assuming reader/user has knowledge
- Easy access
 - Online
 - Print
 - Multi-media
- Easy to understand
 - Communications
 - Presentation
- Provides mechanisms for feedback

PLAN BEFORE STARTING

- **Outgoing- Providing information to stakeholders**
Multiple media: print, electronic, audio
 - Multiple styles: narrative, pictures, charts, & graphs, language styles
 - Frequent and repeated
 - Consistent and comprehensive
 - ACCURATE
- **Incoming- Receiving information from stakeholders**
 - Multiple methods
 - Multiple timeframes (i.e. pre-budget development, pre-decision, post-adoption)
 - Ensure equal voice and opportunity to participate
 - Acknowledge input

TRANSPARENCY- TOOLS

○ Budget book

- Print available in public places
- PDF online and distributed

○ Budget-in-Brief (or PAFR)

- Print available, distributed
- PDF online

○ Online reports

- Focused on smaller # topics than budget
- Non-financial reports
- Current timeframe, i.e. monthly, quarterly

○ Interactive

- Visualization, search software
- Emphasis on presenting operating, goals, finances

RESOURCES

- ◉ Government Finance Officers Association (GFOA)- Best Practices, Budget Presentation Awards Program, Popular Annual Financial Report Program
- ◉ International City/County Management Association (ICMA)
- ◉ Association of School Business Officers International (ASBOI)- Budget Awards Program
- ◉ State Associations: FGFOA, CSMFO
- ◉ OpenGov, transparency focused firms
- ◉ Each Other!!