
City Manager Finance Checklist

Do You know if these are being handled correctly in your organization?

1. Accounting Operations

- The finance department can explain to you what GAAP and GASB means, and why it matters.
- The monthly bank reconciliation is being performed timely. A signed copy of the reconciliation can be provided that has been reviewed and adjustments approved by someone other than the person making the adjustments
- Your finance department can document how any particular type of receipt flows from the customer/taxpayer into the bank.
- The three components of the fraud triangle are understood and the City has internal controls in place to mitigate them. (Pressure, opportunity, rationalization)
- The managing partner of your independent auditing firm meets with the Manager and ask good, solid questions about risk, management team, the governing body and the comfort with the finance department
- Understand what makes a component unit a component unit and why they matter.
- The Finance department can provide a list of all required informational returns to the IRS and if they have been filled timely.
- All finance polices are reviewed annually. (purchasing, travel policy, Investment, purchasing)
- The monthly reports presented are easy to follow and can be explained to citizens.
- If asked, someone can quickly diagram the payroll process, from data collection through employee pay and tax remittances.
- Achieve the Certificate for Achievement for Financial Reporting (CAFR) from GFOA.
- A summary of investment activities are produced monthly or quarterly and performance is compared to a realistic benchmark.

2. Budgeting

- The numbers in the budget and financial statements are easy to follow and the two documents tie together.
- The fund balance policy has a reasonable range for your operational funds and should be based on national medians and particular needs of the organization.
- The statutes and/or ordinances the organization uses as how they are allowed to fund things are documented.
- The impact to the operational budget for any major capital improvement has been analyzed and included.
- The timing and basis of revenues that the organization relies on is accounted for in forecasts.
- Funds are forecasted at more than one year out. Preferably 5-10 years and proper inflationary indices are being used and are structurally balanced.
- Understand how much the program fees actually recover
- Revenue and Expenditure assumptions are documented.
- Receive the Distinguished Budget Award from GFOA.
- The CIP capital outlay, debt service, and operational impact are in balance with forecasts. The monthly, quarterly, and annual financial reports compare to original or revised budgets.

3. Debt

- There are updated contracts for each member of the finance team.
- Each member of your finance team is identified and they know their role in the financing and how each gets paid.
- The difference between negotiated and competitive debt issuance is understood.
- There is a monthly accounting of all debt financed projects: including authorization amount, project to date expenditures; previous and future dates of financing; total cost.
- The legal and policy guidelines are reviewed before CIP adoption and before a debt issue.
- Understand the value of refunding bonds. What is the benchmark used?
- Understand your continuing disclosure responsibilities. Review your Electronic Municipal Market Access (EMMA.msrb.org) disclosures are up to date.
- Review calculations showing rate covenants are being met.
- Debt service reserves are being used properly and invested.
- You should be part of the discussion with the credit rating agency(ies)
- Use of facilities financed with tax exempt debt are in compliance
- Know that arbitrage rules are complex and should require expert assistance and review

4. ECONOMIC DEVELOPMENT

- You know the top 10 employers and top 10 tax payers (property and sales) within the community and understand their businesses
- Your governing body reviews economic policy annually or at a minimum after any change in the governing body.
- Application for benefits are easy to locate and easy to navigate
- You have the correct people on your economic development team
- There is coordination between economic development and CIP functions
- You have procedures that include funding agreement and procedures in place to replenish the funding
- Know how your finance department can help answer these five important questions
 - Is this what my community wants?
 - Who are these developers?
 - Is the project feasible?
 - Will the community benefit from the project?
 - Is a subsidy needed for this project?
 - Will the developer do what they say?