

The candidate has five years to pass all five exams in five subject areas in order to receive the CGFO designation.

EDUCATION – CGFO candidates must hold a bachelor's (or higher level) degree from an accredited college-level institution. Work experience will not substitute for an appropriate degree. A copy of the candidate's diploma, transcripts, or other written proof of completion of a degree program must accompany the candidate's application.

EXPERIENCE – The CGFO program is designed to distinguish professionals engaged in the field of government finance. Candidates for certification must complete either 36 or 60 months of governmental work experience with appropriate degree (see eligibility requirements number 2 above). Qualifying experience consists of employment in a governmental entity (city, county, school district, special district, state or federal) in a professional level non-clerical financial capacity. Employment in a financial capacity includes work involving treasury, debt administration, financial administration, accounting, auditing, budget, risk management, tax management, or purchasing. External auditors of governmental entities employed by non-governmental entities, i.e. CPA firms, IRS auditors of individual tax returns, internships, and trainees, clerical, or non-technical positions do not provide appropriate experience to fulfill this requirement.

REFERENCES – A minimum of two letters of recommendation are required. One reference must be from the candidate's employer (supervisor, manager or human resource official) verifying length of employment, summary of duties currently performed and a statement regarding applicant's eligibility into the CGFO Program. The second letter should be a character reference from a non-family member, preferably from a CGFO or person with another professional designation in the accounting industry. If the length of time with current employer is less than three (3) years, a letter from the applicant's previous employer verifying length of employment and a summary of duties performed is also required. References from employers current or past must document a minimum of three year's governmental work experience. Thus, to meet this criterion, more than two references may be required in some cases.

ETHICS - CGFO candidates must agree to abide by the Code of Ethics established by The FGFOA and successfully pass (achieve a minimum score of 75%) an open book Ethics exam.

SUBMITTING THE APPLICATION

After completing the application, attach payment in the amount of \$50.00 (*made payable to FGFOA*), all worksheets, letter of recommendations, and any other supporting documents to the official application form and mail to:

Florida Government Finance Officers Association
Attention: Certification Program
Post Office Box 10270
Tallahassee, FL 32302-2270

NOTIFICATION OF ACCEPTANCE

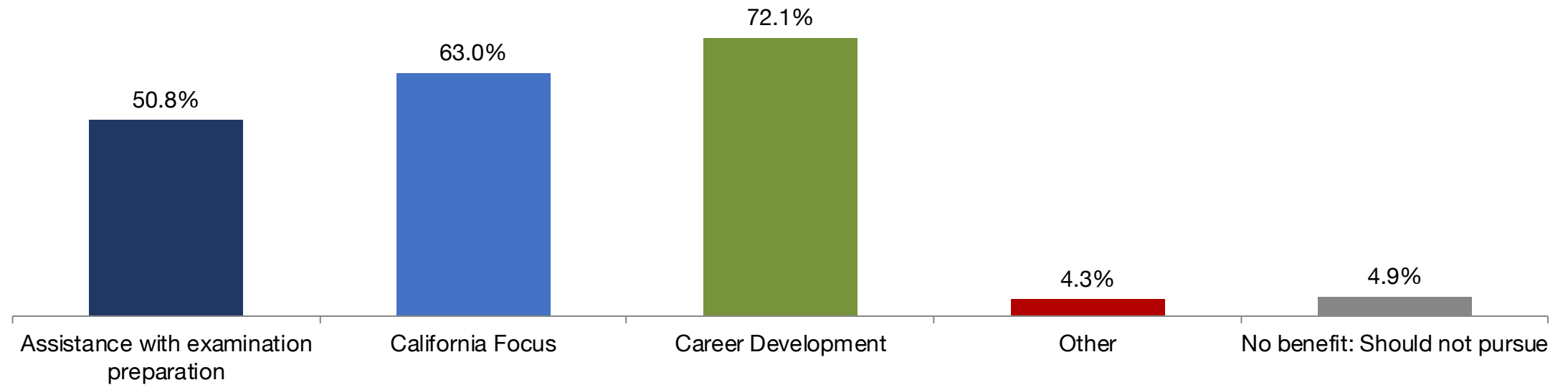
Once the certification committee approves the application, candidates will be sent an open book Code of Ethics for Public Officers and Employees Examination, which they must successfully complete (achieve a minimum score of 75%) within thirty (30) days. Candidates will be notified of their acceptance in the Program by the Florida Government Finance Officers Association office. Upon acceptance, the candidate will be sent information on testing dates and locations.

REVIEW SESSIONS

Review sessions may be offered before the examination. If a current schedule is not enclosed, please check the FGFOA website at <http://www.fgfoa.org/> or call the Florida Government Finance Officers Association office for more information.

72.1% said career development is the benefit that interest them the most of a CSMFO certificate program

Question 1: What benefits of a CSMFO certificate program interest you the most? (Check as many as apply)



Responses from those who said “Other” to Q1

Question 1: What benefits of a CSMFO certificate program interest you the most? (Check as many as apply)

“Consolidates source of study material. CA specific is a bonus.”

“If the goal is to prepare for the CPFO examination, then why layer on another certificate?”

“It provides an alternative path for building skills for newly hired staff lacking governmental accounting knowledge.”

“Recognition for the Agency of such a certification.”

“CPE credits.”

“Training option for staff.”

“Unique designation in public finance.”

“I don't want to say no benefit, but it would be minimal in my opinion.”

“CPE”

“Don't know what this is and the website search turned up nothing. Can't get back to opening survey screen either.”

“None for me but should be pursued”

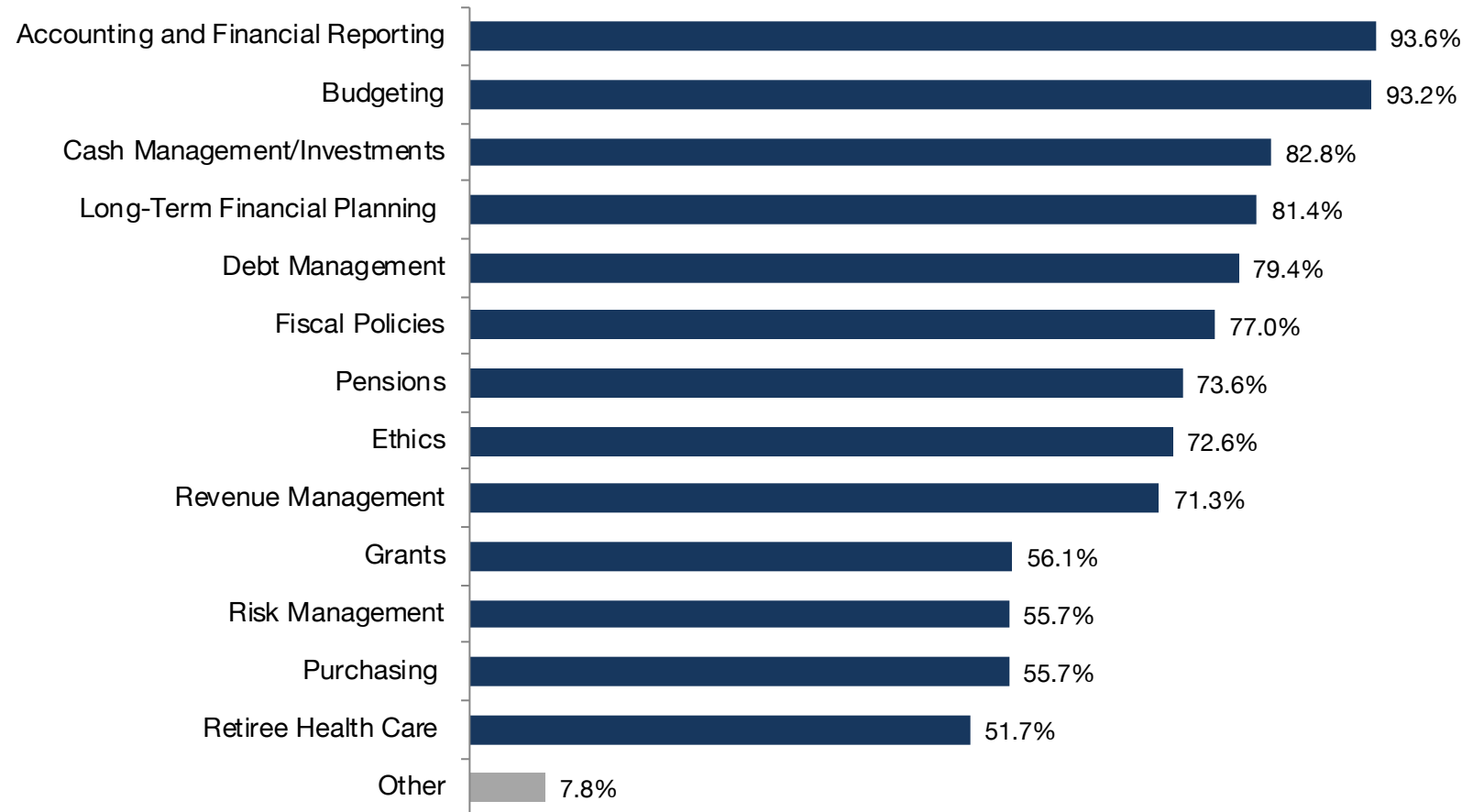
“While this may have benefits, it should not have significant overlap with the GFOA program. The value is in being California specific. Perhaps it should focus on completing certain coursework versus creating a separate exam, which GFOA already does.”

“Yes! this is great for so many reasons”

Accounting and Finance Reporting and Budgeting

top the list

Question 2: What topics should be covered by the certificate examinations? (Check as many as apply)



Responses from those who said “Other” to Q2

Question 2: What benefits of a CSMFO certificate program interest you the most? (Check as many as apply)

“All of the above”

“Another certification program is not needed”

“Any California-specific topics relevant to our industry”

“Asset Replacement Management”

“Auditing and Data Analytics”

“CPFO already does”

“Compliance”

“Enterprise Fund Acct v Governmental Acctg”

“Extrapolating financial health through financial Indicators, interpreting the CAFR and budget, comparing amongst cities”

“Financial Communication with Public/Elected Reps”

“Financial forecasting, land and economic forecasts”

“Internal Controls”

“Internal audit, IT systems”

Responses from those who said “Other” to Q2

(Continued)

Question 2: What benefits of a CSMFO certificate program interest you the most? (Check as many as apply)

“PAYROLL”

“Payroll, utility billing, business license”

“Project Financing”

“Rates and Fees”

“Shaping the role of Finance in a public organization”

“State mandated reports”

“Technology/Systems”

“all the above”

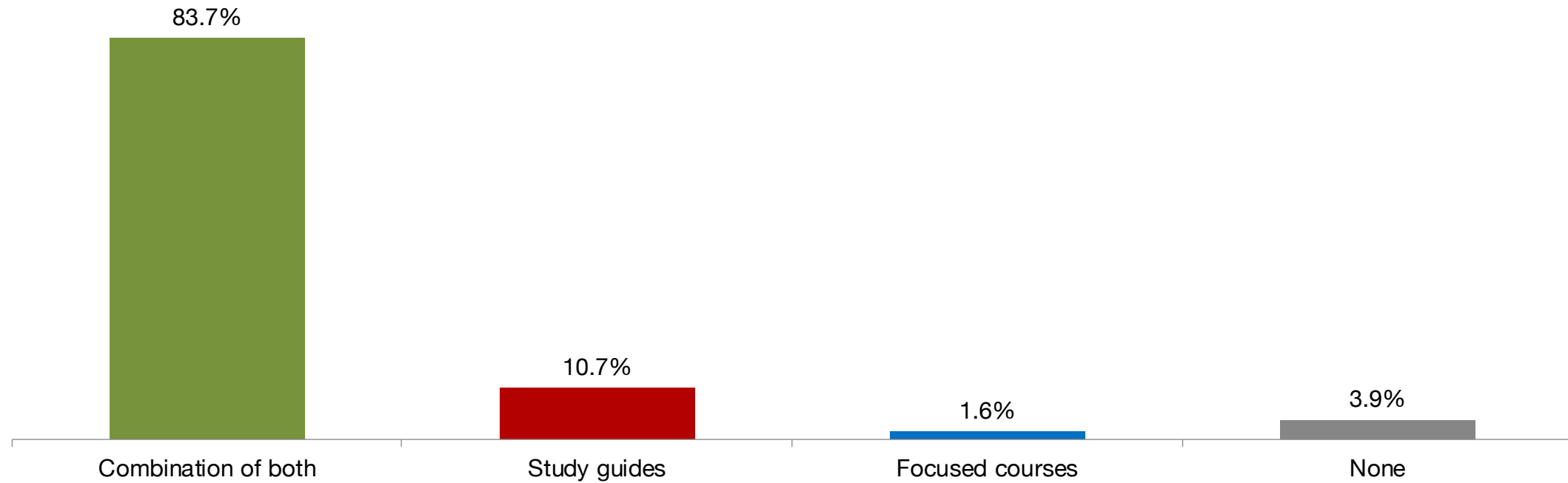
“financing mechanisms, fees, economic development, etc.”

“maybe some as electives”

83.7% said CSMFO should provide preparation

assistance in both study guides and focused courses

Question 3: What kind of preparation assistance should the CSMFO provide?



Responses from those who said “Other” to Q3

Question 3: What benefits of a CSMFO certificate program interest you the most? (Check as many as apply)

“webinars”

“Join with CFOA”

“Resource center with sample policies and reports”

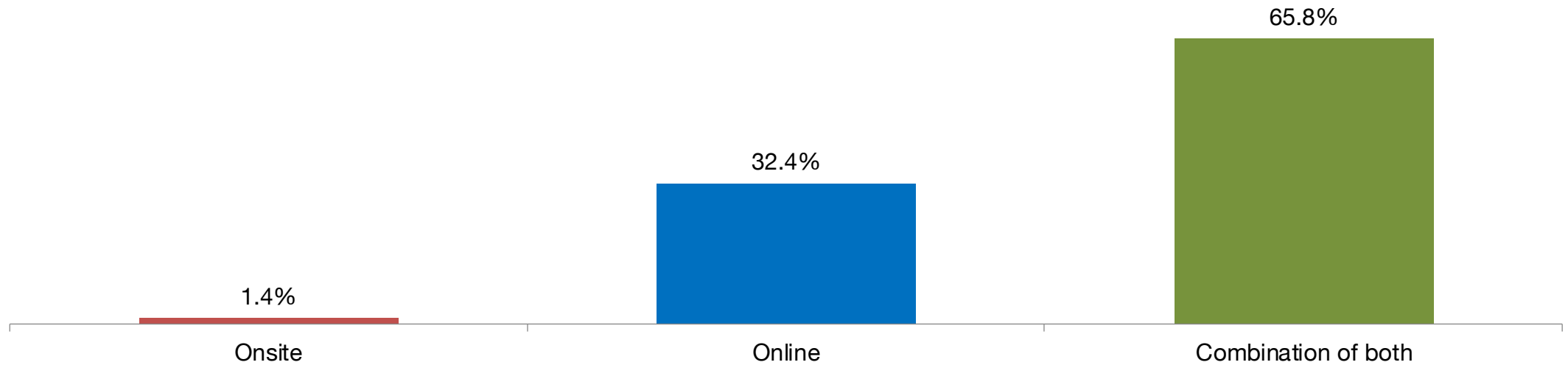
“Study teams”

“Work in conjunction with GFOA to provide preparation for their exam online study, an app would be amazing”

Conduct focused courses online and onsite, says

65.8% of members

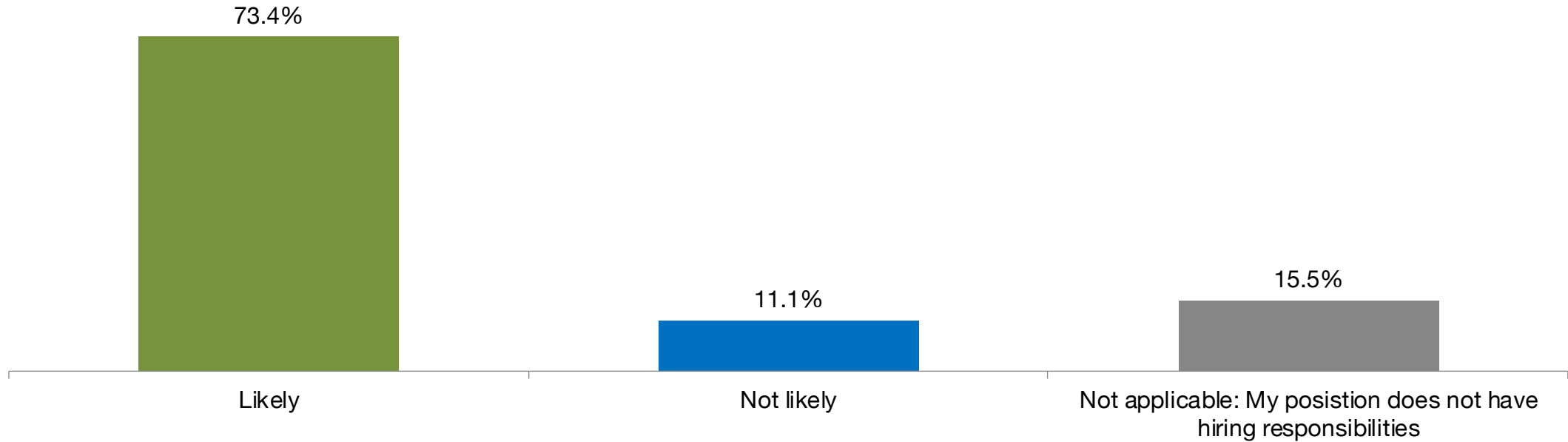
Question 4: If focused courses are developed, should they be conducted:



Large majority says CGFO Cert. would positively

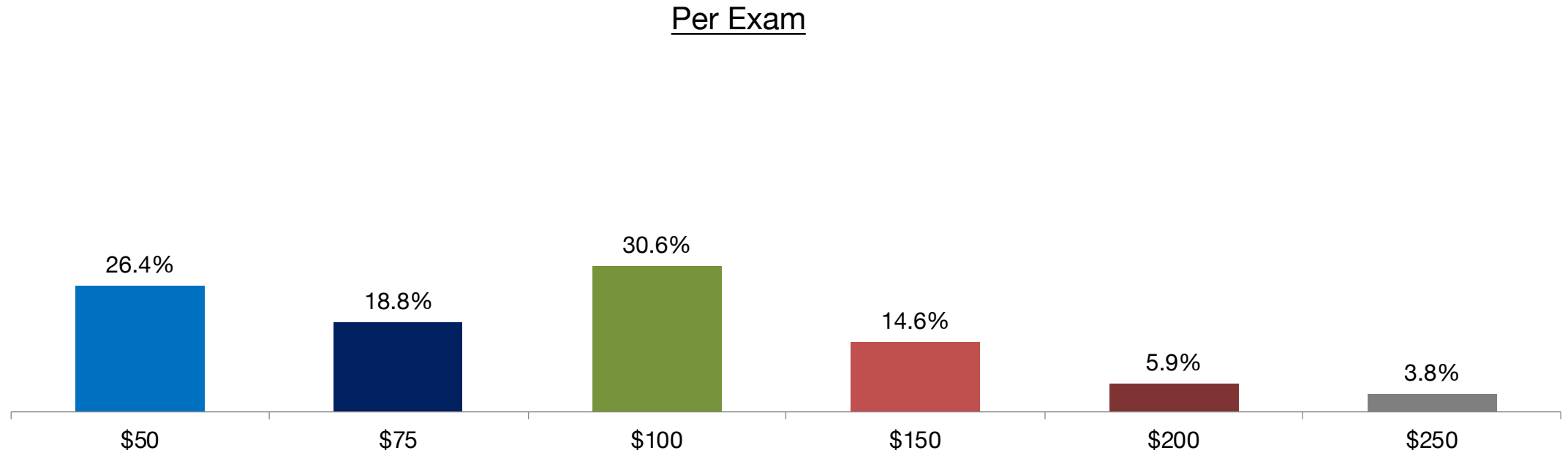
affect their selection process

Question 5: If your position's responsibility within your organization includes hiring professional staff, how likely would an applicant's possession of "CGFO" certification positively affect your selection process?



54.9% said \$100 or more per exam is a reasonable fee for participation in the program

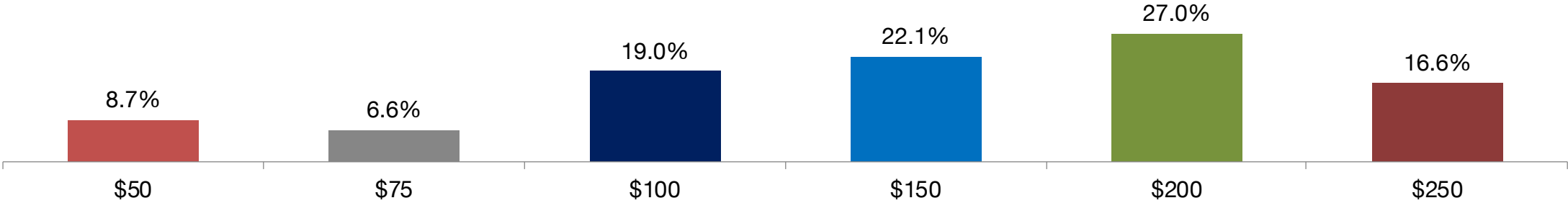
Question 6: There will likely be a fee for participation in the program, either for courses or examinations. What do you think would be a reasonable fee?



65.7% said \$150 or more per full-day course is a reasonable fee for participation in the program

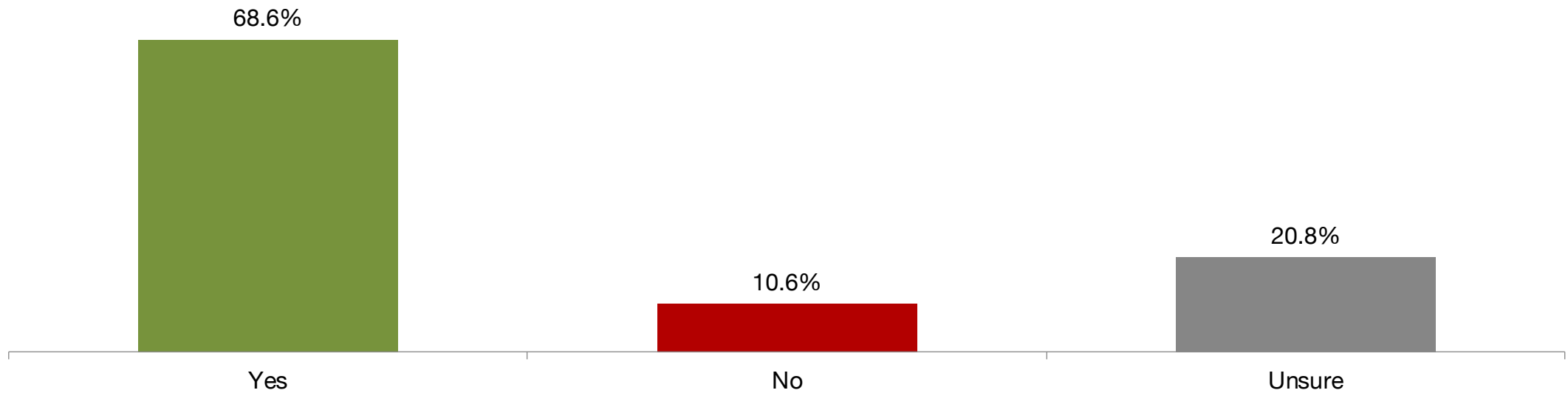
Question 6: There will likely be a fee for participation in the program, either for courses or examinations. What do you think would be a reasonable fee?

Per Full-Day Course



68.6% said they would pursue certification under this program based on what they've heard so far

Question 7: Based on what you've heard so far, do you think you might pursue certification under this program and/or encourage others in your organization to do so?



Comments from Q8

Question 8: Any other comments?

"I already have my CPFO through GFOA so it is unlikely I would pursue this certificate. I am a bit concerned it would take away from the certificate I have received through GFOA. It is worth noting that your survey states that the GFOA does not provide training courses for the exam. This was not my experience as they did provide online courses for each topic."

"I might not personally participate since I am now nearing retirement, but have staff that would perhaps."

"GFOA is changing the CPFO program and likely bringing it in-house. I'd encourage CSMFO to work with GFOA to develop the preparation materials and courses (and a group of good instructors) to successfully achieve that certification, rather than creating a whole new program."

"I think this is a step in the right direction regarding Finance, any and all certification are GREAT to me. You can never LEARN to much."

"I think having a local, California specific, course to make well-rounded finance individuals is a great idea. I have always encouraged my peers and supervisees to pursue further education and learning in any way they can to make their knowledge as well rounded as possible. At this point in my career, I would not be pursuing the certification for myself, although if the price for the exam was low enough, I might take it to see what I know or areas I need to improve my knowledge of. I have the CPFO app on my phone and use the test questions to keep me thinking."

"It was a little difficult to answer the per exam cost not knowing how many exam segments would be required or if any would be combined. I think I would pay as much as \$1,000 per employee not including full-day courses. I would encourage as much self-study or online study material as possible."

"The certificate programs have been far too focused on accounting and GASB, which are of secondary importance to a successful Finance Director in a medium to large sized municipality. Feel free to call me to discuss further—Jim Steele (408) 771-1131."

"Perhaps CSMFO could encourage the development of cohort groups to study and prepare for GFOA's CPFO program. This could also include specialized training class development. Muni finance is my second career after retiring from private industry. I see a need for better educated finance professionals. While it is nice to have CSMFO as a resource I have see too many in our profession that are just not qualified due to lack of knowledge/experience."

"Any additional certification is worthy of exploration, but there has to be an understanding that issuance is difficult to enhance the validity of the program."

Comments from Q8 (Continued)

Question 8: Any other comments?

"I have already passed the GFOA CPFO exams, and am not sure about a California-specific program. I am willing to provide more feedback as the idea is developed. Also, the acronyms will get very confusing with the "C" meaning Certified in GFOA's program and California in CSMFO's program."

"Difficult to assess a reasonable fee for the exam and course"

"Excellent idea. Please continue to bring this idea to fruition for the benefit of our members."

"I am too close to retiring to care about any more certifications. I think it would be good for younger up and coming finance officers, though."

"I earned the CGFM designation and am excited about the prospect of a certification emphasizing local governments."

"Full day class is suggested at affordability due to the number of courses expected per topic. Same logic for the per exam fee, it needs to be affordable multiply that by number of exams and class. This certification is not yet widely recognized, accepted, and very specific to the industry."

"CASBO has a similar program for school business officials. They charged an all-inclusive flat fee of \$1800. This might be better accepted rather than a "per exam" or "per course" fee."

"I think this is a great idea/goal and really hope you are able to make it come to reality. Look forward to hearing more about this. Thank you"

"This will be a valuable program which will have great benefit to CSMFO members. important to align materials and courses with GFOA CPFO program, so candidates can do both successfully."

"I am within 5 years of retirement and am a retired CPA, but I do think this might be a nice addition to someone who has already passed the CPA exam. It shows that the person has taken an interest in Government accounting and has put forward the effort to gain the skills needed to perform the basic function of finance in government"

"There are a lot of certificate programs so that is a challenge. I've seen some success with programs that include a mentor assignment as well."

Comments from Q8 (Continued)

Question 8: Any other comments?

“Would be especially helpful for new hires just coming into the public finance world. It might make sense to have those with a CPFO start assistance with the CGFO program and then eventually have CGFO's assist with the exam development (with a professional exam organization). It seems to work fine for HRCI (I volunteer there and you need an SPHR to assist with the exam development of the SPHR test).”

“For Question 6 a reasonable per exam fee depends on the total number of exams in the program. So hard to answer without that assumption”

“Complete duplication of effort. Support GFOA with staffing and testing sites. In my opinion this duplicates a lot of the material and effort of the GFOA CPFO. I have been interested in exploring the CPFO. Is it considered inadequate for any reason? Just state-specific material doesn't seem compelling enough to create an entirely new credential. Can it be an add-on to GFOA's effort? Can CSMFO put its time and resources behind making GFOA's program even better? There are so many credentials out there. Adding another one that is mostly recognized within only one state does not seem like the best use of resources and risks being under used. Thanks for the chance to provide my opinion!”

“I am a firm believer that a robust California-specific certificate is necessary. I've been presenting for a Municipal Finance training program, and the budgeting course I teach is the most popular in California.”

“I think there are already enough certification programs and you erode the value of them when there are so many. Instead, maybe CSMFO should focus on working with GFOA to create training programs for the GFOA certification, and perhaps add a state-specific chapter to their program (then every state could participate). Also, you could work with CMTA and have a joint program with them, they also offer certifications. Or you could work with AGA regarding their CGFM. Or with the AFP, the FMA, I could go on. Point is, I don't think our profession needs yet another certification. I think all of the organizations would be better served in offering one or two certifications that are endorsed by everyone so that they hold value and meaning.”

“Wasn't sure how best to respond to Question 6. The "Per Exam" cost really depends on the number of exams required for the certification (i.e. more required exams; lower the cost to encourage participation)”

“I think this is a great idea.”

“May consider instead of pursuing CPA”

Comments from Q8 (Continued)

Question 8: Any other comments?

"I like the idea of a CA focused certificate program. We definitely have issues and topics that are unique to us. I have a "slight" concern that since the CPFO designation is widely recognized, would the CGFO gain the same recognition and hold the same value for those seeking these certifications? I would probably be inclined to choose one over the other just due to time constraints of studying and testing. I love the idea of test prep for the CGFO and feel like it would be great review on topics I may not have touched in a while. I suppose these proposed classes could help prepare candidates for the CPFO if they so desired to take both exams. Just some random thoughts/discussion points. What would the continuing education requirements be? The requirements for GFOA's CPFO are pretty significant and could be a hindrance to people looking to pick one over the other if too high."

"I think "California" should be in the name of the certification, if significant focus of the content is on California-specific topics and issues. I understand that the certification may be sought by professionals from other states, but for Californians I think having California in the title helps explain why someone might get both the GFOA and CSMFO certifications."

"Why do this? GFOA has a program. Just offer more online CPE classes."

"There wouldn't be much benefit for those with existing certifications other than a California specific focus. It would, however, be beneficial for those without certification to provide a comprehensive and CA based focus for those spending their career in CA."

"I think something in alignment to the GFOA program would be good but with a focus on CA specifics."

"Please add CAFR preparation in the training course."

"Would love to participate in this!!!"

"I think it's a great idea; I'm at the tail end of my career so I wouldn't participate but i think it would serve folks starting off or switching careers."

"There are so many professional certifications, these may just dilute any program."

"Per Exam fee should be based on the number of exams. If it is a comprehensive exam the price could be more versus exams that are taken in parts."

Comments from Q8 (Continued)

Question 8: Any other comments?

“Proposal appears to duplicate the GFOA CPFO and provides limited additional benefit. I don't think CSMFO should invest effort in a certification program that would probably be 95% the same as GFOA.”

“Between the existing CFGM and CPFO, most topics listed are already covered in depth. Focus on those areas not covered in as much depth, to make getting yet a third certificate meaningful and more than just more letters on a signature line. A certificate that focus on data and financial/budget report interpretation (fiscal health indicators), monitoring during the FY (ongoing indicators/trends), projecting available fund balance/working capital, external factors in revenue and expenditure projections, and communicating the data in layman's terms is an area not so well covered and would lend itself to California-specific issues.”

“I really like the California focus. I also think that so many of these programs are City/County focused, and there needs to be at least some focus on special districts and their uniqueness.”

“Very good idea!”

“Even with the reasons stated, this is a duplicative effort to the CPFO exam offered by GFOA. CSMFO would better serve its members by providing educational and materials in support of the GFOA certification, instead of having its own certification. (Certifications that are competency-based require significant resources to maintain and keep validated - resources better spent in support of education and training materials for the CPFO certification.)”

“I did the GFOA / CPFO program on my own and this would augment that program well. It would be great to get GFOA onboard and combine the two.”

“If this isn't pursued, I think it would be good to offer test prep courses for GFOA's certification for CSMFO members. In my opinion the materials they offer and the study program for the certification is very vague. It is hard to know when you are ready for the exams. “

“Good idea!”

Comments from Q8 (Continued)

Question 8: Any other comments?

“A lot of us in the lower financial positions would like to increase our education, but sometimes find it hard to get the time off and it can be expensive. Such as the upcoming governmental accounting class in Gilroy. I would have to fly, and that makes it hard financially, if it were an online as well as in-class session that would be fantastic.”

“This comes too late in my career to be a benefit for myself, but I would have pursued it if it was available years ago”

“The whole reason I enjoy CSMFO is the focus on California issues particularly smaller cities and districts. GFOA has become too broad nationally. This certification would further that aspect.”

“For small agencies the cost may be prohibitive, I would suggest a scholarship option.”

“I'm at the end of my career so would not incur the cost at this point. Additionally, I believe my CPA is my primary validation of my experience, and membership in other organizations help me stay on top of topics, but additional certificates have never been necessary in my government career.”

“This is a great idea!”

“Although I currently have the CPFO through GFOA, this is something that I'd still be interested in.”

“Why not combine efforts with GFOA and do a CA only sub-certification or concentration? Why the duplicate effort to develop a similar program?”

“CPFO is the current standard that I would like to see CGFO rise to. I am deterred from CPFO by it's self-study nature and it's relevance to California issues and terminology. It simply isn't very accessible.”

“I am a current CPFO through the GFOA. The CPE requirements are 30 hours per year, which is manageable with my workload. Any idea if CPE will be required to maintain and will it be a similar requirement?”

“I do not believe there is a need for another certification in this area when the GFOA already offers one.”

Comments from Q8 (Continued)

Question 8: Any other comments?

“The availability for courses and resources should be broad. Some employees may not be able to attend courses during the work week due to their duties which limits their ability to learn and advance in their career.”

“This is an excellent initiative. As someone new to the public sector, I would expect pursuing this type of certificate to accelerate my pace of learning the particulars of public agency finance, as well as an important indicator of commitment to the role and the agency.”

“What value would this provide that is different or enhances GFOA's version?”

“I think this would be a huge benefit to members. I have passes one exam but find it difficult to study certain topics on my own.”

“Sounds interesting. Always interested in further professional growth and development. Looking forward to hearing more about this. thanks!”

“I'm a comfortable point in my career and not looking to advance professionally beyond my current position.”

“GFOA already has a CPFO program. This seems redundant and unnecessary.”

“I haven't heard anything about this certificate so my responses are uneducated and could be better if I knew how many exams and what the thoughts are so far for this certificate. I think finding creative ways to finance projects, linking finance and planning/economic development programs would be more helpful than some of the basics of budgeting, purchasing and financial reporting.”

“Precise and updated material for the examination.”

“I think this will be a great benefit to our professional community and add to the organization's existing credibility.”

“This is a good idea. I hope you are successful in implementing the program.”

Comments from Q8 (Continued)

Question 8: Any other comments?

"I am very excited if this program is created. I feel that California is unique to the nation and a program focused on California issues, laws, and policies is just what we need. Looking forward to hearing more about it in the future and at the conference."

"Further explanation for Q6. Lower cost daily course would encourage those who are pursuing the certification and those who aren't to participate. Of course, if it includes food, then the price can be \$75."

"I would make this a condition for my replacement, to either have the certification already or to be willing to acquire it within a certain time-frame."

"We need a way to get more people certification! Thank you for the survey, its a great way to start the engagement process!"

"I recently passed two of three CGFM certification exams and taking another one late August. CGFM is sponsored by AGA. Perhaps CSMFO should partner with AGA instead of going on its own. Your certification seems to cover the same topics but the main difference is AGA is federal, State and local. The advantage I see is your certification is CA centric. But would there be enough differences to justify establishment of a separate certification? Elizabeth Lee City of Los Angeles"

"Not sure it really would provide that much more value than the GFOA's CPFO certification. This is an idea whose time has come! I would fully support this program. This should be setup to be difficult and comprehensive. If it is too easy to achieve the certificate, it won't have much value. People should have to dedicate themselves and come away with actual knowledge for it to be a benefit."

"I tried to answer this survey through the eyes of a finance official not so close to retirement as myself!"

Questions?

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Dedicated to Excellence in Municipal Financial Management

CSMFO BOARD REPORT

Date May 24, 2018

FROM: Scott Catlett, Board Member, on behalf of the Certification Program Working Group

SUBJECT: Request for Feedback and Direction on Certification Program Concept

Background:

Several times in the last 10 years, concepts have been discussed for a CSMFO certification program, with ideas ranging from an internally-administered program to a partnership with a university. Various format ideas have also been discussed, ranging from an in-person multi-week program or a program of university courses to an entirely online or written self-study program. This year, the CSMFO President has tasked Board Members with various special projects in an effort to keep the Board members involved in moving CSMFO forward and addressing various elements of the strategic plan. The Certification Program issue was assigned to me for further study with the goal of offering recommendations to the Board as to how to move forward, presuming that the Board wishes to continue to pursue such a program after reviewing and discussing the information contained in this report.

In order to bring together ideas from a variety of members (including several with CPFO certification), I formed a working group comprised of the following individuals to assist in developing this proposal:

- Margaret Moggia, West Basin Municipal Water District and CSMFO President
- Mary Bradley, Retired Finance Director and Past CSMFO President
- Stephen Parker, City of Stanton
- David Persselin, City of Fremont
- Brent Mason, City of San Bernardino
- David Cain, Retired Finance Director
- Dennis Kauffman, City of Roseville

Over the last several months, this group has met a total of four times via conference call to discuss various concepts and refine the proposal that is before the Board today. We are seeking the Board's input on two principal questions:

1. Does the Board wish to move forward with a Certification Program? We feel that we've developed a sufficiently detailed proposal to answer this question.
2. If the answer to the first question is yes, what modifications, if any, would the Board like to see to the proposed program prior to moving forward with development of the curriculum and the infrastructure necessary to administer the program? The Board would be involved multiple times in the future as the concept is further refined, but preliminary thoughts on changes would be very helpful.

We have recognized that moving forward with this effort is a significant task, and there are many unanswered questions and concepts that are not yet fully developed. We felt it best to bring forward to the Board our thoughts to date, to determine if and how we should move forward. At the earliest, we would anticipate that the program will be ready for presentation to the membership at the 2020 Annual Conference.

Program Format

Our working group began its discussions with determining what the program should and should not be. We agreed that CSMFO should not repeat what GFOA already does well with the CPFO program, while recognizing that California government finance is quite complex and there are significant gaps in what California finance officers need to know versus what is covered in the CPFO curriculum. We also looked to other states, and learned that Texas, Florida, and Oregon all have certification programs, while New York and Virginia have significant educational programs that are not structured as certification programs. You can read more about these programs here:

- Texas – <https://gfoat.org/certified-government-finance-officer-cgfo-committee/>
- Florida – http://www.fgfoa.org/Training_Education/cgfo
- Oregon – <http://ogfoa.org/content.php?page=Certification>
- New York – <https://www.nysgfoa.org/training/gfi>
- Virginia – <https://www.vgfoa.org/page/certificate-program>

It is worth noting that both the Texas and Florida program are very successful, with more than 260 and 560 designation holders, respectively. This may give us some indication of how broadly accepted and valued a well-crafted CSMFO certification program could be. Attached to this report is a matrix outlining key elements of these two states' programs, as well as the one offered in Oregon. We have built upon what we've learned from these other programs as a starting point, while adding some unique elements that we feel would benefit our membership. Some general thoughts about program format are as follows:

- Coverage of non-California, general government topics should be included at a high level, but participants should be directed to the CPFO program and other

resources (such as GFOA and CSMFO core courses) should they wish to undertake further study in these areas.

- The program should primarily focus on what is unique to California (described in the following section).
- CPFO certification should not be a prerequisite. Some may find value in the CSMFO program while not seeing value in the CPFO program.
- We believe that there should be two levels of recognition:
 1. Certificate – completion of the curriculum, including in-person and online elements, would entitle a participant to receive a completion certificate.
 2. CGFO Designation – obtaining a certificate, successfully passing an examination (or examinations), and obtaining the required number of experience points (described below) would entitle a finance officer to use the CGFO (Certified Government Finance Officer) designation. Texas and Florida have selected CGFO, but the actual designation could be whatever the Board feels is appropriate.
- Certificate recipients and new designation holders would be recognized at the Annual Conference, in the CSMFO Magazine, and on the CSMFO website.
- Designation holders would be required to maintain certain levels of CPE in the future to remain able to use the designation. The attachment illustrates the CPE requirements in the other states' programs.
- Experience points would be calculated based on education, years working in the industry, participation as a CSMFO volunteer, and participation in the CSMFO One-On-One Coaching Program. This is designed to ensure that designation holders have experience and education in addition to having passed the exam. A certain number of points would be required to receive the designation.
- We believe that a mentoring component to the program has value but did not feel that it should be mandatory. Participants would be encouraged to participate in the One-On-One Coaching Program without this being a requirement of the program. Participants wishing to be paired with a coach would have one assigned and would receive extra experience points for participation. They would also be encouraged to become coaches upon graduation from the program.
- We recommend that the CSMFO staff administer the program in terms of registration, certificates, exams, etc., while the Career Development and Professional Standards Committees would jointly be responsible for the technical aspects of the curriculum maintenance in the future.
- The cost to participate in the program would be designed to generally recover the costs of administration and of any in-person instructors. We recommend that the cost of developing the materials be underwritten by available CSMFO reserves, consistent with other similar special initiatives of the Board recently undertaken.
- Program duration will depend on the final course content but allowing two years for completion (with the possibility of requesting an extension) seems reasonable

unless the Board feels that the program should include significant additional content in non-California-specific topic areas.

Course Content and Instruction Methods

We believe that moving participants through the program in a group has merit. We therefore propose that program participants begin the program in a single “class” each year, which would commence at the Annual Conference and end at the Annual Conference two years following. There would be mandatory in-person sessions (likely on Tuesday) at the conference at the beginning and end of the program to discuss the program, cover certain topics, allow participants to network, debrief on lessons learned, etc. Beyond these two in-person sessions, we have not determined whether additional in-person sessions are needed. We are mindful of the need not to discourage busy professionals with a burdensome number of in-person sessions that may require travel. We therefore anticipate that additional course instruction would be through written self-study materials, supplemented with video elements utilizing technology similar to the Career Development Committee’s new Quick Hits program.

The Working Group has developed the following high-level outline for the program after reviewing the other states’ programs and the CSMFO skills matrix, as well as after identifying some additional topics that we felt should be included.

- Key Concepts in Government Finance (high-level with references to learn more)
 - we would include limited questions on these topics on the exam
 1. Accounting and Financial Reporting
 2. Budgeting, Capital Planning, and Grant Management
 3. Investing, Cash Management, Revenue Collection, and Banking
 4. Debt Administration and Issuance
 5. Payroll and Human Resources
 6. Fiscal Policies
 7. Risk Management
 8. Procurement
 9. Internal Controls
- Ethics for Government Finance Officers
- Revenues and California-Specific Limitations, Propositions, etc.
 1. Overview / Limitations Under State Law
 2. Revenue Fundamentals I & II Core Courses (maybe) or Equivalent
 3. Setting User Fees and Impact Fees in California
 4. Raising New Revenues in California
- Governance and the Role of the Finance Director
 1. Critical Elements of the Finance Director’s Role in Agency Leadership
 2. Brown Act, Public Records Act, etc.

3. Agenda Process
 4. Navigating the Political Landscape
 5. Promoting Financial Transparency
- Other California-Specific Topics
 1. California Government Code Limitations on Investments
 2. SB 90 Mandated Costs
 3. Gann Limit
 4. State Controller's Reports / Compensation Reports, etc.
 5. State Debt Reporting Requirements
 6. Establishing LLMDs, BIDs, CFDs, ADs, and Other Special Districts
 7. Procurement Requirements in California Including the Uniform Cost Accounting Act
 8. Understanding CalPERS Actuarial Reports and Pension Terminology
 9. State Programs and Agencies of Benefit to Finance Officers (e.g. DOF, LAO, CSCDA, etc.)
 10. Types of Consultants of Use to Finance Officers and Their Uses
 11. Miscellaneous Government Code Provisions Impacting Finance Officers

Next Steps

Following feedback from the Board regarding the topics covered in this report, the Working Group proposes issuing an RFP to several people familiar to the CSMFO leadership (additional names are welcome). After receiving responses to that RFP, the Working Group would select a recommended consultant, agree to a proposed fee, and then seek Board approval of a contract and fee amount to proceed with development of the program materials and finalized structure.

Parallel to the RFP process, we also recommend surveying the membership to gauge interest in the proposed program and to seek validation of the proposed program format and content outlined in this report.

Over the next year, the course and exam materials from other states would be evaluated to determine if they can be used for a portion of our program, the program outline would be refined, additional Board feedback would be solicited, and ultimately a final program design and course materials would be developed. Again, we expect this to be a lengthy process and anticipate launching this program no earlier than the 2020 Annual Conference.

Recommendations:

It is recommended that the CSMFO Board of Directors:

1. Determine whether this program should move forward, and if so provide feedback as to any modifications that the Board would like to see to the preliminary concept outlined in this report;

2. Concur with the use of reserve funds for the development of this program;
3. Authorize the Certification Working Group to conduct a survey of the membership;
4. Authorize the issuance of an RFP to identify a consultant to further develop the curriculum and program format; and
5. Direct the Certification Working Group to return to the Board as soon as practicable with a recommended consultant, scope, and fee, as well as the results of the survey of the membership.

Attachments:

1. Matrix of Existing State Certification Programs

Attachment 1
Matrix of Key Elements of Existing State Certification Programs

Program Element	Florida	Texas	Oregon
Designation	CGFO	CGFO	OGFOA CPFO
Letters of Recommendation Required	2	None	None
Education required	BS/BA+	BS/BA+	No degree required
Experience required	Relevant degree + 3 recent years or other degree + 5 recent years 20 hours of continuing education	Point system for work experience, GFOAT experience, and degree(s)	Point system for experience and education
Code of Ethics Exam	Yes	No	No
Program Cost	\$50 application + \$30/exam	\$100 application + \$100/exam / \$40/year renewal fee	\$50 application / \$25/2 years renewal fee
CPE	80 hours / 2 years	75 hours / 3 years	65 points / 2 years
Org. Volunteer Activities Eligible for CPE?	Yes	Yes	Yes
How long to pass exam?	3 years	4 years	4 years
Exam materials source	TX GFOA (now 4 th version)	Self-Developed	N/A
Current designation holders	560+	260+	Unknown
Number of exams	5	5	N/A
Exam topics	Accounting & Financial Reporting Municipal Budgeting Treasury Management Debt Administration Financial Administration	Accounting & Financial Reporting Budgeting & Capital Planning Cash Management Debt Management Public Finance	None – they require 3 “core courses” – 3 quarters of accounting, a governmental accounting class, and a finance course. They also require points in five categories achieved through attending continuing education



CSMFO BOARD REPORT

DATE: October 8, 2019

FROM: Jennifer Wakeman, Ad Hoc Student Engagement Working Group Chair

SUBJECT: Future of Student Engagement

Background:

At the September Board meeting, the Ad Hoc Student Engagement Working Group presented a detailed summary of its efforts over the last year and nine months. During this time, the Working Group of twelve members met every month for hour-long meetings and consistently had good attendance and participation.

In evaluating the future of this program, it's important to consider the following:

- Does this program remain a priority among the other CSMFO commitments?
- If yes, what are the associated long-term goals and how can we best structure this group for success?

Priority

In discussions at the Working Group level, we continue to feel that student engagement should be a CSMFO priority. In the focus group interviews held at the 2019 Palm Spring Conference, participant comments included "...I do like the idea of having the organization focus on recruiting college age students into the organization because I think that's gonna be one of the finance officer's challenges going forward."¹, while another respondent acknowledged that college student engagement was a big topic for them.² This feedback seems to convey that engaging students regarding municipal finance careers is an area of concern for practitioners in our field. In the subsequent survey that targeted entry and mid-level membership, most respondents believe CSFMO should increase outreach efforts to attract the next generation to

¹ "CSMFO 2019 Palm Springs Conference Focus Group – Report on the Results", January 21, 2019, p. 8

² "CSMFO 2019 Palm Springs Conference Focus Group – Report on the Results", January 21, 2019, p. 30

careers in government.³ With our membership engaged around this topic, we feel it remains a priority for CSMFO.

In addition, continuing to focus on this effort is consistent with CSMFO's guiding value of Creating a Positive Legacy, wherein "we believe in collaboration, teamwork and developing leaders who share information, grow their skills and mentor others". Sharing our experience with and engaging students around careers in municipal finance provides exposure to a career path students may not have otherwise pursued. Reaching students at the beginning of their careers will lead to professionals with stronger skillsets and leadership abilities. This is beneficial to the existing community of municipal finance professionals, as well as students, as we look to develop the next generation of municipal finance officers.

Over the last several years, student engagement has been a significant point of discussion in leadership planning sessions and has been incorporated in various forms into CSMFO's annual strategic plan. The response to the Working Group's initial campus outreach efforts has been very encouraging, as has been the early response to the Host Committee's implementation of a student scholarship program for the upcoming annual conference. The CSMFO member database shows that the number of student members is as follows: 2016- 5 students, 2017- 6 students, 2018- 10 students, 2019- 40 students. With regard to the success of annual conference student scholarships, 8 applications were received in the first ten days of posting on the conference website. CSMFO's student engagement efforts are gaining significant momentum and consideration of a longer-term strategy is appropriate at this time.

Long-Term Goals

The Working Group's vision is to create a self-reinforcing cycle for student engagement in which the overall message is one of relationship building and exposure to municipal finance- the same as we offer to all other members. We feel that if students are encouraged to take advantage of the programs that CSMFO offers, they will have the opportunity to develop a professional network, ideally leading to career opportunities in municipal finance. In turn, this relationship-based approach will enhance CSMFO's exposure on campuses and among students, thus creating momentum for more outreach and ultimately continuing student membership growth for CSMFO.

Since the greatest benefit is to be derived from relationships, it may be in the best interests of this effort to localize more of the activity. This could be done by identifying one or more members of each CSMFO chapter to volunteer with student engagement to facilitate a local college campus event each year and to support relationship development.

In the day-to-day management of student engagement, the Working Group sees the following as work that remains to be done:

- develop a core group of presenters (potentially in coordination with award presenters)
- student listserve
- develop a student mentorship program
- amend chapter handbook (emphasis of campus meeting one time per month)

³ "California Society of Municipal Finance Officers Entry and Mid-level Membership Survey Presentation", August 12, 2019, p. 2

- coordinate student events (scheduling, inclusion on master calendar, and materials)
- maintain a university contact database
- consider additional opportunities (Handshake platform, involvement of commercial members, etc.)

Assuming that CSMFO's student engagement efforts continue, additional long-term goals may be identified over time.

Structure

Our experience shows that CSMFO members feel passionately about student engagement and the future structure of this effort could present an opportunity for growing CSMFO leadership. Below are some different ways that the student engagement effort could be structured going forward.

1. New Standing Committee: This would be the most formal structure and would express the greatest amount of commitment to this effort. All of the work related to student engagement would be handled by this new committee and through coordination with other standing committees. Committee members could be solicited through the general membership or through the Chapter Chairs so as to have chapter representatives since there are significant benefits to having active student engagement representatives at the chapter level.

2. Assign Student Engagement to the Membership Committee: This incorporates the work into the existing committee structure and could be an additional strategic goal for this committee. The upside of this approach is that the Membership Committee has very committed and experienced members who would do a great job with this program. The downside of this option is that the Membership Committee already has a full plate and due to existing priorities, student engagement may be resourced less than it is currently.

3. Past President Role: Again, in trying to locate the student engagement resource at the local level, another option could be to include it under the responsibility of the Past President who serves as the Chapter Chair liaison. In this model, the student engagement effort could be done by the Chapter Chairs or by a Chapter Student Liaison. With this model, perhaps the Administration and Membership Committees could take the lead on the day-to-day management pieces.

4. Continue the Ad Hoc Working Group: Continuing in our current structure would minimize transition, but would still convey impermanence to the student engagement effort.

Recommendation:

Discuss the consideration points and provide direction for CSMFO's student engagement efforts for 2020.



CSMFO BOARD REPORT

Date: October 8, 2019

FROM: Steve Heide, President-Elect

SUBJECT: 2020 Proposed Annual Conference Budget

DISCUSSION

The 2020 CSMFO Annual Conference will take place in Anaheim from January 28-31, 2020. The annual conference Host and Program Committees have been working diligently these past several months to plan for another fantastic annual conference.

The proposed 2020 conference budget assumes total attendee registration of 1,728 (1,115 government and 613 commercial). These numbers would represent an all-time registration record for a CSMFO annual conference. Conference attendance for the last ten years was as follows:

Year	Location	Total
2010	Los Angeles	674
2011	Burlingame	638
2012	Anaheim	883
2013	Oakland	789
2014	Palm Springs	849
2015	Monterey	924
2016	Anaheim	1,296
2017	Sacramento	1,126
2018	Riverside	1,288
2019	Palm Springs	1,551

The attached 2020 conference budget contemplates revenues of \$1,315,505 against expenses of \$1,379,297, for a net loss of \$63,792. By comparison, the 2019 and 2018 annual conference budgets projected net losses of \$15,143 and \$43,201, respectively.

Highlights from the 2020 conference budget include:

- Expanded program offerings, including three full-day and one half-day preconference sessions on Tuesday, and a full complement of early bird breakout sessions on Wednesday morning;
- New and improved municipal conference scholarship offerings – including up to 25 first-time conference attendees – covering the cost of registration, up to 10 municipal financial hardship scholarships – covering registration costs plus cost-reimbursed per diems, and, for the first time ever, student scholarships covering the cost of conference registration as well as a \$50 per conference day attended per diem;
- A hosted first-time attendee, conference welcome breakfast on Wednesday morning;
- Technical services, including audio-visual/lighting, WiFi internet connectivity, electrical power/rigging and registration services/attendance tracking;
- Social events and activities, including our traditional golf and tennis (including pickleball this year) tournaments on Tuesday, a very special Disney California Adventure late evening park event on Wednesday in Cars Land, Friday morning yoga and a virtual fun walk.

While our Anaheim/Disney conferences are historically among our best attended and some would say, most popular, annual conferences, I'm told that the Disney cost structure is on par with that of the more expensive convention center-type venues. In our initial conference planning we were projecting registration of 1,850. At the budgeted registration number of 1,728, we believe our budget to be realistic and achievable, yet somewhat conservative in nature.

RECOMMENDATION

It is recommended that the CSMFO Board of Directors review and approve the proposed 2020 Annual Conference Budget.

2020 CSMFO Conference Budget

		Est #	Amount	Total
Government Registrations				
8105	Conf-Gov-Full-Early-Non Mem	49	585	\$ 28,665
8106	Conf-Gov-Full-Norm-Non	15	645	\$ 9,675
8108	Conf-Gov-Daily-Early-Non	7	315	\$ 2,520
8109	Conf-Gov-Daily-Norm-Non	8	345	\$ 2,760
8110	Conf-Gov-Full-Early-Mem	859	425	\$ 365,075
8115	Conf-Gov-Full-Norm-Mem	117	485	\$ 56,745
8120	Conf-Gov-Daily-Early-Mem	19	230	\$ 4,370
8125	Conf-Gov-Daily-Norm-Mem	12	260	\$ 3,120
8150	Conf-Gov-Full-OnSite-Non	1	765	\$ 765
8155	Conf-Gov-Full-OnSite-Mem	28	605	\$ 16,940
	<i>Total 8100 · Government Registrations</i>	1115		\$ 490,635
Commercial Registrations				
	Complimentary Exhibitor Attendee	344		
8225	Conf-Com-Exhibitor-Addn	135	650	\$ 87,750
8227	Conf Exhibitor-Additional Daily			\$ -
8230	Conf-Com-Full-Early-Non	20	770	\$ 15,400
8231	Conf-Com-Full-Norm-Non	18	850	\$ 15,300
8235	Conf-Com-Full-Early-Member	24	665	\$ 15,960
8236	Conf-Com-Full-Norm-Mem	11	730	\$ 8,030
8245	Conf-Com-Daily-Early-Mem	24	405	\$ 9,720
8250	Conf-Com-Daily-Norm-Mem	0	460	\$ -
8260	Conf-Com-Daily-Early-Non	3	465	\$ 1,395
8265	Conf-Com-Daily-Norm-Non	14	520	\$ 7,280
	Comm Full Onsite	1	785	\$ 785
	Comm Non Member Full Onsite	19	900	\$ 17,100
	<i>Total 8200 · Commercial Registrations</i>	613		\$ 178,720
	TOTAL ATTENDEE REGISTRATION	1728		\$ 669,355
Pre-Conference Registrations				
8371	PreConference-SessionA	50	150	\$ 7,500
8373	PreConference-Session B	50	150	\$ 7,500
8375	PreConference-Session C	30	150	\$ 4,500
8376	PreConference-Session D	50	75	\$ 3,750
	Total Pre-Conference Registrations			\$ 19,500
Extra Meals				
8565	Hosted Evening Event	100	125	\$ 12,500
	Total Extra Meals			\$ 12,500
Event Registrations				
8610	Golf			\$ 23,800
8630	Tennis			\$ 2,000
8699	Event Registrations - Other			
	Total Registrations			\$ 25,800

		Est #	Amount	Total
Exhibitors Fees				
8702	Featured Exhibitor/Sponsor-E ticket	1	30000	\$ 30,000
8703	Sapphire Exhibitor -C ticket	16	8400	\$ 134,400
8715	Gold Package-B ticket	54	4800	\$ 259,200
8725	Silver Package-A ticket	12	2400	\$ 28,800
8735	Diamond Package-D ticket	5	14400	\$ 72,000
	Total Exhibitors Fees			\$ 524,400
Sponsorships				
8830	Non-Exhibitor Sponsor	5	3600	\$ 18,000
8870	President's Dinner Sponsorship	4	6600	\$ 26,400
8872	Additional Sponsorship Monies			\$ 19,550
	Total Sponsorships			\$ 63,950
Conference Miscellaneous				
8905	Misc Conference Income			
8910	Cancellation Fees			
8915	Hotel Rebate for Convention Ctr			
	Total Conference Miscellaneous			\$ -
	Total Conference Revenue			\$ 1,315,505
Conference Expenses				
Food & Beverage				
9105	Registration prep - Lunch	15	20	\$ 300
9115	Wednesday-Breakfast	250	55	\$ 25,750
9125	Wednesday-Lunch	1350	80	\$ 108,000
9135	Wednesday-Food-Exhibitor Reception	950	40	\$ 38,000
9138	Wednesday-Bev-Exh Hall Reception	950	17	\$ 16,150
9140	Thursday-Breakfast-Chapter Chair	40	65	\$ 2,600
9143	Thursday-Breakfast	1075	65	\$ 69,875
9145	Thursday-Coffee Service	65	170	\$ 11,050
9147	Thursday-Lunch	1360	80	\$ 108,800
9148	Thursday-PM Break	1175	30	\$ 35,250
9150	Friday-Breakfast	700	65	\$ 45,500
9155	Friday-Lunch-debrief	35	65	\$ 2,275
9170	Staff Room Beverage Service			\$ -
9190	Exhibit Hall Beverage Service			\$ -
9195	Water for Sessions			\$ -
9197	Food&Beverage-Other	40	20	\$ 800
	Total Food & Beverage			\$ 464,350
President's Dinners				
9210	President's dinner -Food & Bev			\$ 47,991
9220	Entertain-Transport-Decor-Favor			\$ 3,009
9250	Pres Dinner-Out of State Guest			\$ 14,200
	Total President's Dinners			\$ 65,200

		Est #	Amount	Total
Hosted Event				
9310	Event Entertainment			\$ 44,100
9320	Event Food			\$ 118,305
9321	Event Beverage			\$ 23,655
9330	Event Décor			
9340	Hosted Event - Other			\$ 17,600
	Total Hosted Event			\$ 203,660
Meetings & Training				
Speakers				
9410	Speakers-Honorarium			\$ 82,100
9420	Speaker-Expenses-Lodging	12	285.48	\$ 3,426
9430	Speaker-Expenses-Other			\$ 6,750
	Total Speakers			\$ 92,276
Meeting needs				
9476	Audio Visual and Lighting Services			\$ 161,000
9478	General Session - other prod & serv			\$ 2,850
9479	WiFi Internet			\$ 30,000
9480	Electric Power/Rigging			\$ 20,000
9481	Reg Services/Attendance tracking			\$ 33,180
9485	Convention/Hotel Other Costs			\$ 2,300
	Total Meeting needs			\$ 249,330
Comps				
9460	Other Guests Lodging (OOS)			\$ 4,282
9462	Comps - Other			\$ 8,565
9465	Board Scholarships			\$ 10,000
	Total Comps			\$ 22,847
Pre Conference Training				
9494	Food & Beverage	180	60	\$ 10,800
9495	Speaker Fees			
9496	Pre-Conference-Other			\$ 250
	Total Pre-Conference Training			\$ 11,050
Exhibits				
9510	Decorator Booth Fee			\$ 12,690
9520	Signage-Exhibit Hall			\$ 3,000
9540	Security			\$ 2,320
9545	Exhibit hall game			
9550	Sponsor Branded items			\$ 9,382
9599	Exhibits-Other			
	Total Exhibits			\$ 27,392
Entertainment/Gifts				
9610	Conference Gifts/Attendees	1850	30	\$ 55,500
9620	Speaker/Board/Committee Memento			\$ 5,950
9630	Gift Baskets (VIPs)	10	100	\$ 1,000
	Total Entertainment/Gifts			\$ 62,450

	Est #	Amount	Total
Other activities			
9732 Golf			\$ 23,360
9750 Other activities			\$ 5,400
Other Activities			\$ 28,760
Conference-Administration			
9805 Conference Marketing			\$ 6,000
9810 Conference Contract Services			\$ 86,531
9815 Printing/Copy/Conference Media			\$ 12,000
9818 Office/Telephones/Printer			\$ 500
9820 President Expenses			\$ 750
9831 Supplies-Badges-Ribbons-Etc			\$ 500
9840 Postage & Shipping			\$ 2,500
9875 Signage			\$ 4,000
9890 Conference Committee Expenses			\$ 19,265
9895 Staff Exp Inc. Lodging & Travel			\$ 19,936
9899 Administration - Other			
Total Conference Administration			\$ 151,982
TOTAL REVENUE			\$ 1,315,505
TOTAL EXPENSE			\$ 1,379,297

Projected Loss

\$ (63,792)



**CALIFORNIA
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<u>Operating Revenues</u>	<u>2020 Budget</u>	<u>2019 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Membership dues	251,700.00	250,600.00	247,725.00	231,720.00	221,035.00	209,300.00
Interest income	20,000.00	15,000.00	26,040.73	7,549.17	4,120.98	1,600.94
Advertising income	154,000.00	144,000.00	138,742.50	159,065.37	145,244.50	109,760.00
Miscellaneous	-	-	-	-	51.00	-
Budget/CAFR fees	16,950.00	19,850.00	16,700.00	18,600.00	17,150.00	16,950.00
Subtotal Operating Revenues	442,650.00	429,450.00	429,208.23	416,934.54	387,601.48	337,610.94
<u>Program and Other Revenues</u>						
Chapter Income	100,000.00	100,000.00	112,433.00	106,685.90	95,847.00	73,163.77
Contributions and Donations	-	-	-	1,905.49	3,883.32	227.15
Webinar	-	-	4,600.00	3,750.00	3,425.00	2,500.00
Weekend Training (formally "Training")	20,200.00	20,200.00	18,725.00	20,160.00	24,782.00	19,775.00
Introduction To Government	13,125.00	13,125.00	14,100.00	11,550.00	16,725.00	14,250.00
Intermediate Government	39,900.00	39,900.00	20,250.00	44,550.00	50,100.00	66,000.00
Revenue Fundamentals I	6,000.00	6,000.00	6,150.00	5,600.00	9,750.00	-
Revenue Fundamentals II	6,000.00	6,000.00	-	-	-	-
Supervisory Skills	10,000.00	10,000.00	5,400.00	10,200.00	-	-
Leadership Skills	10,000.00	10,000.00	-	-	-	-
CMTA/CSMFO Joint Education	3,000.00	3,000.00	1,725.00	2,400.00	4,575.00	5,512.50
Presentation Skills/Fiscal Policy	3,900.00	3,900.00	3,300.00	2,100.00	10,650.00	11,300.00
Subtotal Program and Other Revenues	212,125.00	212,125.00	186,683.00	208,901.39	219,737.32	192,728.42
Total Revenue from Operations	654,775.00	641,575.00	615,891.23	625,835.93	607,338.80	530,339.36
<u>Operating Expenses</u>						
President's expense	10,400.00	10,400.00	3,659.90	3,748.88	4,113.87	3,355.23
Board of Directors	5,100.00	7,100.00	4,369.93	3,691.92	2,174.45	4,991.36
Committee/Chapter support	60,000.00	56,000.00	10,000.34	2,661.40	-	2,619.80
Board planning session (Retreat)	45,500.00	45,500.00	41,325.42	26,205.05	29,693.99	31,379.46
Management & Professional Services	231,800.00	259,791.00	270,817.84	256,121.36	235,123.37	202,814.56
Office supplies/Storage	1,320.00	1,150.00	1,144.89	1,040.38	716.88	452.83
Merchant fees	30,000.00	35,000.00	20,395.63	14,642.25	15,238.14	14,004.08
Awards	5,000.00	5,000.00	4,572.49	4,936.40	5,793.15	351.71
Printing	14,000.00	10,000.00	12,209.57	10,468.91	13,230.97	12,594.26
Marketing/Membership	13,000.00	6,650.00	5,233.24	8,395.17	-	-
Magazine/News	15,000.00	15,000.00	15,790.27	14,438.03	22,885.02	-
Postage	3,000.00	4,000.00	1,689.59	3,590.31	2,133.40	1,730.79
Telephone/Bridge calls	1,600.00	2,100.00	1,578.24	3,983.68	5,276.29	4,726.17
Web and technology expenses	25,000.00	25,000.00	13,050.30	14,521.83	18,117.80	13,145.47
Travel	5,000.00	5,000.00	3,434.20	24.00	-	1,066.72
Audit	9,000.00	9,000.00	9,000.00	8,910.00	9,400.00	9,250.00
Insurance	2,000.00	2,000.00	1,219.00	1,710.00	2,240.00	1,660.00
Taxes	40,000.00	30,000.00	36,064.13	32,703.00	21,156.38	25,189.51
Miscellaneous	-	-	-	-	(500.00)	335.00
GFOA Reception	25,000.00	25,000.00	20,389.53	15,438.65	5,452.59	9,323.73
Donations/Other	-	-	-	-	-	-
Subtotal Operating Expenses	541,720.00	553,691.00	475,944.51	427,231.22	392,246.30	338,990.68
<u>Program Expenses</u>						
Chapter Expenses	100,000.00	100,000.00	122,627.40	108,733.56	85,237.81	66,541.41
Weekend Training (formally "Training")	25,000.00	25,000.00	20,612.44	15,564.21	25,281.37	22,393.37
Introduction to Government	14,875.00	14,875.00	12,640.73	13,819.05	13,388.02	12,905.83
Intermediate Government	33,970.00	33,970.00	22,069.64	38,396.48	41,606.37	43,477.08
Webinar Expenses	-	-	-	-	100.00	500.00
Revenue Fundamentals I	6,000.00	6,000.00	819.00	1,265.35	3,521.02	-
Revenue Fundamentals II	6,000.00	6,000.00	-	-	-	-
Supervisory Skills	12,350.00	12,350.00	11,066.10	11,662.86	-	-
Leadership Skills	12,350.00	12,350.00	-	-	-	-
Presentation Skills/Fiscal Policy	4,630.00	4,630.00	6,521.81	4,878.79	15,150.67	16,964.88
CMTA Collaboration	1,900.00	1,900.00	882.62	2,805.30	1,300.34	5,219.84
Subtotal Program Expenses	217,075.00	217,075.00	197,239.74	197,125.60	185,585.60	168,002.41
Total Expenses from Operations	758,795.00	770,766.00	673,184.25	624,356.82	577,831.90	506,993.09
Total Operating Rev over Exp	(104,020.00)	(129,191.00)	(57,293.02)	1,479.11	29,506.90	23,346.27
One-Time Expenses/Prior Year	-	(25,000.00)	(6,220.22)	(7,731.38)	(6,600.00)	-
<u>Annual Conference</u>						
Conference revenues	1,315,505.00	1,020,104.00	911,040.36	828,100.49	865,034.74	666,100.00
Conference expenses	1,379,297.00	1,045,247.00	848,529.45	729,720.59	855,252.10	578,076.32
Subtotal Conference Rev over Exp	(63,792.00)	(25,143.00)	62,510.91	98,379.90	9,782.64	88,023.68
Total Revenue over Expenses	(167,812.00)	(179,334.00)	(1,002.33)	92,127.63	32,689.54	111,369.95



CSMFO BOARD REPORT

DATE: October 8, 2019

FROM: CSMFO Scope Ad Hoc Working Group
Margaret Moggia, Past President, Chair

SUBJECT: Subcontracted Role of Executive Director

At the request of the Board of Directors, the CSMFO Scope Ad Hoc working group (Ad Hoc) has met to discuss the short-term and long-term recommendations for subcontracting the Executive Director through Smith Moore & Associates (SMA). Based on the concerns raised and to ensure that there is a clear understanding of the scope between Melissa M. Manchester Management, LLC (MMM) and SMA to provide the administrative support to CSMFO, the Ad Hoc took an extensive approach to ensure that all parties are protected in this new relationship. The Ad Hoc understands the sensitivity of this matter to also address the concerns raised by the CSMFO leadership about internal control and oversight. At the August 7 Special Board meeting, the Board directed the Ad Hoc to bring back a short-term recommendation on the subcontracted scope, and then a long-term recommendation on how to address the scope with CSMFO's policies and procedures.

The format of this report will be to address the background, the process, and the resources reviewed, and then to provide a series of observations and recommendations for the Board's consideration. Overall, the Ad Hoc has made nine recommendations for the Board's consideration.

BACKGROUND

As background, CSMFO entered into an agreement with Smith Moore & Associates (SMA) originally in 2009. At that time, SMA identified Melissa Dixon (now Manchester) as CSMFO's Executive Director, who has served in this capacity during the past 10 years. The current contract was entered into January 1, 2016 for a three-year term and has been extended to December 31, 2021.

In June 2019, SMA informed the CSMFO President that the CSMFO Executive Director has decided to form her own firm, but would continue to serve as our Executive Director through a subcontract with SMA. While it was originally thought that the new subcontract arrangement was just between the two parties, there were concerns raised by CSMFO leadership about how the subcontract Executive Director Role would impact internal controls, staff oversight by a subcontract, specific responsibilities of the Executive Director versus the staff, and how the change adheres to CSMFO's current bylaws and policies & procedures. To address the issues raised, the CSMFO President appointed an Ad Hoc to address the Board's concerns.

To provide a recommendation to the Board at the October Board meeting, the Ad Hoc identified specific tasks to address the short- and long-term recommendations:

Short Term

1. Define the Role of a CSMFO Executive Director
2. Determine if the role of treasurer / secretary should be a board member or staff
3. Understand the role of SMA and the subcontract with MMM, and address the supervision of staff and internal control question
4. Ensure bylaws are proper and appropriate
5. Review SMA/CSMFO contract documents

Long Term (October- January)

1. Explore what the current overall scope should be (scope changes as we change - how should we address the items no longer needed and identify new scope)
2. Update of policies and procedures to reflect any changes in roles and scope
3. Determine next steps for contract management services from approach to timeline

PROCESS

The Board has met on this matter several times to hear from all Board members which led to the formation of the CMSFO Scope Ad Hoc Working Group on August 7.

- June 27 Regular Board Meeting
- July 16 Closed Session (Board members only)
- July 25 Regular Board Meeting
- August 7 Special Board Meeting

As appointed by the CSMFO President, the Ad Hoc committee is comprised of seven individuals who represent a member of the Executive Committee, one Board Member, one Committee Chair, one Chapter Chair, two Past Presidents, and one At-Large Member. The Ad Hoc Committee has met over the last six weeks to discuss the concerns raised in order to bring back a report to the October Board meeting.

In order to make a full assessment, the Ad Hoc looked at the following resources:

- CSMFO Bylaws
- SMA Contract and amendments
- Policies and Procedures Manual
- Accounting Procedures for check disbursements
- Insurance Policies
- Draft scope developed by SMA/MMM
- Minutes

In addition, the Ad Hoc had discussions with Catherine Smith and Melissa Manchester to address the concerns raised by the CSMFO leadership and the Ad Hoc Committee's questions:

- Discussions with Catherine Smith (owner of SMA) – understand the role that Catherine intends to have with CSMFO, oversight of staff and review procedures, and review draft subcontractor scope
- Discussion with Melissa Manchester – understand the desired role and review draft subcontractor scope

OBSERVATIONS AND RECOMMENDATIONS

1. a. Role of the Executive Director

In order to understand the scope of the Executive Director, the Ad Hoc discussed the difference between an Executive Director and an account manager. While many of the duties are similar (ensure that the administrative and financial records are properly maintained, assist with the association's activities), the Ad Hoc agreed that the service provided by the Executive Director extends beyond these administrative tasks by also focusing on supporting and advancing CSMFO's strategic business plan and initiatives. In addition, the Executive Director provides continuity of business matters, and is a resource to the Board and committees.

It was further noted that the Board serves as the public-facing part of CSMFO and will advocate on behalf of the members about meeting CSMFO's strategic goals of strategic growth, member engagement, and professional development, and the Executive Director will facilitate and provide administrative resources to make this happen.

The Ad Hoc recognizes that the Executive Director Melissa Manchester has served in this capacity for the past 10 years and meets our understanding and capability to continue in the role of CSMFO Executive Director. However, since the Executive Director is now intended to be subcontracted instead of being part of the SMA staff, it was important to understand how the SMA contract / other subcontracts will interface with subcontracted Executive Director.

In addition, SMA's owner expressed interest in being more engaged with CSMFO, which required us to better understand this relationship as we reviewed the draft amendment and scope. The SMA Owner intends to more closely follow the association's activities to ensure appropriate resources are being allocated to support the CSMFO Board through its strategic business plan, committee and chair activities, and other initiatives in addition to monitoring all subcontractors' work.

To understand the impact of the new arrangement to the current agreement, the Ad Hoc reviewed the following sections:

Section 9 Key Personnel: SMA Agrees to assign Melissa Dixon as the Account Manager/Executive Director for CSMFO, and Justin Lewis as the Chief Information Officer. Other personnel will be at the discretion of SMA. If for any reason the two individuals named above are unable to continue working with CSMFO, CSMFO shall assist SMA in finding a replacement.

Section 10 Subcontractor(s): SMA agrees to subcontract a portion of the Annual Conference, Weekend Training and Planning Session work to Meetings & Association Management Services (M&AMS) for the duration of this contract, unless and until CSMFO requests a new arrangement. The exact scope of work related to these three events will be determined by contract between SMA and M&AMS.

If SMA intends to sub-contract any other major services provided to CSMFO, they are required to identify the proposed contractor(s) performing these services and their qualifications in writing to CSMFO prior to engaging sub-contractor. CSMFO retains the right to approve or reject any sub-contractors in their sole discretion, although approval will not be unreasonably held. This approval or reject requirement does not apply to incidental sub-contracted work such as printing, mailing services, or graphic design consultants.

As CSMFO retains the right to approve or reject any sub-contractors, the Ad Hoc acknowledges that it is the intent of CSMFO to have SMA subcontract the role of Executive Director to Melissa Manchester with Melissa M. Manchester Management, LLC. However, should the subcontracting relationship change between SMA and MMM, CSMFO will require reasonable notice from SMA about the change for CSMFO to assess how the role of the Executive Director shall be filled. In addition, the Ad Hoc recommends a revision to Section 9 Key Personnel to reflect the change circumstance, and recommends replacing the existing language with the following language

The proposed language is reflected in Amendment #6

Section 9 Key Personnel: SMA Agrees to assign an Executive Director, Chief Information Officer, and an Account Manager to CSMFO with input and approval from CSMFO. The Account Manager must be a partner with SMA. One person may fill multiple roles. If for any reason any of the above positions are unable to continue working with CSMFO, SMA is to provide a minimum 30 days' notice of a change in status of the approved Executive Director, Chief Information Officer, or Account Manager. SMA may recommend a replacement, but the CSMFO Board shall approve the replacement, although approval shall not be unreasonably withheld. Other personnel will be at the discretion of SMA.

b. Staff Oversight

In discussion with SMA owner and MMM, MMM still attends staff meetings with SMA staff to ensure that CSMFO's workload is being met. Should any additional resources be needed or matters need to be addressed, MMM will share with SMA leadership to address. Through the review of the Executive Director scope, the Ad Hoc increased its understanding of where there is a direct role of the Executive Director, and where there is oversight of SMA staff and oversight of other sub-contractors. The Ad Hoc noted that it was important to discuss accountability and protection for all parties involved and recommends adding the following language:

The proposed language is reflected in Amendment #6

Section 10 Subcontractor(s): If SMA intends to sub-contract any major services provided to CSMFO, they are required to identify the proposed contractor(s) performing these services and their qualifications in writing to CSMFO prior to engaging sub-contractor. CSMFO retains the right to approve or reject any sub-contractors in their sole discretion, although approval will not be unreasonably held. This approval or reject requirement does not apply to incidental sub-contracted work such as printing, mailing services, or graphic design consultants.

Under amendment #6, if SMA subcontracts for an Executive Director, SMA will identify a partner as the Account Manager and will have oversight over all subcontractors and SMA staff working with CSMFO. The Account Manager will conduct regular staff meetings, which shall include the Executive Director and other subcontractors as necessary, and regular communication with SMA staff and subcontractors to ensure that the scope requirements are being met.

In addition, SMA agrees to subcontract a portion of the Annual Conference, Weekend Training and Planning Session work to Meetings & Association Management Services (M&AMS) for the duration of this contract, unless and until CSMFO requests a new arrangement. The exact scope of work related to these three events will be determined by contract between SMA and M&AMS.

SMA is responsible for the work performed by its subcontractors, and is to monitor the work to ensure that the goals and CSMFO activities are being met as stated within the agreement and any amendments. SMA will meet with the Board on an annual basis to review the scope to determine if any changes should be made.

On September 26, 2019, the Ad Hoc reviewed the draft amendment and discussed with SMA and MMM to confirm that all parties have a clear understanding of the role of the subcontracted Executive Director and the role of SMA. Attached is Amendment #6 that reflects the entirety of the recommended amendment to the Agreement for Professional Services between Smith Moore & Associates and California Society of Municipal Finance Officers to subcontract the role of the Executive Director.

Recommendation #1:

That the Board approves Amendment #6 for subcontracting the role of Executive Director and direct SMA to hire Melissa M. Manchester Management, LLC to serve in this capacity.

Recommendation #2:

That the Board approves Justin Lewis to serve as the Chief Information Officer and Catherine Smith to serve as the primary Account Manager with support from Justin Lewis, SMA partner.

Recommendation #3:

That the Board directs the Administration Committee to review CSMFO's insurance policy to ensure that we have appropriate Errors and Omissions for its Board members, and that SMA and subcontractors have named CSMFO as additionally insured.

2. Review of Internal Controls

The Ad Hoc reviewed the internal processes over payment disbursements and contract approvals to understand the risk and exposure to the parties involved.

- a. The internal procedures for payment disbursements are that all invoices are provided to the Executive Director for coding. This information is forwarded to SMA Accounting for processing. SMA Accounting sends the disbursement listing and PDF copies of the checks and backup to the Executive Committee and the Administrative Chair for their review and approval. SMA Accounting requires approval from two individuals prior to releasing the checks for signature. Each check requires two signatures which may be manual or a stamp. The stamp is maintained in a secured location by SMA Accounting. The Ad Hoc was informed that in 2016, the Board approved that the check signing authority was modified to ease the annual updates of the signature cards, and have them update every three years. In review of the current bank signature card, it was noted that the following persons are authorized to sign checks on behalf of CSMFO: Melissa Dixon, Executive Director; John Adams, Past President; and Steve Heide, President Elect. In addition, the LAIF account reflects Melissa Dixon, Executive Director; Steve Heide, President-Elect, and Kate Zawadzki, Administration Chair.

While the Board does receive monthly financial statements, the Board is not aware of the approved monthly disbursements approved by the Executive Committee/Administrative Chair. To increase the transparency of monthly disbursements, the Ad Hoc recommends that the monthly financial report also include the monthly disbursement listing. In addition, the Ad Hoc noted that certain internal controls have been decided and written down at different times, but recommends that these be documented and included within the Policy and Procedures Manual.

Recommendation #4

That the Board directs the Executive Director to include a monthly disbursement listing with the monthly financial statements.

Recommendation #5

That the Board directs the Administration Committee to develop a policy for inclusion in the Policy and Procedures Manual that documents the process for check disbursements and authorized persons on bank signature cards.

- b. During the review of the disbursement process, it was noted that certain agreements receive board approval while other agreements (largely those relating to the conference) are signed by SMA, as it was determined that these contracts are approved by the budget. However, in a recent discussion at the June 27 Board meeting, the auditors were reviewing the results of the annual audit, and a concern was raised about being unfamiliar with the amount of commitments that are outstanding to CSMFO. The Ad Hoc felt that the Board should consider review the contract approval authority to increase the transparency of its commitments.

Recommendation #6

That the Board approves all contracts entered into for the association. Should there be an immediate action required for contract execution, the Board approves that the Executive Committee shall be given the authority to approve and subsequently bring the contract to the next regular Board meeting stating the reason for the urgency and for ratification. The Executive Director may sign the agreements after Board approval. Should the Executive Director be unavailable to sign, the signature authority is given to the CSMFO President.

Recommendation #7

That the Board directs the Administration Committee to document for inclusion in the Policy and Procedures Manual a more developed policy for contract approval authority.

3. Annual Appointment of Secretary-Treasurer

Within CSMFO's bylaws, there are a couple of references to the Secretary-Treasurer:

Section B Officers

The officers of this organization shall consist of a president who shall automatically assume the office after serving one year as president-elect, a president-elect who shall be elected annually at large, the immediate past president, and a secretary-treasurer who shall be elected by the board of directors from its own membership. The board of directors, by majority vote, may employ an administrative secretary in lieu of the election of a secretary-treasurer, such person to serve at the pleasure of the board and to perform all duties that are assigned to the secretary-treasurer elsewhere herein.

Section H Duties of Directors and Officers

The secretary-treasurer shall:

- *Keep a record of proceedings of meetings.*
- *Issue notices of meetings.*
- *Issue regular newsletters and conduct correspondence of the society*
- *Collect all fees and dues.*
- *Maintain the financial records for the society.*
- *Render a statement each month of the financial status of the society*
- *Control and make all disbursements of the society as authorized in the annual budget approved by the board of directors.*
- *Prepare, sign and affix the society's seal to all official documents.*
- *With approval of the board of directors, employ a person or persons to assist with the duties of this office.*

In addition, the Policy and Procedures Manual states under section I Duties of Officers (page 1) state *that the Board shall annually appoint a Secretary/Treasurer to perform the duties outline in Article III Section H 4 in the Bylaws.*

The Ad Hoc Committee reviewed minutes from February 2009 that showed that the Board approved appointing Executive Director Melissa Dixon as secretary. There was no reference to treasurer. However, the Policy and Procedures Manual states that an annual appointment should be made, and we are unaware of any future board action to make these annual appointments.

The Ad Hoc considered the role of the Secretary-Treasurer plays in the execution of association business, oversight of these duties, and review of internal controls. While the daily operations do have oversight from the Executive Director, the Ad Hoc noted that Board engagement provides an independent view to ensure these duties are being executed. With the Executive Director role now being considered to be a subcontract position overseeing SMA staff, the Ad Hoc felt that the Board should annually appoint a board member to serve as secretary-treasurer. This allows for protection of all parties in the execution of their work, and provides oversight and visibility to the Board. In addition, the Ad Hoc does recommend that the Board appoint for the duration of the agreement that Melissa Manchester, as the subcontracted Executive Director, be the Deputy Secretary-Treasurer.

Recommendation #8

That the Board elects a Board member to serve as the Secretary-Treasurer, and approves Melissa Manchester as the Deputy Secretary-Treasurer for the duration of this agreement or as long as she continues as the subcontracted Executive Director.

Recommendation #9

That the Board directs the Administration Committee to develop an Investment Policy for inclusion in the Policy and Procedures Manual.

Attachment:

Amendment #6 Subcontracted Executive Director Duties and Responsibilities.

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
SMITH MOORE & ASSOCIATES AND
CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS**

AMENDMENT #6

1. Original Contract: The original agreement was made and entered into on October 22, 2015 by and between the California Society of Municipal Finance Officers (“CSMFO”) and Smith Moore & Associates (“SMA”) to provide Management Services and Meeting Planning Services for the calendar years 2016, 2017, 2018. Amendment #1 added additional tasks to support the Career Development Committee. Amendment #2 authorized the funding of SMA staff creating an association management system and enacted the extension options on the contract, effectively extending it through December 31, 2021 and eliminating subsequent years’ cost of living adjustments. Amendment #3 added services in support of the Annual Conference Program Committee, to be provided through a sub contractual relationship with Harriet Commons, CPA for the 2018 conference. Amendment #4 retained the services in support of the Annual Conference Program Committee through the 2022 annual conference. Amendment #5 removed the maximum session and speaker threshold identified in Amendment #4 for support of the Annual Conference Program Committee.
2. Amend the Scope of Work of the original agreement to reflect the role of the sub-contracted Executive Director to Melissa M. Manchester Management, LLC (“MMM”) as noted in Exhibit C. All other scope items reflected in the original agreement Exhibit A will be deemed the responsibility of SMA.
3. Amend #9 of the original agreement to read as follows:

Section 9 Key Personnel: SMA Agrees to assign an Executive Director, Chief Information Officer, and an Account Manager to CSMFO with input and approval from CSMFO. The Account Manager must be a partner with SMA. One person may fill multiple roles. If for any reason any of the above positions are unable to continue working with CSMFO, SMA is to provide a minimum 30 days’ notice of a change in status of the approved Executive Director, Chief Information Officer, or Account Manager. SMA may recommend a replacement, but the CSMFO Board shall approve the replacement, although approval shall not be unreasonably withheld. Other personnel will be at the discretion of SMA.
4. Amend #10 of the original agreement to read as follows:

Section 10 Subcontractor(s): If SMA intends to sub-contract any major services provided to CSMFO, they are required to identify the proposed contractor(s) performing these services and their qualifications in writing to CSMFO prior to engaging sub-contractor. CSMFO retains the right to approve or reject any sub-contractors in their sole discretion, although approval will not be unreasonably held. This approval or reject requirement

does not apply to incidental sub-contracted work such as printing, mailing services, or graphic design consultants.

Under amendment #6, if SMA subcontracts for an Executive Director, SMA will identify a partner as the Account Manager and will have oversight over all subcontractors and SMA staff working with CSMFO. The Account Manager will conduct regular staff meetings, which shall include the Executive Director and other subcontractors as necessary, and conduct regular communication with SMA staff and subcontractors to ensure that the scope requirements are being met.

In addition, SMA agrees to subcontract a portion of the Annual Conference, Weekend Training and Annual Planning Session work to Meetings & Association Management Services (M&AMS) for the duration of this contract, unless and until CSMFO requests a new arrangement. The exact scope of work related to these three events will be determined by contract between SMA and M&AMS.

SMA is responsible for the work performed by its subcontractors, and is to monitor the work to ensure that the goals and CSMFO activities are being met as stated within the agreement and any amendments. SMA will meet with the Board on an annual basis to review the scope to determine if any changes should be made.

- 5. Period of Agreement: This amendment will be effective July 1, 2019 through December 31, 2021.
- 6. Remaining Provision of Agreement: Except as otherwise specifically set forth in this amendment, the remaining provision of the Agreement shall remain in full force and effect.

EXECUTED:

Smith Moore & Associates
By:

California Society of Municipal Finance Officers
By:

Catherine Smith
Partner

Joan Michaels-Aguilar
CSMFO President, 2019

Date: _____

Date: _____

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
SMITH MOORE & ASSOCIATES AND
CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS**

**AMENDMENT #6 – Exhibit C
Role of Subcontracted Executive Director**

Board Support

- Coordinate with the CSMFO President to prepare and electronically distribute agenda and supporting materials for monthly Board meetings at least one week prior to scheduled meeting;
- Collect and submit reports for Board meetings to include, but not limited to, financial reports and membership statistical reports;
- Prepare minutes of Board meetings (conference calls & in-person meetings) and make available for review by appointed Secretary-Treasurer within two weeks after each meeting;
- Attend all Board meetings, the Annual Conference, and the Annual Planning Session;
- When required, secure conference call-in lines, meeting space, meals and drinks for in-person Board meetings;
- Draft letters and other correspondence as requested by the Board;
- Maintain Roles & Responsibilities document, and update annually;
- Ensure the Policy and Procedures Manual is maintained and kept current;
- Maintain Form 700 spreadsheet to assist leadership in tracking reportable income;
- As requested, coordinate gifts for President to present at other organizations' conferences;
- Coordinate facilitator contract for Annual Planning Session, including managing RFP process when requested;
- Research and recommend team building and dinner options for Annual Planning Session, and negotiate contracts once selected;
- Be responsible for site selection and planning session logistics coordinating with the conference planner (M&AMS) when necessary;
- Manage hotel arrangements for Annual Planning Session; and
- Administer the process for the annual election of officers in accordance with Article III, Section C of the bylaws.

Work Program.

- Under the direction of CSMFO's Board, provide support of CSMFO's mission and goals as stated in the annual work program of the Strategic Business Plan. Each work program element will be presented to the CSMFO Board for approval and include an analysis of staffing and funding; and
- Request periodic reports from Board members and committee chairs of work program status.

Membership Dues

- Ensure billing statements for membership renewal dues are prepared and distributed annually within established deadlines;
- Ensure a list of non-renewals is distributed to the Membership Committee by January 31st and work with the Membership Committee to ensure personal contact and follow-up with each non-renewing member within 30 days; and
- Provide a final membership report in coordination with the Membership Committee to the Board after the March 31 cut-off date.

Directory

- Work with SMA staff to prepare, print, and distribute annual directory of organization members to each organization member by May 31st of each year.

Publication Services

- Oversee CSMFO News, including assisting the Communications Committee in article solicitation and editing, when necessary, and oversight of the advertising program.

Annual Report

- Work with CSMFO leadership and SMA Staff to prepare, and distribute the year-end Annual Report within 120 days of year end.

Committee & Chapter Support

- Provide agenda and materials for monthly Executive Committee meeting and participate in same;
- Attend regular meetings with SMA staff to ensure that the committee and chapter activities are being fulfilled and address any concerns raised with SMA Account Manager;
- Participate in standing conference calls for the Administration Committee, when available; identify other SMA staff to attend in case of conflict;
- Provide general oversight of CSMFO Chapters and Committees;
- Follow through with SMA staff regarding strategic plan and committee action items.
- Participate in bi-monthly Chapter Chair and Committee Chair calls, when available; identify other SMA staff to attend in case of conflict; and
- On an annual basis, update Chapter Chair Handbook and ensure committee handbooks are reviewed.

Annual Conference

- Provide site selection assistance for CSMFO, negotiate with vendors on behalf of CSMFO, and assist CSMFO in all ways and activities necessary to facilitate obtaining site locations for CSMFO's Annual Conferences. CSMFO Board retains the final selection of site and signing of contract or contracts necessary for site selection and completion of events. The contract shall be directly between CSMFO and the hotel or venue;

- Coordinate with other subcontractors as needed;
- Ensure processing of both the pre-conference and on-site exhibitor/sponsor registrations, keeping track of payments, and follow up with those that have registered but not paid until all payments are received;
- Ensure database registrations are reconciled to QuickBooks, including downloading all database transactions, subtotalling by registration type/amount and comparing to QuickBooks entries;
- Participate in drafting and editing scripts as needed;
- Ensure preparation of a final revenue and expense statement showing budget versus actual;
- Ensure coordination of all social events in connection with the Annual Conference, including the President's Dinner, the CSMFO Hosted Evening Event, and the dinner for out-of-state guests;
- Attend all Host Committee meetings, pending availability;
- Work with the Annual Conference/Host Committees in the development of a theme that will create enthusiasm for people to register for the Annual Conference. Ensure preliminary conference information including registration rates will be made available for on-line registration and posting to CSMFO website at least 120 days prior to the Annual Conference (registration rates require approval by the CSMFO Board and will be available after approval);
- Ensure final promotional materials will be targeted for posting on the CSMFO website 90 days prior to the Annual Conference;
- Work with SMA in the preparation and distribution of promotional and conference materials, such as: pre-conference mailer, postcards, vendor registration, attendee registration brochure, conference program, etc.;
- Assist Host Committee by making recommendations on all aspects of the conference budget and pricing;
- Work with the Administration Committee to ensure the Annual Conference Handbook is maintained and adhered to;
- Manage out-of-state guest/VIP process, including drafting and distributing invitations;
- Assign liaisons to each out-of-state guest/VIP, and coordinate communication between same;
- Arrange for CSMFO leadership to receive registration materials at Board meeting;
- Participate in conference wrap-up meeting; maintain notes for next year's committee;
- Ensure creation and distribution of President's Dinner invitation;
- Maintain President's Dinner mailing list and track RSVPs, often including meal selections, guest information, and mode of transportation; and
- Coordinate attendance with Odell Scholarship recipients as needed.

Financial Services

- Work with SMA accounting staff to ensure scope of services related to financial services and filings are accomplished in a timely manner;
- Ensure monthly financial statement showing revenues, expenses, balance sheet

accounts, and list of monthly disbursements are sent to the CSMFO Board and Administrative Committee Chair by the twentieth day of the following month;

- Perform analysis of actual revenues and expenditures relative to the adopted budget and provide an executive summary with monthly financial report to the Board;
- Receive, code, and forward all invoices to accounting for processing and ensure that appropriate approvals by committee or board members are received prior to disbursement;
- Ensure the annual independent audit is completed as required by CSMFO's bylaws; provide detailed accounting reports and backup documentation; research various issues and unusual items as requested by the auditors; answer follow-up questions from the auditors after their field work is completed; and review the final audited financial statements;
- Oversee investment of CSMFO's funds in accordance with the investment policy of CSMFO's Board and provide a list of investments at each Board meeting; includes transfer of funds as necessary to cover checks;
- Prepare draft of operating budget in advance of Annual Planning Session;
- Finalize budget for adoption before calendar year-end;
- Annually create detailed budget spreadsheet that reconciles database to QuickBooks;
- Manage signature card, including updating with bank as necessary;
- At the direction of the Board, execute contracts on behalf of CSMFO; and
- Serve as the Deputy Secretary-Treasurer for the duration of this amendment, unless and until CSMFO requests a new arrangement.

Filings

Ensure preparation and transmission of the following:

- Secretary of State Annual Corporation filing;
- Registry of Charitable Trust, Form CT 2;
- Internal Revenue Form 990, Non-Profit Information Report;
- Franchise Tax Board Form 199, Non-Profit Information Report;
- Use and sales tax reports as required;
- Monthly or quarterly tax payments (if required); and
- Internal Revenue Service Form 1099s.

General Association Business

- Communicate on subcontractor(s) contract compliance with SMA Account Manager regularly;
- Answer inquiries from members, vendors, and public (return all phone calls with 24 hours or less);
- Ensure preparation of special award certificates and plaques, as requested;
- Coordinate logistics for CSMFO reception at GFOA annually;
- As requested by the Board President, attend GFOA conference and CSMFO reception at GFOA; coordinate exhibit booth when necessary; and
- Distribute invitation and manage RSVP list for CSMFO reception at GFOA.



Melissa Manchester <melissa@mmm-management.com>

GFOA Ethics policies

1 message

Richard Lee <rlee@cityofsanmateo.org>
To: Melissa Manchester <melissa@staff.csmfo.org>

Fri, Sep 27, 2019 at 5:03 PM

Hi Melissa,

Please add the email thread below and the attachments to the board packet for 10/8/19. These will be discussed during my portion of the Board Director updates.

Thanks!

Rich Lee

Finance Director

City of San Mateo

(650) 522-7102

rlee@cityofsanmateo.org

From: Curtis Doughtie [mailto:CDoughtie@VirginiaResources.org]
Sent: Thursday, September 26, 2019 6:23 AM
To: Shayne Kavanagh <skavanagh@gfoa.org>; Richard Lee <rlee@cityofsanmateo.org>; 'Len Brittain' <brittain.len@gmail.com>
Cc: 'Rob Roque' <rroque@gfoa.org>
Subject: RE: Ethics policies

I think this approach makes a lot of sense. We're having our VGFOA fall conference in a few weeks and plan to print one of the Code of Ethics posters with our state logo to have on display at our registration booth.

We can also print this introduction and some copies of the policies to make available as well. We can also promote these in our next newsletter.

From: Shayne Kavanagh [mailto:skavanagh@gfoa.org]
Sent: Wednesday, September 25, 2019 4:39 PM
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Cc: 'Rob Roque' <rroque@gfoa.org>
Subject: Ethics policies

Hey Guys

Attached is an article that explains the templates. Let me know what you think. I'm thinking maybe we start with the three policies we have and see what kind of reaction we get and, if good, we can solicit opinions from the general membership about other topics they might like to see – which could help us get past our conundrum on the use of govt property policy.

One thing missing from the article are some reactions from real govts who have implemented the policies. Richard and Curtis, as our two active public managers would you be willing to take the policies forward in your organizations and let us know how it goes? Having those experiences available should make the rollout to your states that much better.






Your thoughts?

Thanks!

Shayne

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5 attachments

-  **GFOA Code of Ethics.pdf**
477K
-  **Introducing GFOA Smart Practices for Ethics Policies 2018-09-25.docx**
47K
-  **Sample Ethics Policy_Improper Use of Time_2019-09-13.docx**
86K
-  **Sample Ethics Policy_Vendor_Gifts_2019-09-16.docx**
87K
-  **Sample Ethics Policy_Public_Gifts_2019-09-12..docx**
84K

[INSERT GOVERNMENT NAME]'s Policy on Proper Recording of Staff Time

I commit to join with my co-workers at [insert government name] in following our policy on proper recording of staff time.

X _____

Why do we have this policy?

Staff salaries and benefits make up the largest part of [insert government name]'s budget and is over [insert percentage]% of our total costs. We must properly account for this large and expensive resource. This is no different from the equipment, vehicles, and facilities that we spend money on. This helps us build trust with the community we serve.

What is our policy?

Staff must make their best effort to record their work time accurately. Recording time in a way that makes it appear you are working when you are not is considered theft.

What else do I need to know?

[insert government name] recognizes that breaks and minor diversions from work are important for employee health and a productive work environment. This policy is not meant to prohibit these activities. If you have questions about what is allowed, you can check with your department's management or our human resources department.

There are other activities that are considered theft and not allowed by this policy. Examples include:

- Recording time as worked when you did not work.
- Manipulating time records to increase overtime hours.
- Improperly recording paid time off, like recording vacation time as sick time.
- Using sick time to take paid time off when you are not sick. [insert government name] urges employees to take care of their personal health, but sick days should not be used to take unscheduled days off for recreation. [NOTE: IF YOUR GOVERNMENT'S PAID TIME OFF POLICIES MAKE THIS PROVISION INAPPLICABLE, THEN REMOVE IT.]

When we are at work, we must be professional and represent [insert government name] well. This means we need to use break time appropriately. We must be aware of how often and how long we take breaks and what we do during our breaks. For example, if someone were to take a nap in his or her workplace, it would not project a good image. You can check with your department's management about what is acceptable. Also, you can use the chart and the end of this policy to help you think through questions you may have.

[insert government name] maintains financial records to help us figure the cost of providing services to the public. This helps us make sure we are giving our citizens a good value for their taxes. Therefore, we must all make the effort to record our time correctly, including using the right budget accounts for the activities we are working on. [insert government name] understands that we might not always be totally

precise in recording our time, but we should always do our best to make reasonable and fair estimates and to charge the right accounts. Inaccurate charging on a consistent basis or giving unreasonable estimates is considered a violation of this policy.

What reasons and rationalizations do I need to watch out for?

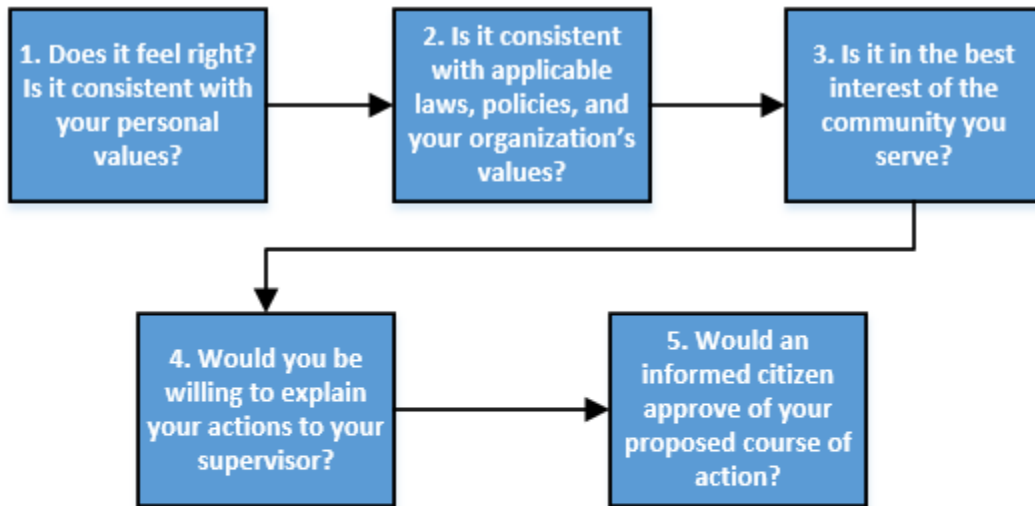
You might hear some reasons why it would be OK to ignore this policy. It is not OK. Here are some reasons you might hear and examples of a right response.

- **Reason:** Everyone does it, so it is OK.
- **A right response:** I don't think that is true. Employee salaries are our biggest single expense. If everyone were doing it, it would be obvious to everyone, including the public and the media.
- **Reason:** It is only a small amount of time to falsify—for example, misrepresenting one day off for personal “recreation” as sick time. Therefore, it is not significant.
- **A right response:** Things like this often start small but then grow into big problems later. Let's not go down that path. Most people record their time truthfully and would look down on us if we didn't. We don't want the reputation of people who fudge their time records.
- **Reason:** It is not a good thing to falsify time records, but it is not as bad as stealing equipment or supplies. Therefore, falsifying time is not something to be too concerned about.
- **A right response:** Well, if you are saying that falsifying time records is “the lesser of two evils,” then it is still evil. Let's not be evil!
- **Reason:** I deserve this. I don't get paid enough and/or I work harder than everyone else, so falsifying time to get extra compensation is OK.
- **A right response:** If you feel you are underpaid for your work, you have other options besides falsifying your time records. That could get you fired...or worse. Perhaps you should talk to your department management or our human resource department to learn what options you might have to improve your pay?
- **Reason:** I know it is wrong, but some people in my department falsify time records, and I don't want to make waves by being different.
- **A right response:** Well, the problem is that people who commit time fraud rarely do so in total secrecy. People who don't falsify their records often have suspicions about people who do. Therefore, if you falsify your records, you could get a reputation of being untrustworthy and limit your chances to advance your career. You do not want the reputation as someone who participates in dishonest time recording.

Think about your responses so that you are ready if someone gives you a reason to ignore the policy.

What if I'm in a situation that this policy doesn't cover?

Think about the situation. Compare the action you are unsure about to the steps below.



If **“Yes”** to all, then you are likely OK to proceed.

If you are **not sure**, seek guidance from others.

If there are all **“No’s”**, don’t do it. Think about how you might reply to reasons and rationalizations you might hear for why you should do it.

[INSERT GOVERNMENT NAME]'s Policy on Making Gifts With [Insert Government Name]'s Public Funds

I commit to join my colleagues at [insert government name] in following our policy on making gifts with [insert government name]'s public funds.

X _____

Why do we have this policy?

Our funding comes mostly through taxes. Citizens must be able to trust that their taxes will be used for the good of the community. Taxpayer money should not be used to unfairly benefit private groups or persons or be redirected from the critical public services that taxpayers expect.

What is our policy?

The elected officials and staff of [insert government name] should not use [insert government name]'s resources to make charitable donations or gifts to other parties. This includes anything paid for with taxpayer money such as equipment, vehicles, supplies, staff time, and buildings.

What else do I need to know?

A donation or a gift is any offer of our resources to another party where [insert government name] does not receive any good or service in exchange for the resources given. Even if the other party will make a “moral” or “socially beneficial” use of the resources, it is still considered a gift.

However, [insert government name] may award grants to private or nonprofit groups. Grants are not viewed as a gift or charitable donation because there is a process used to decide how they are awarded. In cases where the federal or [state/provincial] government provides funding to [insert government name] for local grants, there are rules for how the funds must be used. Also, [insert name of governing board] must approve the grants.

[Note: If your government allows elected officials a choice to give gifts, you could note that in the policy here. Also state that the ability to give these gifts is limited to funds set aside for that purpose in the adopted budget and are subject to reporting requirements. You can also refer to any other policies you have that address gifts by elected officials more specifically.]

Waiving taxes or fees that are normally charged for a service we provide is viewed as a gift.

Employees should never feel pressured to donate funds to any cause. Members of [insert government name] in a supervisory or decision-making position should never ask for donations from staff.

Use of staff time for political purposes, such as campaigning, is not allowed.

Staff time should not be used to conduct charitable activities for other groups.

What reasons and rationalizations do I need to watch out for?

You might hear some reasons why it would be OK to ignore this policy. It is not OK. Here are some reasons you might hear and examples of a right response.

- **Reason:** It's a small gift, so it is not a big deal.
- **Right response:** I know it might not seem like much, but small things can be the start of big problems later. Let's not go down that path.

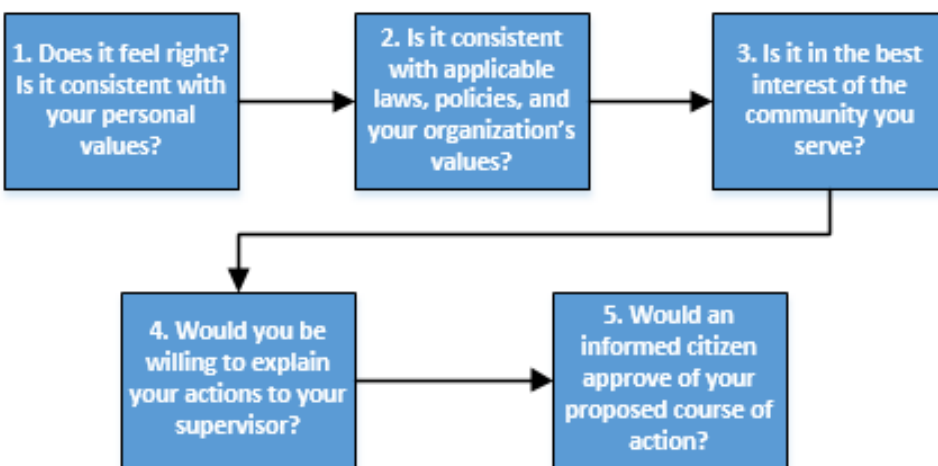
- **Reason:** It's a nice group that we are giving a gift to, so it is OK.
- **Right response:** Yes, they are a nice group; however, we only have so much money in our budget. The community expects us to use that money to provide important public services. I think we should stay focused on the critical work that we do.

- **Reason:** I know I shouldn't make this gift (like spending work time doing the job of another group), but my boss wants me to.
- **Right response:** Your boss is violating our policy if he or she says you should make a gift of your professional (or personal) resources to another organization. If you make this gift, you both could be in trouble...and resources you spend on this other activity are resources not spent providing the services our community expects from you.

Think about your responses so that you are ready if someone gives you a reason to ignore the policy.

What if I'm in a situation that this policy doesn't cover?

Think about the situation. Compare the action you are unsure about to the steps below.



If "Yes" to all, then you are likely OK to proceed

If you are **not sure**, seek guidance from others

If there are many "No's", don't do it. Think about how you might reply to reasons and rationalizations you might hear for why you should do it.

[INSERT GOVERNMENT NAME]'s Policy on Vendor Relations and Gifts

I commit to join with my colleagues at [insert government name] in following our policy on vendor relations and gifts.

X _____

Why do we have this policy?

Our relationship with the vendors that serve [insert government name] is a high-profile opportunity to show our citizens that we protect their tax dollars. We can show that we use public funds wisely and the decisions we make about purchasing goods and services are fair and free of bias.

What is our policy?

You should never accept the following from vendors:

- Any gift of cash or that is like cash. For example, a prepaid debit card is like cash.
- An individual gift valued at more than \$[insert dollar amount]. This is any kind of gift, including but not limited to meals, tickets to concerts, games, etc.
- Gifts from one vendor with a total value of more than \$[insert dollar amount] in a year. Many small gifts are just as bad as one large gift.

What else do I need to know?

We must avoid special treatment of one vendor over another. Therefore, all officials and staff of [insert government name] should treat all vendors the same.

Even the appearance of dishonesty or unfairness can tarnish our reputation. If you are involved in buying goods or services, your personal reputation could be harmed if people suspect that the process of buying them is unfair or “rigged.” Here are ways you can avoid harming your own reputation or the reputation of [insert government name].

- You should never accept an anonymous gift in any amount. If you don't know who sent it, you don't know what their motives are.
- You should never ask for gifts or favors from any vendor.
- Gifts might be disguised as an “award” or recognition for your public service. This is still a gift and should be treated like one.
- Gifts might be given as a “prize,” like as part of a raffle. This is still a gift.
- You might be in a questionable situation that is not covered by this policy. Refer to the chart at the end of this policy for help.

What reasons and rationalizations do I need to watch out for?

You might hear some reasons why it would be OK to ignore this policy. It is not OK. Here are some reasons you might hear and examples of a right response.

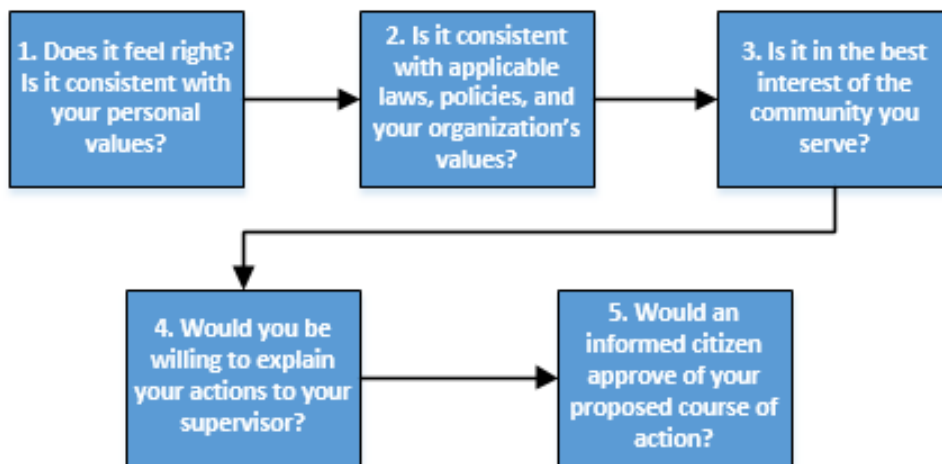
- **Reason:** It's really OK that you take gifts. Everyone does it. It is even expected.

- **A right response:** We do business with many vendors each year. The vast majority never give gifts to officials or staff, so if I were to accept a gift from one vendor, it could appear that we unfairly favor that vendor.
- **Reason:** It's a small gift. It won't hurt anyone.
- **A right response:** While I appreciate the gesture of the gift, even the appearance of unfairness could harm our reputation. For example, if a citizen were to see this gift, he or she might assume it is a sign of larger conflicts of interest.
- **Reason:** I don't decide whom we buy from, so it is OK for me to accept a gift.
- **A right response:** Citizens don't know who decides, so if one of us gives the appearance of unfairness, it makes us all look bad. Also, maybe someday you *will* be in a position to decide whom to buy from. You wouldn't want to risk your reputation over a vendor's gift.
- **Reason:** I know I shouldn't take this gift, but I don't want to make a fuss and make waves in my department.
- **A right response:** That is a difficult problem. In the end, your department will be much better off if it keeps a reputation for fairness when buying goods and services.

Think about your responses so that you are ready if someone gives you a reason to ignore the policy.

What if I'm in a situation that this policy doesn't cover?

Think about the situation. Compare the action you are unsure about to the steps below.



If "Yes" to all, then you are likely OK to proceed

If you are **not sure**, seek guidance from others

If there are many "No's", don't do it. Think about how you might reply to reasons and rationalizations you might hear for why you should do it.

I'm unable to make changes to the copy above because it's an image. The word "the" should be the word "then" in the first line, periods are missing, etc. Also, per my previous comment, I wonder if the word "rationalizations" would be considered redundant. Is the word "reasons" enough? Please see my suggestion below.



If your answer is "yes" to all, then you are likely OK to proceed.

If you are "not sure," seek guidance from others.

If you have several "no" answers, don't do it. Think about how you might reply to the reasons you might hear for why you should do it.



Code of Ethics

<i>CITY OF SAN MATEO</i>	
<i>CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS</i>	

We, the government finance officers of the United States and Canada, have a deep and abiding desire to show that we are worthy of the **sacred** trust that the communities we serve have placed in us. As a member of my government’s finance office, I commit to living the following values to show that I am worthy of that trust.

INTEGRITY AND HONESTY

Integrity and honesty are the foundation on which trustworthiness is built. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing even when it is hard.

PRODUCING RESULTS FOR MY COMMUNITY

Public finance offices have an important job. Doing that job well honors the trust the public has placed in me.

TREATING PEOPLE FAIRLY

Local governments depend on trusting relationships. Therefore, I will treat people fairly and develop processes and procedures that are fair.

DIVERSITY AND INCLUSION

Embracing diversity and fostering inclusiveness helps finance offices cultivate organizations and promote policies that reflect the communities they serve. **When people feel included, they will see that I am concerned for their wellbeing, and that shows I am worthy of their trust.**

LIABILITY AND CONSISTENCY

When I consistently apply my standards – especially to myself – I honor my commitment to the community I serve and make it easier to do the right thing even when faced with challenging circumstances.