



Awards for Excellence

IN GOVERNMENT FINANCE

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Government Finance Officers Association's (GFOA) Awards for Excellence in Government Finance recognize innovative programs and contributions to the practice of government finance that exemplify outstanding financial management. The awards stress practical, documented work that offers leadership to the profession and promotes improved public finance.

2019 Winner for Exceptionally Well Implemented GFOA Best Practice:



CITY OF LA QUINTA, CALIFORNIA
GENERAL FUND BALANCE AND RESERVES POLICY

The City of La Quinta embarked on a nine-month journey to study its financial situation and create policy recommendations for its reserve levels. After several months of research and soliciting input from stakeholders, city staff created a long-range outlook of the city's financial stability.

La Quinta is in a resort area and relies heavily on discretionary income spending at its hotels, restaurants, and shops. The city is also near a large fault line, and the threat of a major earthquake is always a worry. Rapidly rising pension costs are another concern. The new reserves policy addresses all of these factors, improving the city's ability to face the future.

To create its general fund balance and reserves policy, La Quinta benchmarked its policies against those of other cities and performed a historical analysis of its current reserve amounts. The city also worked with the city clerk's risk management office, which conducted a full analysis of city assets and insurance coverage to determine natural disaster needs. City staff also used resources including GFOA publications and best practices.



GFOA BEST PRACTICE:
Fund Balance Guidelines for the General Fund

GFOA recommends that governments establish a formal policy for the level of unrestricted fund balance that should be maintained in the general fund for generally accepted accounting practice and budgetary purposes. The guideline should articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period. In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish the fund balance if it falls below the prescribed level.

