

Money Talks: A Path to Smarter Business & Financial Management

Imagine that you could spend a day with an experienced municipal finance consultant and from then on your job would be easier, your bookkeeping system would run more efficiently, and your organization could save time and money and have a high degree of confidence in your business management practices. As a Member of Property-Liability Trust (PLT), you can request such a session free of charge from our partners at Municipal Resources, Inc. (MRI). Since 2001, when PLT and MRI began offering business operations assessments (BOAs), we have provided more than 80 BOAs to Members, helping them run their financial matters more smoothly. Here, MRI's Founder and President Donald R. Jutton answers frequently asked questions about BOAs.

Q: What is a BOA?

A: A business operations assessment is a review of the workflow and control processes that a municipality uses to conduct its financial and day-to-day business office affairs and a consultation about ways to improve those systems and strengthen internal controls.

Q: How can I arrange for my organization to have a BOA?

A: If you are a member of PLT, simply contact your risk management advisor at PLT or call MRI's offices directly (603.279.0352) to set up an appointment. This service is free of charge to PLT members and minimal preparation is needed for the appointment.

Q: How long will the BOA take?

A: Most BOAs require only one or two days of meetings between MRI consultants and Member representatives, and possibly a few follow-up emails or phone calls.

Q: Who will conduct my BOA?

A: MRI's consultants are all former local government managers or administrators. Staff includes former police chiefs, fire chiefs, town managers, town finance directors and other subject experts who have first-hand experience with the kinds of issues PLT's Members face. If there are specific issues you want to address, MRI will include a representative with that particular experience and expertise to assist with your BOA.

Q: What are the benefits of having a BOA?

A: BOAs offer multiple benefits including:

- **Pointers and ideas for creating best practices for your town, school or other public entity.** We'll review your financial systems and business management practices and make suggestions for practical refinements and fine tuning. The BOA covers large and small issues: procurement; personnel administration; internal controls; AP, AR and payroll processing; cash transactions; asset management; contract management, and other related administrative policies & practices.
- **Saving time and money.** By helping you establish and maintain efficient practices and systems for managing

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your business activity, a BOA can help eliminate duplication and redundancy of work flow so employees are working smarter and reducing the potential for costly mistakes and errors. We scale our recommendations to the size of your community and the capability of your staff. Our recommendations will include steps for implementation which can easily be expanded to include detailed instructions – all you need to do is ask.

- **Reducing claims.** Weak financial and business management systems in a community can quickly lead to controversy and conflict. If not addressed effectively issues regarding accuracy and reliability of financial information will too frequently lead to turmoil and battles that tear at the fabric of the community and undermine trust and confidence in local government. Unfortunately, these situations too often lead to personnel actions that impact individual careers and precipitate legal actions that can cost thousands of dollars to resolve. When it comes to business and finance practices an “ounce of prevention” is indeed preferable to the alternative “pound of cure”.
- **Establishing trust and confidence in your local government.** We live in a time of public dissatisfaction and frustration with government at all levels. Words like “transparency,” “accountability,” and “responsiveness” have taken on expanded meaning when applied to government operations at any level. Voters and taxpayers are demanding and expecting more from government than ever before. In addition to serving as a valuable critique of local government operations, the BOA can also serve as a strong message to your community that those responsible for managing and overseeing the affairs of your town government not only welcome, but willingly invite independent, informed and knowledgeable review and constructive criticism. BOAs say to taxpayers, “We had an independent, knowledgeable set of eyes look at how we manage the business affairs of our community and we have adopted the changes they suggested.” In this way, a BOA can be a powerful tool in establishing and maintaining community confidence in what you do and how you do it.

Get Your Customized Business Practices Manual

In 2014, PLT and MRI are introducing an additional service for “repeat customers.” If your public entity has already had a business operations assessment, and at least three years have passed since it was done, you are eligible to have a customized Business Practices Manual created free of charge. Contact your representative at PLT or MRI.

Starting with your previous BOA as a beginning point, MRI will meet with you again, review the changes and adjustments that have been made in response to the initial report, identify those that may not yet have been addressed and then suggest steps you can take to make things run even more smoothly. MRI will then work with you and your staff to pull together a Business Practices Manual which will clarify and document practices and procedures for operations in your finance office. This manual is designed for both your current use and also to be passed down as staff changes so that consistent processes and procedures are not lost or misinterpreted in the event of staff transition. The manual will incorporate recommended practices for your organization addressing purchasing, personnel administration, AR/AP/payroll processing, accounting & financial reporting, asset management, risk management and internal controls. This manual can serve to ensure that a legacy of smart business and financial management will continue even as key managers and the staff come and go.