

Common Local Government Fiscal First Aid Strategies

Revenue Strategies

- Audit revenue sources (sales, franchise, hotel occupancy) to ensure proper compliance and remittance
- Standardize the billing and collection procedures
- Complete annual review of all charges for services, permits and licenses to ensure recovery of costs in providing services
- Coordinate collection efforts between agencies, particularly the courts and county agencies
- Review of opportunity to outsource revenue collections (parking, taxes, etc.) to a private vendor
- Consolidate collections with a special purpose unit to achieve standardization and consistency
- Implement an amnesty program for past-due fees
- Propose taxes with a strong nexus
- Review of revenue leakage from business licenses and permits
- Examine opportunity for payment in lieu of taxes on not for profits and government utility operations
- Examine debt recovery options for accounts receivable (e.g. State Treasury Offset program and use of third party collection agency)
- Examine opportunities for enhanced federal and state grant opportunities
- Review of classification of all revenue sources to determine if any restricted or partially restricted funds can be converted to unrestricted for general operating purposes
- Review of Tax Increment Finance agreements to ensure development projects are generating income and jobs as committed
- Review of Cash-flow and Days of Cash on Hand
- Review of investment policy and practices

Expense Opportunities

- Dependent eligibility audit of health care plans (Note – GFOA recently reported that nationwide such audits find an average of 8% of dependents to be ineligible for benefits.)
- Review of employee health care spending and plan designs
- Review of workers' compensation claims patterns
- Review all positions for duplication of duties, accuracy of job descriptions, and compliance with FLSA

- Review the use of consultants, temporary staff, and volunteers to reduce the benefit-burden rates
- Evaluate internal controls including the use of petty cash, approval levels for purchases, and separation of disbursement
- Review use of lock box to improve cash collection processing
- Consolidate departments where it makes sense to reduce overhead
- Evaluate supervisor to front-line employee ratios
- Investigate risk management (workers' compensation claims patterns)
- Examined shared service opportunities for general government operations (payroll, IT, Human Resources, Procurement) and Public Works/Parks/Facilities (snow removal, street sweeping, facility and parks maintenance, centralized fleet maintenance), and Public Safety (911 emergency dispatch, jail, inspections)
- Examine information technology costs including review of server based systems services cloud provided applications
- Spend analysis to ensure government following all approved contracts and examine opportunities for cooperative purchasing opportunities with other state and local governments
- Review of cost allocation plans to ensure enterprise and grant funds are being charged appropriate administrative overhead costs
- Analysis utility costs and facility management operations to ensure efficient heating and cooling systems
- Review of departmental policies for cell phone usage, personal laptop computers and take home vehicles
- Common School Based Efficiency Measures
 - Reorganization of central office staff
 - Consolidation of back office functions with other government functions through shared services centers.
 - Increase Medicaid and FAMIS reimbursements
 - Implement energy management program
 - Review of custodial staffing levels and adjust levels as needed
 - Increase meal participation
 - Review the meals per labor hour
 - Review of direct and indirect costs to school nutrition fund

- Use or improve use of bus routing software

Other Financial Strategies

- Divest loss-generating enterprises
- Identify sources of liquidity
- Pursue inter-organizational cooperation or agreements
- Sell underutilized assets
- Revisit interfund transfer policies and program subsidies
- Reevaluate managed competition and outsourced program operations
- Refinance debt for lower interest rates or extension of obligations
- Inventory programs and ascertain its costs and identified unproductive or nonessential programs.