



BEST PRACTICE

Effective Presentation of the Budget Document (1996, 2014) (BUDGET)

Background. The budget document is very important, since it identifies the services to be provided (along with the funding), and the rationale behind key decisions. Because of the time required to read and understand the entire budget document, a concise summary that captures these elements is essential. Users of the budget document will benefit from a high quality report that promotes better communication, which makes it easier to comprehend the information presented.

Recommendation. The Government Finance Officers Association (GFOA) recommends that governments incorporate the following guidelines to facilitate broader consumption and greater comprehension of the budget document.

Organization. Improving the organization of a budget document lessens redundancy and allows for a better flow of information through a more logical sequence. While governments may develop their own organizing principles, the twenty-seven criteria in the GFOA's Distinguished Budget Presentation Awards Program are arranged in a sequence that may be used to organize a budget document. There are six major sections within the criteria including: (1) introduction and overview, (2) financial structure, policy and process, (3) financial summaries, (4) capital and debt, (5) departmental information, and (6) document-wide criteria (glossary and statistical/supplemental section). Similar topics should be placed in the same section.

Detail. Excessive detail can prove a hindrance to the understanding of a government's budget document. Limit the number of financial schedules, text, and supplemental data to what is necessary in conveying key information. Rounding dollars to thousands or millions in the financial schedules is an effective way to present data. Showing headcount/position data without decimal points is easier to follow. An inordinate amount of account detail can distract from the primary points presented in the budget document. Eliminating numerical errors and typos improves the credibility of the budget document, so proof the content.

Design. The design of the budget document should be simple and easy to use, but attractive. Hard copy budget documents should have an appealing front cover with tabs

and dividers to differentiate major sections. An electronic document should use such options as bookmarks and hyperlinks between the table of contents and specific pages. The use of color (especially in charts) and pictures can be a good design tool and make information easier to understand. The growing use of electronic document formats makes this an affordable and effective option. However, be aware of large file sizes that can hinder the ability to read the budget document.

Consistency. Since different individuals usually contribute to the content of the budget document, make sure that information is presented in a way that the work of one individual does not overlap or contradict that of another. For instance, departmental presentations within a budget document should be consistent between departments.

Highlights. A budget-in-brief can be presented as an internal or external feature that highlights major points from the budget document. Governments frequently use budget-in-briefs as a supplement to their main budget document. Whether presenting information in a budget-in-brief or the main budget document, the effective use of tables, charts, and graphs can help in communicating information, which then saves narrative for analysis/interpretation.

Format. The usefulness of a document is enhanced when a government observes the following formatting conventions. If a document is issued in hardcopy form, the web site version should be identical. Font size, page layout (i.e., portrait versus landscape), and direction should be consistent throughout the report. Pages should be numbered sequentially, avoiding special characters. Also, page numbering should be synchronized between electronic and printed versions. GFOA's best practice on Website Presentation of Official Financial Documents goes into more detail on how to present an electronic document.

References

- *Best Practice: A Framework for Improved State and Local Government Budgeting*, NACSLB, 1998.
- *Best Practice: Statistical/Supplemental Section of the Budget Document*, 2005.
- *Best Practice: Presentation of the Capital Budget in the Operating Budget Document*, 2008.
- *Best Practice: Website Presentation of Official Financial Documents*, 2009.
- *Best Practice: Presentation of the Departmental Section in the Operating Budget Document*, 2012.
- *Budget Awards Program: Building a Better Budget Document*, John Fishbein, GFOA, 2013.
- *GFOA Website: [Budget Awards Program Home Page](#).*