



BEST PRACTICE

Web Site Presentation of Official Financial Documents (2009) (ALL)

Background. The Government Finance Officers Association (GFOA) has long encouraged governments to demonstrate accountability and transparency by making financial information of the highest quality readily accessible to citizens and other interested parties. A government's web site is especially well suited for this purpose. Benefits of using the government's web site to communicate financial information include:

- ***Heightened awareness.*** Many potential users of a government's financial information may only discover that it is available because they find it on the web site.
- ***Universal accessibility.*** Information furnished on a web site is readily available to a wide range of potential users (e.g., citizens, rating agencies, regulatory agencies, other governments, and the press) without charge.
- ***Increased potential for interaction with users.*** A web site can offer two-way, multi-conversational, or interactive formats. This capacity may be especially helpful for proposed documents or for citizen surveys.
- ***Enhanced diversity.*** A web site may offer the possibility of providing the same financial information in a variety of languages, which may be needed pursuant to the policies of a particular governmental entity.
- ***Facilitated analysis.*** Computerized tools can be used to find, extract, and analyze data presented in electronic form.
- ***Increased efficiency.*** Presenting all financial information in a single location can help to avoid calls for redundant specialized reports (e.g., reproducing data already presented in the comprehensive annual financial report or the budget document).
- ***Lowered costs.*** Electronic publication can be accomplished relatively quickly and can reduce or eliminate many of the costs associated with producing a hardcopy report, including those associated with handling and mailing the reports.
- ***Contribution to sustainability.*** Using a web site to disseminate financial information may reduce paper consumption, thereby contributing to the core value of sustainability.
- ***Broadened potential scope.*** The use of hyperlinks allows for easy referencing of relevant information from other sites.

While posting financial documents on a web site is a tremendous resource to citizens and an important investor relations tool, governments should be reminded that it does not meet the continuing disclosure responsibilities for issuers of municipal debt set forth in Securities and Exchange Commission Rule 15c2-12.¹

Recommendation. The GFOA encourages every government to use its web site as a primary means of communicating financial information to citizens and other interested parties. Furthermore, the GFOA recommends that a government comply with the following guidelines when presenting official financial documents on its web site:

Formatting. The practical usefulness of a document is enhanced when a government observes the following formatting conventions:

- **Consistency with hardcopy version (if any).** If a document is issued in hardcopy form, the web site version should be identical.² Any subsequent changes should be made to both.

¹ Governments with public debt outstanding are urged to consult GFOA's recommended practice *Using a Web Site for Disclosure*. Issuers of public debt also should familiarize themselves with SEC's Interpretive Release on the "Use of Electronic Media" (see www.sec.gov/rules/interp/34-42728.htm).

- **Legibility.** Font size, page layout (i.e., portrait versus landscape), and direction should be consistent throughout the report.
- **Pagination.** Pages should be numbered sequentially.
- **File size.** A single electronic file should be presented for the entire document. Individual files for the various components of large reports might also be presented in view of the limitations that some users face when attempting to download or receive large files. In such situations, the number of individual files should not be so great as to make it difficult to review the material or relate the various sections to one another.

Technological Infrastructure. A number of issues related to a government’s technological infrastructure should be considered when presenting financial documents on the government’s web site:

- **Security.** The security of the web site should be evaluated and all reasonable steps should be taken to protect documents from unauthorized changes.
- **Placement.** A link to the document should appear prominently on the homepage or there should be some other tool for easily locating the document (e.g., internal search tool).
- **Software compatibility.** The software used should be suitable for the particular information being presented and be broadly compatible with other commonly used software.
- **Features.** The downloaded file should allow for basic features such as zooming and continuous page format (e.g., so rows on financial schedules can be viewed on facing pages). A search mechanism should also be available within the document.
- **Instructions.** General user instructions (e.g., how to download Adobe software) should be provided. A notation also may be needed to direct the user on how best to view the document (e.g., laptop or desktop computer versus a handheld device).
- **Linking.** The table of contents should allow the user to go to specific pages with a click of the mouse. The inclusion of bookmarks also can enhance flexibility and maneuverability in navigating the document.
- **Testing.** Web site-based financial documents should be tested to ensure that they will function with different computer operating systems.

Electronic financial reporting language. Governments should monitor developments in standardized electronic financial reporting (e.g., extensible business reporting language [XBRL]) and apply that language to their electronic document process when appropriate.

Distribution. Electronic publication can also help the government meet the objective of providing financial information on a timely basis. Once published electronically, potential users should be informed that financial documents are available at the web site. Local newspapers, cable television, council meetings, mailings, and the printed document itself (if prepared) can be used for this purpose. For users without access to the Internet, other electronic media (e.g., CDs or flash drives) should be made available at locations such as local libraries or the city hall. Before electronic publication, the government should consult with their counsel to ensure that any legal issues related to the distribution of the financial information have been appropriately addressed, including compliance with all applicable provincial, state and federal laws and regulations (e.g., American Disabilities Act).

Information disclaimer. If applicable, the web site should prominently notify users that the information in the financial document has not been updated for developments subsequent to its issuance.

Historical information. If a government elects to present documents of prior years, the web site should identify those documents as “dated information for historical reference only” and clearly segregate them from current information. A “library” or “archive” section of the web site is advisable for this purpose.

² However, slight variations that may be necessary for practical reasons to prepare the hardcopy information for publication as an electronic document are acceptable. In cases where there is some type of auditor association with a document, it can be helpful to reach an upfront agreement with the auditor on the nature of the revisions that are acceptable in the preparation of the electronic document.

References.

- GFOA Best Practices
 - Improving the Timeliness of Financial Reports (2008)
 - Using a Web Site for Disclosure (2002)
 - Sustainability (2002)
- *Extensible Business Reporting Language (XBRL) web site*, <http://www.xbrl.org/Home/>

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