



A V E N U

INSIGHTS & ANALYTICS

Maximizing Your Local Government Revenue:

How Local
Governments Can
Get Support for
All Aspects of
Their Ecosystem
for Revenue
Management



“Do more with less,” is a growing theme felt throughout our economy. Local governments are under pressure to maximize revenue and expand services without expending more resources or raising taxes. Constituents have heightened customer service expectations and want a up-to-date experience when interacting with their governments. What was an acceptable customer service experience for taxpayers 20 years ago is no longer adequate.

The challenge for local government leaders is that while the pressure to maximize revenue has increased, the resources to do so have not. Often, local government revenue leaders have expanded responsibilities with decreased budgets and headcounts.

So, what is a local government revenue leader to do?



THE TWO OPTIONS TO INCREASE CAPACITY TO MAXIMIZE REVENUE

Governments faced with the need to maximize revenue and improve the constituent experience have two options.

1 BUILD INCREASED CAPACITY INTERNALLY

While increasing revenue by growing a department's internal revenue management capacity can be very effective, it has its limitations. This option comes with a hefty price tag involving the time and expense to recruit, hire, and train the staff needed to build the increased capacity. There are also additional costs of the salaries, benefits and pensions for additional staff.

But human resources aren't the only significant financial cost. Oftentimes local governments seeking to increase their internal revenue management capability will need to purchase new and expensive software, additional servers to run it on, costly software updates, and additional IT employees to run and manage the new software.

2 FIND A QUALIFIED PARTNER

A partner who can utilize external expertise and experience. Finding a qualified partner is usually the best option for local governments because it is by far the most efficient and cost-effective way to get the job done. The ideal partner will be able to hit the ground running and DO much or most of the work for a local government, but we'll discuss this more below.

HOW TO CHOOSE THE RIGHT REVENUE ENHANCEMENT PARTNER

Typically, when local governments start looking for the right partner to help them maximize their revenue, they are doing so with a particular need in mind. For example, a government may need help in implementing a new tax ordinance, administering various local taxes, or tracking down non-compliant businesses and individuals. It is understandable for a local government to consider searching for a partner to tackle its most pressing tax or revenue need in mind. **But doing so could be a mistake.**

Why? Because meaningful and effective revenue maximization efforts depend upon success in multiple areas. Each area requires different expertise and experience. When a chosen partner can only handle a single aspect of revenue maximization, a local government might need to engage with multiple partners to get all its tax and revenue support needs met. In the end, this can lead to inefficient use of time and money, e.g., additional contracting time and costs, additional onboarding time, building and maintaining multiple partner relationships, etc.



The ideal partner should be able to help a local government with ALL ASPECTS of revenue enhancement and administration, from drafting or modifying tax ordinances, to identifying non-compliant businesses, collecting and processing revenues, and even taxpayer education.

The ideal revenue partner should be a high-level strategic consultant and expert able to **do the implementation work** that is critical to maximizing revenue. A partner who only provides strategic advice or research often does not have the capability to “do the work” it takes to actually bring revenue into the government’s coffers. This puts the burden, time and expense of doing the work back to the local government.

For example, an overworked and understaffed local revenue office might engage an outside partner to help it track down businesses that are operating within the jurisdiction but are not properly filing and paying taxes.

After weeks of research, the partner returns a compiled list and says, essentially, “Here are the companies we think you should look into further.” But, if the local government does not have the staff and time to further investigate these businesses, the list that is generated is of little to no help. **The ideal partner** would be able to both locate the potentially non-compliant businesses **and** actually investigate and help bring in the revenue.

Finally, it is especially important that the ideal partner have expertise to assist with each of the four core revenue functions.

FOUR CORE REVENUE FUNCTIONS THAT DRIVE REVENUE MAXIMIZATION FOR LOCAL GOVERNMENT

There are four key revenue functions in local government that maximize revenue and make up the lifecycle of effective tax management.



TAX ADMINISTRATION

This is the routine but critical processing of all the tax and fee payments a local government gets from sales and use, business licenses, lodging, alcohol, tobacco, and other locally collected taxes.



COMPLIANCE AUDITING

This is when taxpayers are on the tax rolls and are filing and paying taxes, but they may not be reporting everything they should be reporting. By finding irregularities, a local government prevents gaps in its community's resources.



DISCOVERY AND RECOVERY

This process identifies business that are not adequately registered to perform business within the jurisdiction.



DATA & ANALYTICS

A local government should be able to review the data it has from its many transactions to identify patterns, plan for the future, and identify additional revenue opportunities.



EXPERIENCE THAT MATTERS

AVENU HAS EXPERTISE IN ALL FOUR CORE REVENUE FUNCTIONS

Avenu has deep expertise and experience in each of the revenue function areas that are critical to maximize revenue.

Tax Administration

Today's citizens expect more from the digital platforms they use. That's why Avenu works with government clients to create comprehensive software solutions that boost efficiency for governments and the communities they serve. Backed by nationwide experience and a dedicated support team, Avenu's administrative software solutions streamline day-to-day operations, driving real results for government officials across a wide array of service areas.



Compliance Auditing

Avenu employs a nationwide team of certified examiners and accountants whose region-specific expertise has uncovered millions in underreported taxes. We dive deep into local ordinances, regulations, statutes, and laws to uncover every opportunity for growth. Where we find irregularities, we also provide best practices and education to prevent future errors. With constant monitoring, examining, and correcting, Avenu ensures ongoing and level compliance across your community.

Discovery & Recovery

Avenu secures millions of dollars in escaped taxes and licenses for clients every year. With our help, local governments can simplify the process of discovering and recovering every possible tax revenue opportunity. Our team of experienced analysts identifies compliance issues, provides detailed reporting, and recovers lost taxes and licenses on a government's behalf. And because our approach is performance-based, clients only pay once funds are successfully recovered.



Data & Analytics

Avenu combines decades of national and regional experience with advanced software to deliver a precise snapshot of where you are today — so you can make more informed decisions about where you'll be tomorrow. Reduce budgetary risk with data-driven forecasting. View detailed analyses of your current sales tax composition, fluctuations, and performance. Avenu provides a comprehensive range of revenue information and insights.

Avenu's services combine software, deep expertise, and process engineering across the entire tax management ecosystem to maximize revenue for local governments.

Some potential partners may have great investigative findings and make excellent recommendations. But many of them do not have the ability or expertise to execute upon those findings. Thus, the understaffed local government is often unable to do anything useful with the engagement. **Local governments do not need reports, they need revenue.**

Avenu will always be able to assist with the implementation of its recommendations. We are not just consultants, but implementors. We do the legwork that gets dollars in the door!

A TYPICAL ENGAGEMENT WITH AVENU

The typical engagement with Avenu begins when a local government identifies an area of inconsistency or experiences a need to grow revenues to meet budget demands. But the engagement often expands from there. We'll explore why in a bit.

What are the most common reasons local governments engage Avenu?

1 ANTIQUATED REVENUE COLLECTION PROCESS.

Many times, governments approach Avenu for help in updating their revenue collection process. Often, they are using outdated technology (or even a manual process) and need help implementing a more streamlined and up-to-date process.

2 NEW TAX TO ADMINISTER, BUT NO RESOURCES TO IMPLEMENT IT.

Sometimes local governments pass new laws or ordinances to increase revenue, but don't possess the necessary resources to quickly or effectively get it done. Local governments will engage Avenu to provide expertise and best practices in helping them create the best systems to implement the new tax. Or they will engage us to completely administer the tax for them.

3 INSUFFICIENT COMPLIANCE STAFF.

Because local government tax departments are often short staffed, they often do not have enough capacity to investigate and enforce noncompliance in all areas. By partnering with Avenu, local governments augment their capabilities, experience a more strategic approach, and increase revenue.

4 LACK OF DATA INSIGHT.

By partnering with Avenu, a local government augments its investigative and enforcement capabilities and maximizes revenue. Avenu uses data analytics to identify and collect revenue from citizens and businesses that aren't paying required taxes and fees.

This list is far from exclusive, but these four are certainly the most common.



HOW AND WHY A TYPICAL ENGAGEMENT WITH AVENU EXPANDS

While a typical engagement with Avenu often starts with one of the above scenarios, it often expands.

Why? Simple.

Because Avenu delivers.

Once we deliver impressive results on the first project, our clients begin to develop trust and become more open to asking for assistance in other revenue management areas they know or suspect might be improved.

Our local government client ends up having a single trusted expert partner who can seamlessly assist them with every aspect of its revenue management from helping with the creation and strengthening of local tax ordinances all the way to collecting the revenue.

1
PARTNER & **1**
RELATIONSHIP
=

All of your local government's
revenue support needs met.



WHAT PARTNERING WITH AVENU LOOKS & FEELS LIKE FROM A LOCAL GOVERNMENT'S PERSPECTIVE

One of the main questions we get is, "How much of our already limited time and bandwidth is going to be needed to complete this project?"

This is a reasonable question. After all, you want a partner to help you solve your problems, not add more to your department's workload.

When a government engages Avenu, the engagement is not time and resource intrusive for the government. Typically, Avenu is doing most of the needed work and the local government is mainly engaged at the level of strategic planning and oversight.

Obviously, a certain minimum amount of a local government's time is necessary to kick off and oversee the project. But we see our job as taking pressure off a local government's overworked tax department and do everything we reasonably can to minimize the project's impact on the department.



WE MEET THE REAL NEEDS OF INDIVIDUAL LOCAL GOVERNMENTS

There are many advantages of choosing a revenue enhancement partner that can meet all of the local government's tax support needs. And Avenu is uniquely suited to be that partner for your local government.

Avenu can help in every area of local government revenue management, but understands that not every local government we work with needs or wants help in every area of revenue management. Avenu designs and builds each engagement around the specific needs of the local government we are serving.

So, every package of services Avenu builds for a local government is customized and based on the local government's specific needs. We do not offer any one-size-fits-all revenue enhancement services.

WHAT DOES IT COST A LOCAL GOVERNMENT TO ENGAGE AVENU?

The cost to a local government to engage Avenu varies. It depends on the type of engagement as well as local law. Sometimes our engagements are **self-funding**. This means that the additional revenue local governments bring in as a result of engaging Avenu more than offsets Avenu's fees. Sometimes our engagements are on a time and materials basis. Sometimes our engagements are a combination of self-funding and time and materials.

Most importantly, we are always able to fit the cost structure to the needs of the client and in compliance with the client's local and state laws.

BENEFITS OF WORKING WITH A REVENUE ENHANCEMENT PARTNER WITH REGIONAL AND NATIONAL EXPERIENCE (BUT A LOCAL GOVERNMENT FOCUS)

As a leading provider in State and Local government solutions, Avenu has partnered with over 3,000 State and Local governments to boost revenue, optimize operations, and reduce costs.

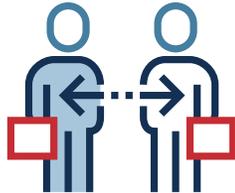
The benefit of bringing in an outside partner like Avenu is that you gain a level of nationwide experience across **all** the local governments we've worked with in your region and throughout the country. We augment your experience with an outside perspective and help implement the best practices we've seen from many different local governments.

No matter what revenue management situation your local government is dealing with, we've experienced it.



HOW TAXPAYERS BENEFIT WHEN THEIR LOCAL GOVERNMENTS WORK WITH AVENU

When a local government partners with Avenu, its constituents typically receive more responsive services. Avenu becomes a natural extension of our client's services. The local business community tends to appreciate the more streamlined (and time-saving) tax administration Avenu often introduces. For example, portals that allow online filing are both a convenience to the business community and reduce the government's manual processing time.



IS AVENU RIGHT FOR YOUR LOCAL GOVERNMENT?

By engaging Avenu, you are working with a trusted partner that can **help your local government with all aspects of revenue administration**. We can help with ordinance drafting all the way to the collection of delinquent accounts.

Are you ready to explore if partnering with Avenu is right for your local government?

Contact us today at succeed@avenuinsights.com.

