

AI FOR FINANCE OFFICERS

PRACTICAL USES, THE RISKS, AND BEST PRACTICES



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SURVEY

AI Mode

All

Short videos

News

Forums

Images

Shopping

More

Tools

AI Overview

City clerks in Minnesota are highly regarded professionals, often considered the backbone of local government for their role in managing records, elections, and administration. With increasing professionalization since the 1970s, many hold certifications from organizations like the [MCFOA](#) or International Institute of Municipal Clerks (IIMC), highlighting their dedication and expertise.

Key Aspects of Minnesota City Clerks:

- Versatility and Impact:** They often "wear many hats," managing tasks ranging from licensing and records management to HR, finance, and city elections.
- Essential Leadership:** Particularly in smaller cities, they may act as the chief administrative officer, managing day-to-day operations.

Show more

History of the Organization - MCFOA

Professionalism by the Clerks in Minnesota has increased dramatically since the early 1970's, with many clerks having...

MCFOA

What Does a City Clerk Do? (With Skills, Education and More) - Indeed

Dec 10, 2025 — City clerks are an integral part of local governments in cities and towns of any...

Indeed

LEAGUE OF MINNESOTA CITIES

4



1. Understand the major types of AI and how they work.
2. Identify practical AI applications for municipal finance.
3. Recognize legal and ethical considerations unique to Minnesota cities.
4. Understand cybersecurity and data privacy risks.
5. Develop best practices for responsible AI use in their organizations

OBLIGATORY WHAT IS AI SLIDE

- AI is remarkably efficient at processing data
- AI is a computer software
- AI 'tries' to 'help' by accessing as much as it can.

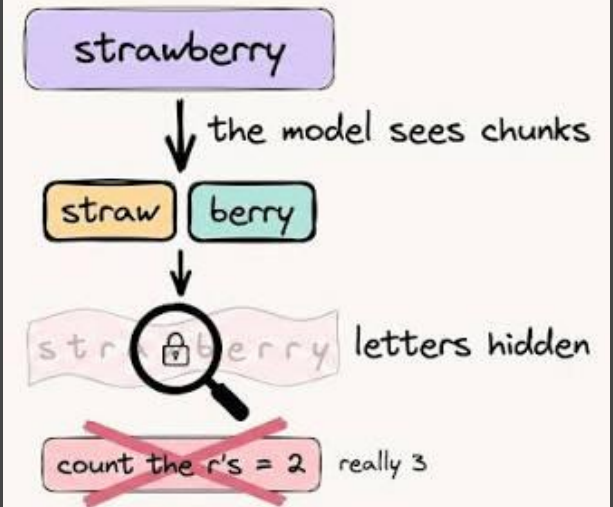
Characters
30

strawberry dipped in chocolate

Tokens
6

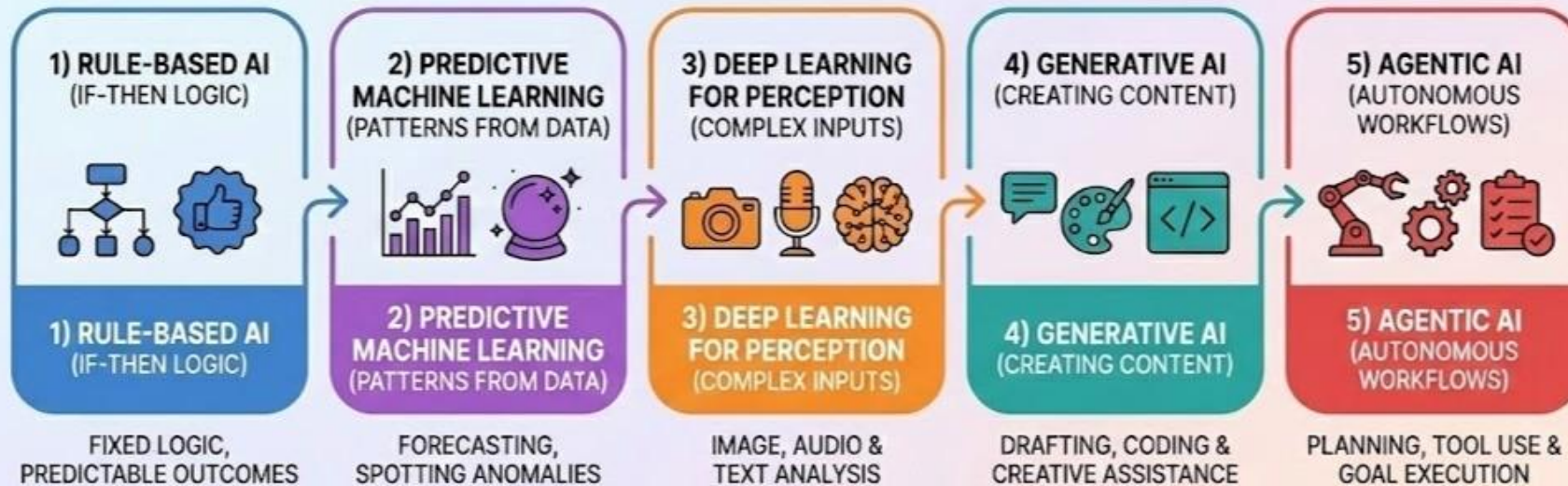
[301, 1831, 8396, 35300, 287, 11311]

Why can't AI count
the letters in
strawberry?



WHAT IS AI...AND WHERE IT BELONGS

5 MAIN TYPES OF ARTIFICIAL INTELLIGENCE: A PRACTICAL GUIDE FOR 2026 & BEYOND

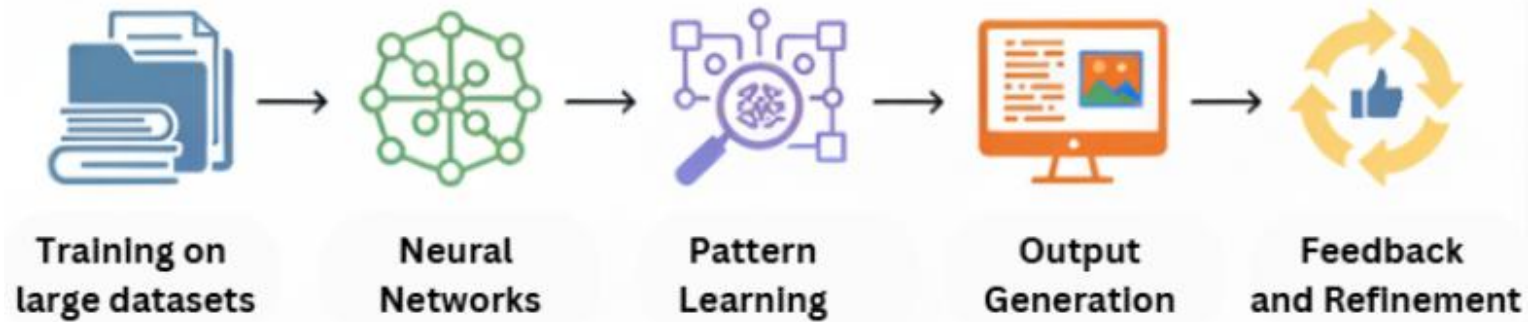


UNDERSTAND THE BUCKETS TO BUILD THE RIGHT TOOLS.

Based on 2026 Trends

GENERATIVE AI

How does Generative AI work?



Source: CodeAcademy

“

**The real power of AI isn't replacing your thinking
– it's eliminating the parts of your workflow that
were never worth your brain in the first place.**

- Aayushi Parmar (AI/UI Designer)

”



AI-Powered Public Finance

How can AI streamline processes while enhancing the capabilities of systems and services?

AI is a Game-Changer for Governments

70%

of the modernization costs faced by Governments will be reduced thanks to GenAI tools by 2027.

of Governments will use AI to enhance human administrative decision making by 2026.

[Read more >](#)

75%

of employees use AI at work and 46% started less than 6 months ago.

[Read more >](#)

AI

services developed with responsible and ethical principles, and delivered in a cyber-secure environment, are key to both Central and Local Governments.

[Read more >](#)

WHERE AI CAN ACTUALLY ADD VALUE

- Large amounts of text
- Repetitive drafting
- Comparing versions
- Converting information between formats
- Summarizing lengthy material
- Adapting content for different audiences
- Identifying patterns or inconsistencies
- Producing a starting point for professional review
- Responding to common inquiries
- Finding data within large libraries

GENERATIVE AI IS ONLY AS GOOD AS IT'S 'DRIVER'

Write a public hearing notice on the subject of cannabis use in public.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of Boberton will conduct a public hearing to receive comments from residents and members of the public regarding a proposed ordinance regulating the use and consumption of cannabis in public places within the City.

The proposed ordinance is intended to establish regulations concerning cannabis use and consumption in public places and to address the time, place, and manner in which cannabis may be used or consumed in areas open to the public, consistent with applicable state law.

Public Hearing

Date: [Day, Month, Date, Year]

Time: [Time]

Location: [Municipal Building/City Hall]

Address: [Street Address, City, State, ZIP]

The public hearing will provide an opportunity for interested persons to **review the proposed ordinance** and provide comments, concerns, or recommendations to the [City Council/Board] before consideration of the ordinance.

A copy of the proposed ordinance will be available for public inspection at City Hall, during regular business hours, and/or on the municipality's official website.

Written comments and **public votes** may be submitted prior to the hearing to:

[Clerk/Administrator's Name]

[Municipality Name]

[Mailing Address]

[Email Address]

All interested persons are encouraged to attend and be heard. Written and oral comments will be considered by the [City Council/Board] in its consideration of the proposed ordinance.

If you require reasonable accommodations to participate in the public hearing, please contact [Contact Name/Office] at [Phone Number] or [Email Address] at least [number] days before the hearing.

Dated: [Date]

[Name]

[City Clerk/Municipal Clerk]

[City/Township/Village] of [Name]

Using the following approved information, prepare a draft public hearing notice..."

CITY OF BOBERTON, MINNESOTA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Boberton, Minnesota, will conduct a public hearing on Tuesday, May 14, 2024, at 7:00 p.m. or thereafter at Boberton City Hall, located at 101 Bob Street S., Boberton, MN 12312.

The purpose of the public hearing is to hear from the public and consider an ordinance that would regulate cannabis and cannabis-derived products in public places within the City of Mora.

Interested parties are encouraged to attend the meeting in person. Written comments may be emailed to n.segelstrom@cityofmora.com or sent via mail to:

Boberton City Hall
101 Bob Street South
Boberton, Minnesota 12312

Comments received prior to May 9, 2024, will be included in the meeting packet, while comments received after that date will be shared at the meeting.

Both oral and written testimony from the public will be considered at the time of the meeting.

Bob Boberton
City Clerk
City of Boberton

	Individual Scope	Enterprise Scope
Lower Sophistication	1) Individual Productivity: AI as a Better Assistant	2) Process Automation: AI as an Automation Layer
Higher Sophistication	3) Augmented Finance Work: AI as a Thought Partner & Analyst	4) Decision Intelligence & Agentic Finance: AI as a Strategic Copilot

AI POSSIBILITIES FOR MUNICIPAL FINANCE



AI SUPPORTING FINANCIAL MANAGEMENT AND ACCOUNTING SYSTEMS

- Your software may have AI components without being explicitly labeled.
- CTAS does not currently feature built-in artificial intelligence.
- Layering AI tools or integrating new financial systems.

AI IN PUBLIC FINANCE

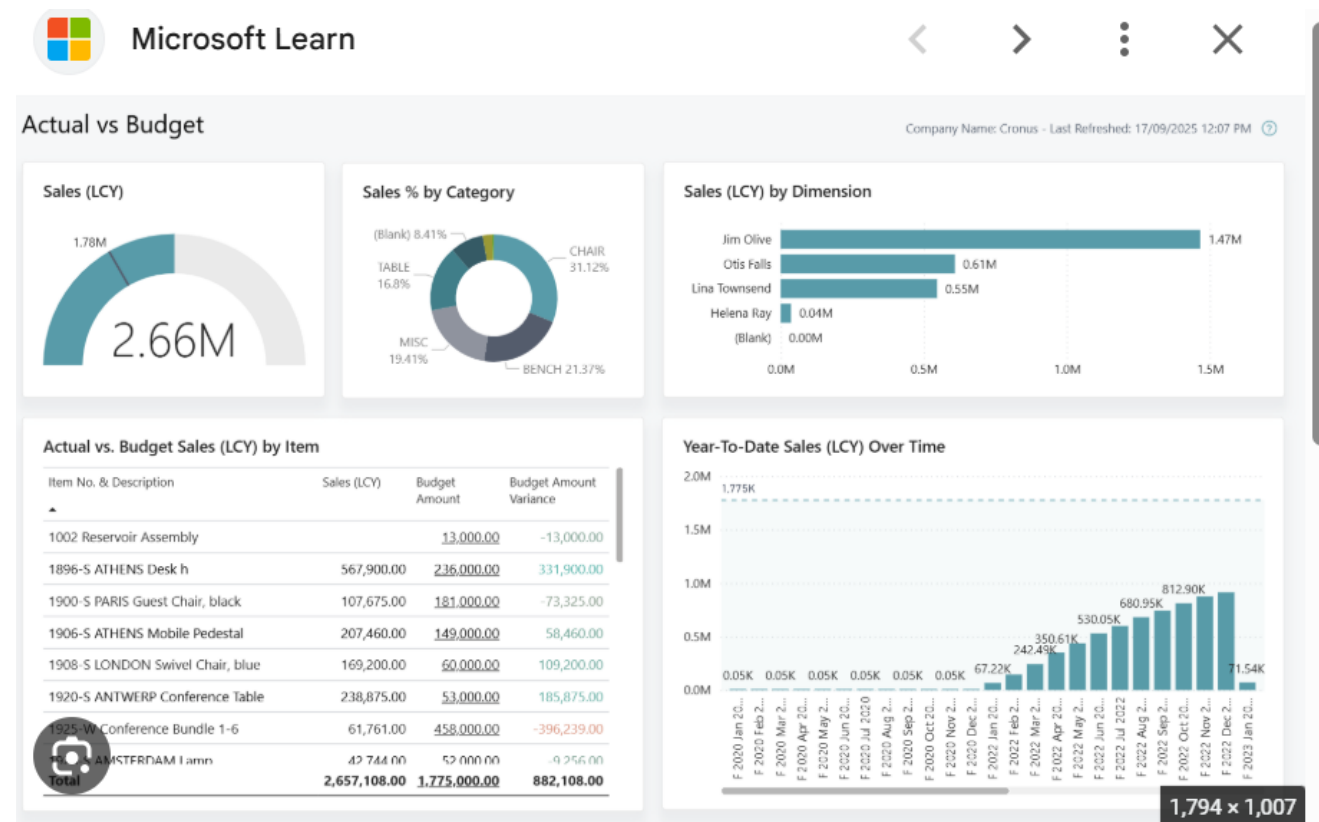
- Improving forecasting – predictive capacities
- Facilitating spending and budgeting decisions
- Risk and compliance management, fraud prevention
- Automating finance management, reporting and oversight



The advertisement features the Microsoft logo at the top left. The main headline reads "Microsoft AI reshapes Public Finance" in a large, bold, sans-serif font. Below this, a sub-headline states: "Learn how AI simplifies taxpayer experiences and mitigate fraud and corruption." At the bottom left, there is a dark blue button with the text "Download now" in white. On the right side of the advertisement, a woman with short dark hair, wearing a light blue blazer, is holding a silver Microsoft Surface tablet and looking off to the side.

FINANCE APPLICATION #1 IMPROVING FORECASTING

- Predictive revenue modeling
- Advanced data analytics
- Real-time analytics and visuals



FINANCE APPLICATION #2: FACILITATING SPENDING AND BUDGETING DECISIONS



FINANCE APPLICATION #3: RISK AND COMPLIANCE MANAGEMENT, FRAUD PREVENTION

- Anomaly and fraud detection
- Some systems advertise for compliance checks against statutory and other reporting requirements.
- Analysis of criminal wiretaps.

FINANCIAL APPLICATION #4: AUTOMATING FINANCE MANAGEMENT, REPORTING AND OVERSIGHT



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AI CAPABILITIES

It can:

- Produce a first draft
- Organize information
- Suggest alternatives
- Find apparent inconsistencies
- Transform information
- Ask questions you may not have considered

But it:

- Doesn't know your city's history
- Doesn't understand institutional context unless you provide it
- Doesn't know which details matter
- Doesn't assume responsibility
- May confidently invent information

RISKS AND CAUTION AREAS



LEGAL AREAS TO BE AWARE OF

Minnesota Government Data Practices Act (MGDPA) – Chapter 13 of Minnesota Statutes.

- What's a government record?
- Data classifications
- Data security
- Responsible authority duties

Intellectual Property

- Ongoing litigation
- “human” versus “computer” or “machine” as creator

Liability

- Who is responsible when AI generated information or content is inaccurate, incorrect, or causes damage or harm?

ATTORNEY-CLIENT PRIVILEGE



ETHICAL CONSIDERATIONS

- Transparency
- Accountability
- Bias
- Fairness
- Public trust



I CAN, BUT SHOULD I?

Possible legal or authorized use	Improper outcome
You tell AI your personal feelings about a co-worker and then ask the system to summarize a recent email from the same co-worker.	The email may be interpreted to read more maliciously than intended and could cause further mistrust.
The city council asks for you to draft recommendations on a proposed policy matter and you ask AI to write them.	Recommendations may not reflect the true needs of the community, the history of the policy issue, and the position of the council.
Your city is hiring for a street maintenance employee and you ask AI to screen all of the resumes submitted (with non-public data redacted).	The system may assess based on integrated hiring biases.
The City EDA has received a few loan program applications from local businesses and you ask AI to help you choose the best option that will most significantly contribute to the local economy.	Again, this assessment requires human review.

ETHICAL CONSIDERATIONS



Guidelines

- If you're spending more time drafting a prompt than it would take to perform the task, you may be sharing too much.
- If it feels like you're "cheating" or taking shortcuts that may compromise governmental decision making, you may be sharing too much.
- If your input identifies yourself or anyone else, you're probably sharing too much.
- If the input would be damaging to yourself as a city official or the city organization, you may be sharing too much.

AI GOVERNANCE

- Policy! Policy! Policy!

Topics to include:

- Acceptable uses
- Prohibited uses
- Approval process
- Documentation
- Review requirements
- Staff training

HUMAN JUDGMENT IS NOT OPTIONAL!

AI = Your Assistant

Treasurer/Finance
Officer = Accountable
Authority

Attorney = Legal
Review

Treasurer's Duties under 412.141

- Receive and safely keep all moneys belonging to the city
- Keep an account of all moneys received and disbursed
- Pay out money upon written order of mayor and clerk
- File certain reports

BEST PRACTICES CHECKLIST

- ☐ Create, adopt and implement an AI Policy
- ☐ Never input
 - ☐ Private data (social security numbers, personnel records, attorney-client privileged material, etc.)
- ☐ Always verify outputs
- ☐ Consult city partners early!

INTRODUCING AI IN YOUR CITY OFFICE



QUESTIONS?

LEAGUE RESOURCES RELATED TO AI

- Cities and Artificial Intelligence (AI) What You Should Know:
<https://www.lmc.org/resources/cities-and-artificial-intelligence-ai-what-you-should-know/>
 - LMC Computer Use Model Policy linked at the bottom of this article.
- Minnesota Cities Magazine Article: Shaping the Future of AI in Your City:
<https://www.lmc.org/news-publications/magazine/may-jun-2024/ai-in-your-city/>