



Expenditure/Expense Policy

I. Authority

The Fort Worth City Council is responsible for legislation, policy formulation, and setting the overall direction of government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth (“City”). The City Manager is responsible for carrying out the policy directives of the City Council and managing the day-to-day operations of the executive departments, including the Financial Management Services Department (“FMS”). This policy shall be administered on behalf of the City Manager by the Chief Financial Officer/Director of FMS (“CFO”).

II. Purpose

This policy is intended to establish guidelines for the management of certain City expenditures/expenses in order to ensure fiscal stability and the effective and efficient delivery of services. Through the identification of necessary services and the establishment of appropriate service levels, Departments are responsible for the careful administration of the expenditure/expense of available resources.

III. Applicability and Scope

This policy shall apply to all funds under the budgetary and fiscal control of the City Manager and the Mayor and City Council.

IV. Glossary

See definitions related to this policy provided in the Glossary for Financial Management Policy Statements

V. Policy

A. Current Funding Basis

The City shall operate on a current funding basis. Expenditures/expenses shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance/net position accumulated through prior year savings. (The Fund Balance/Net Position Policy Statements shall guide the use of reserves.)

B. Avoidance of Operating Deficits

The City shall take immediate corrective actions if at any time during the fiscal year



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expenditure/expense and revenue re-estimates are such that an operating deficit (i.e., projected expenditures/expenses in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure/expense reductions, fee increases, or use of fund balance/net position within the Fund Balance/Net Position Policy Statements. Expenditure/expense deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall strive to maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue service levels.

D. Periodic Program Reviews

The City Manager shall strive to undertake periodic reviews of City programs for both efficiency and effectiveness. As appropriate, the privatization and contracting of services with other governmental agencies or private entities will be evaluated as alternative approaches to service delivery. Programs that are determined to be inefficient and/or ineffective shall be redesigned, reduced in scope, or eliminated.

E. Purchasing

The City shall conduct its purchasing and procurement functions efficiently and effectively, fully complying with applicable State laws and City ordinances. Staff shall make every effort to maximize discounts and capitalize on savings available through competitive bidding and “best value” purchasing.