



## Expenditure/~~Expense~~ Policy

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### I. Authority

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

### 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 and~~ careful administration of the expenditure/~~expense~~ of available resources.

### III. 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 appendix.

### 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~~~~fund balance~~.)

#### 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.

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