

# Mayor and Council Communication

**DATE:** 09/16/25

**M&C FILE NUMBER:** M&C 25-0837

**LOG NAME:** 13FY26 FMPS

## **SUBJECT**

(ALL) Adopt the Updated Financial Management Policy Statements for Fiscal Year 2026 with No Significant Changes to Existing Policies

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## **RECOMMENDATION:**

It is recommended that the City Council adopt the attached updated Financial Management Policy Statements for Fiscal Year 2026 with no significant changes to existing policies.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to adopt updated Financial Management Policy Statements (FMPS) for Fiscal Year (FY) 2026, effective October 1, 2025.

The FMPS provide the foundation for strong fiscal management by providing guidance on consistent practices ensuring both short-term and long-term financial success for the City of Fort Worth.

The FMPS contain sections which provide policy-level guidance on such topics as revenues, expenditures, reserves, debt management, inter-fund loans, investments, grants, capital assets, accounting, auditing, financial reporting and internal controls. Each topic comprises its own section of the overall policy document and is reviewed and recommended for update from time to time.

The FMPS were initially adopted by the Mayor and City Council on January 15, 1994 and have been subject to annual review and revision since that time. Adoption of the FMPS comes under the auspices of the City's Charter, which outlines the need to adopt policies to administer and safeguard the City's financial resources.

The adoption of revised policies is intended to replace/supersede all previously adopted financial management policies.

Additions and updates to the FMPS for FY2026 provide standards ensuring best practices per the most current guidance from the Office of Management and Budget (OMB), the Governmental Accounting Standards Board (GASB), and Generally Accepted Accounting Principles (GAAP).

In addition to the minor subject-specific changes noted below, each FMPS has been reviewed and edited for grammatical and formatting corrections and general wording changes and corrections for clarity and consistency. Additionally, a standard Revision History section has been added to every FMPS chapter to improve transparency and traceability of changes.

A summary of notable section updates is provided below:

### **Section I – Revenue**

- Added cash and investments to administrative areas offset by governmental fund investment income.

### **Section V - Debt**

- The Debt Monitoring Policy has been merged into the broader Debt Policy with no substantive changes to existing debt management or monitoring provisions.

### **Section XV - Lease Policy**

- Retitled from "GASB 87 Policy" to "Lease Policy" to reflect ongoing applicability beyond initial implementation guidance.

### **Section XVI - Sponsorship Policy**

- Clarifies payment method for sponsorships and approval process for sponsorships undertaken by elected officials.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies approval of this recommendation will have no material effect on City Funds.

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Expedited