

Mayor and Council Communication

DATE: 08/24/21

M&C FILE NUMBER: M&C 21-0591

LOG NAME: 13ADOPTFMPSFY2022

SUBJECT

(ALL) Adopt Updated Financial Management Policy Statements for Fiscal Year 2022

RECOMMENDATION:

It is recommended that the City Council adopt the attached updated Financial Management Policy Statements for Fiscal Year 2022.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to adopt updated Financial Management Policy Statements (FMPS) for Fiscal Year (FY) 2022, effective October 1, 2021. 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 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 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 adoption of the revised policies is intended to replace/supersede all previously adopted financial policies.

The updates to the FMPS for FY2022 are providing changes 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).

The proposed changes to the FMPS for Fiscal Year 2022 include the following:

Grants Policy

Section V.C: Grant Management

Item 8: Addition of a requirement for timecard comments affirming allowable work efforts being charged to the grant.

Donations Policy

Section V: Policy

Donations of Cash and Real Goods: Addition of language to limit the length of time donations can be unencumbered and unspent before being deposited to the department's operating fund.

A red line of entire FMPS, which includes mark up in each revised policy statement, accompanies this M&C along with a clean copy of the entire document, including the proposed changes.

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

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