



PENALTY AND INTEREST WAIVER 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 to define the request process, establish criteria and limitations, and grant approval authority to authorized personnel for penalty and interest waivers. The procedures related to penalty and interest waiver processes adopted by the Departments subject to this policy must be in conformance with this regulation.

III. Scope

This policy shall apply to all penalty and interest waiver requests under the budgetary and fiscal control of the City Manager and the Mayor and City Council. This policy excludes accounts where an alternative waiver approval has been defined by law, ordinance, resolution, contract, or approved by the City Council.

IV. Glossary

Approving Official – The Department Director or Department Director designee authorized to approve a waiver of penalties and interest.

Reasonable Cause - Reason(s) to qualify for penalty relief determined on a case by case basis considering all the facts and circumstances.

V. Policy

A. Waiver of Penalty or Interest

A total or partial waiver can be granted as a courtesy once every two years. Each request to reduce or waive the payment of a penalty and/or interest must be made in writing to the appropriate City Department accompanied by:



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- (1) A written explanation of the facts and conditions why reasonable cause exists.
- (2) Supporting documentation.

The individual or business bears the burden of establishing reasonable cause. Each request will be evaluated on its own merits by the Department Approving Official. A waiver of penalty and interest waiver does not waive the underlying amount due.

If the underlying amount due for which a waiver is requested resulted in outsourcing collection of the underlying amount due to a third-party collector, the individual/business will not be considered for a waiver associated with the amount sent to the third-party collector.

B. Authorization

The Department Director is ultimately accountable for approving and effecting a waiver of penalties and/or interest. The Department Director may assign this responsibility to a designee of his or her choosing but the Department Director retains ultimate accountability for waivers of penalties and/or interest associated with all cost centers within their department rollup.

All City Departments are required to submit a list of those authorized within their department each year to the Financial Management Services Department in connection with the annual financial close process. Submission instruction will be provided in the annual financial close memo.

The Approving Official may approve a total or partial penalty and/or interest waiver request. Any reduction or waiver in penalty and/or interest is at the sole discretion of the Approving Official based upon the delinquency status, compliance history, payment record, filing history, and circumstances resulting in the assessment of penalty.

C. Limitations

Where the above criteria are met, Department Directors or Approving Officials have the authority to reduce or waive up to 60 days of penalty and/or interest.

Waivers of penalties and/or interest over \$100,000 requires City Council approval.

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VI. Revision History

Changes	M&C Reference	Date
Initial policy adoption	M&C 23-0842	9/26/2023
Replaced the incorrect version of this policy that was inadvertently attached to M&C 23-0842	M&C 23-0849	10/17/2023