

Corporate Policy

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Section:	Financial Services	05
Sub-Section:	Financial Planning	1700
Title:	Budget Expenditure Control	01

Related Policies

Number	Title

Approvals

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Budget Expenditure Control

This policy assists in formalizing a defined and transparent process for requesting one-time and ongoing capital funding that exceeds the approved budget.

Purpose

Annually, budgets are prepared by staff and approved by Council for capital and operating projects. The project budgets are developed with the best information at the time of submission, but sometimes there are unknown factors or desired enhancements that affect the final costing.

During any given year, requests are made for capital funding exceeding the approved budget as a result of new information or realignment of priorities; it is imperative that the long-term impact of these requests be understood and addressed prior to funds being expended. Should spending be contemplated that exceeds the approved budget proposed at any time during the year, approval must be requested and obtained before the expenditure is made.

It is beneficial for the City to keep projects moving and on time, and not hold up projects unnecessarily where possible. The policy is intended to streamline processes around financial approval for capital and operating project over expenditures. To this end, amounts below a certain threshold are delegated by Council to staff to approve and report to Council for information. The more significant overages above the thresholds noted below will be referred to Council for approval.

Definitions

Capital – includes capital and operating projects that form the capital budget.

Over Budget – a project that has been budgeted for, but which is anticipated to exceed the approved budget.

Budget Transfers – transfers of funds in Departmental budgets managed by a single General Manager that are contained in the same fund.

Procedures

General Managers are responsible for ensuring departmental budgets under their authority are not over-expended and that expenditures are in accordance with the capital budget approved by Council. Managers are not authorized to exceed capital budgets without first obtaining the approvals contained in this policy.

The Financial Services Division is responsible for:

- ensuring that accurate and timely reporting of revenues and expenditures is made available to departments on a monthly basis;
- ensuring Council is updated on the progress of capital projects on a quarterly basis; and
- ensuring compliance with this policy.

Budget transfers are not permitted unless in the event of emergency, significant unforeseen events, or where a need can be demonstrated.

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Approval is to be obtained prior to financial commitments being made that exceed the budget base on the thresholds noted below.

In the event a departmental budget will exceed the allowable thresholds (below):

- the Manager responsible for the project will obtain approval from the General Manager of the Department;
- the General Manager will then submit a brief report to the General Manager of Finance and Technology of the anticipated problem as soon as possible;
- the General Manager of Finance and Technology will consider all relevant factors including the availability of funding and the status of the capital expenditures within the Financial Plan Bylaw;
- the General Manager of Finance and Technology will then make a decision on whether this policy will apply;
- if the amount exceeds the General Manager of Finance and Technology's threshold below, the Manager responsible will be required to obtain approval from the City Manager; and
- if this policy is deemed not applicable, the department will be directed to write a report to Council requesting the budget transfer accordingly.

All budget transfers performed under this policy are to be reported by the General Manager of Finance and Technology to the Finance Committee as soon as possible.

Any budget transfers in excess of the thresholds indicated below are to be approved in advance in the form of a report to Council by the Department.

Thresholds

The City's threshold levels are set as follows:

Approver	Threshold \$
General Manager of Finance and Technology	Up to \$5,000
City Manager	Up to \$10,000
Council	Over \$10,000

Monitoring/Authority

Each department General Manager is responsible for ensuring adherence to the policy.