

		Unbudgeted Expenditure Policy		Policy #3.0.05	
Department Owner:		Finance			
Policy Applies To:		Administration			
Date Created:		August 7, 2019	Date Approved By Council:		September 9, 2019
Version #:		1.0	Resolution #:		#19-134
Last Review Date:		Aug 12, 2019	Policy(ies) Replaced/Rescinded:		GA 06-01

Intent:

To allow for some variance from budget within strict guidelines to provide guidelines and authorization from Council for Administration to implement budget changes in a responsible and timely manner.

Policy:

1. The Town of Claresholm prepares an Operating and Capital Budget Annually. Council in accordance with Section 242(1) and 245 of the Municipal Government Act formally adopt these budgets.
2. These budgets are estimated revenues and expenditures for the year and may not reflect actual revenues and expenditures.
3. Each Program/Department Manager is responsible for carrying out the mandate of the Department within its approved Operating and Capital Budgets. Managers have the flexibility to operate within their respective Department's budget with the understanding that individual line items may vary from budget. In these instances, an under expenditure of one line item will be offset by an over expenditure of another line item. No physical change of the budget should be made.
4. A Program/Department Manager may request a budget reallocation within their department, or interdepartmentally, for an anticipated over/under revenue or expenditure. These reallocations are limited to under \$25,000 per occurrence for operating expenditures where there is no service level change. They require review by the Director of Corporate Services and approval of the CAO.
5. Budget reallocations may include an increase to one expense budget line item being offset by a decrease to another expense budget line item. It could also be an increase to one expense budget line item that is being offset by an increase to a revenue budget line item (i.e. additional fundraising to offset the expenditure).
6. Budget reallocations for amounts greater than \$25,000, where there is a change in service level, or for Capital expenditures must go to Council for approval.
7. All Budget reallocations must be documented and approved using the attached form (Appendix "A") and will result in a physical change to the budget documented in the financial software.
8. Non-compensating over budget expenditures (i.e. where there is no offset from another

line item in the budget) may be authorized by the CAO to a maximum of 10% over the line item budget on a single transaction (operating or capital budget). This is for the purpose of expediting contract or purchase approvals for slight variances from budget. Any such approval will still use the attached form (Appendix A) and Council will be notified subsequent to approval by the next regular Council meeting.

9. All other non-compensating budget adjustments or over budget expenditures must go to Council for approval.
10. In all cases of emergency in which there is danger to life, or where property must be protected, the CAO may approve the expenditure immediately, then report to the appropriate approving authority as outlined above.

APPENDIX "A"

REQUESTING REALLOCATION OF BUDGET OR EXPENDITURES OUTSIDE OF BUDGET

Program/Department: _____

Account Number & Description: _____

Amount (Excluding GST): _____

Check One:

Budget Reallocation: _____

Out of Budget (Reserve Funded): _____

Offsetting Account Number & Description: _____

OR

Reserve Fund Account _____

Description of Project/Expense: _____

Program/Department Head Name: _____

SIGNATURE: _____ **DATE:** _____

Dir. of Corp. Serv. Review: _____ **DATE:** _____

CAO Review/Approval: _____ **DATE:** _____

Council Motion Number (if applicable) _____ **DATE:** _____