



**VILLAGE OF BELCARRA**  
**CORPORATE POLICY NO. 195**



## **Title: Financial Plan – Amendment, Monitoring and Control**

<b>ISSUED BY:</b> CAO	<b>APPROVED BY:</b> COUNCIL	<b>DATE</b> : Feb 23, 2015
<b>REVISED BY:</b>	<b>APPROVED BY:</b>	<b>DATE</b> :

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### **Legislative Basis**

The Community Charter authorizes that a municipality may establish policies and procedures relative to its financial plan administration and fund management.

### **Purpose**

The purpose of this policy is to provide requirements for the amendment, monitoring, and control of the Financial Plan.

### **Policy**

- 1. Budget Control - Operating Budget:** Actual expenses may vary from the detailed line item budgets supporting the approved Financial Plan provided that:
  - Actual net expenses (i.e. revenues less expenses) for each Fund (General, Recycling & Refuse and Water) will not exceed budgeted net expenses for each Fund. For the purpose of this calculation expenses and revenues do not include:
    - Non-cash items like amortization, gain or loss on disposal of assets, or contributed tangible capital assets, etc.,
    - Revenues budgeted to be transferred to reserves or surplus and for debt principal repayment as the related use of funds (i.e. transfers and debt principal repayment) are not an expense, and
    - Expenses budgeted to be funded from reserves or surplus as the related source of funds (i.e. transfers) are not revenues.
  - Expenses to be funded from reserves or surplus may exceed budget to a maximum of the lesser of \$10,000 or 20% of the budget value, provided that sufficient reserves or surplus is available to fund the additional expense.
  - To the extent funds permit, service levels contained in the approved budget are provided. Temporary changes in service levels may be made, but only on a test basis, permanent changes in service level must be approved by Council as part of the normal financial plan development process.
  - Available budgets are not used to fund new, on-going expenditures.
  - Available budgets from staff vacancies can only be reallocated for a purpose other than staffing, with approval of the Chief Administrative Officer (CAO).
  - Available budgets remaining from completion of a special project or one-time expenditure items, are not reallocated.

Council may approve exceptions to these requirements on their merits, providing funding sources are identified and made available as/if required.

**2. Budget Control - Capital Budget:** Actual capital project expenditures may vary from the budgets supporting the approved Financial Plan provided that:

- Actual expenditures for each Fund (General, Recycling & Refuse and Water) will not exceed budgeted expenditures for each Fund.
- Actual expenditures for each capital project shall not exceed budget by the greater of \$10,000 or 20% of the budget value.
- The scope of the capital projects contained in the Financial Plan will not be significantly changed.
- Available budgets are only used to fund new capital projects not contained in the approved Financial Plan details, to a value of \$15,000 with CAO approval, or for values greater than 15,000 with Council approval provided the budgeted available funding sources may be used for the new capital projects.

Council may approve exceptions to these requirements on their merits, providing funding sources are identified and made available as/if required.

**3. Financial Plan Bylaw Amendments:** An amendment is required if actual expenses, or capital expenditures, or transfers from reserves or surplus are expected to exceed the line item amounts as detailed in the currently approved Financial Plan.

### **Responsibilities**

1. The Financial Officer has overall responsibility to ensure compliance with this policy.
2. The Superintendent of Public Works has responsibility to monitor and manage financial performance to ensure compliance with this policy as it relates to the public works division net operating expenses and capital expenditures. The CAO must be notified as soon as the Superintendent of Public Works becomes aware that, despite best efforts, the public works division net operating expenses or total capital expenditures (considered for each Fund separately), are expected to exceed Financial Plan amounts.

### **Reports**

The Financial Officer will prepare a Report to Council, for periods ending June, September and December, comparing and analyzing the approved budget with actuals to date (Budget Variance Report). The report shall include a statement that the above Policy Statements have, or are anticipated to be, met.

### **Policy Review**

A review of this policy will be conducted each year as part of the Financial Plan development process.