

**Purpose:**

- 1 This policy establishes the authority levels and guidelines for budgeted revenues and expenditures.

**Policy Statement(s):**

- 2 Clearly defined authority levels for general managers and department heads must be established for the implementation and maintenance of revenue and budget controls. A consistent guideline for budgeted revenue and expenditures has been established for all departments of The City.
- 3 General Managers:
  - (1) General managers are authorized to re-allocate funds within their division provided that:
    - (a) service levels are not altered;
    - (b) new initiatives are not undertaken;
    - (c) re-allocations will not be made between General Operations and Utility/Self Supporting Funds; and
    - (d) re-allocations will not be made between individual Utility or Self Supporting Funds.
  - (2) Revenues projected to exceed budget by greater than \$5,000, cannot be expended by a department without approval of the City Manager unless used to offset additional expenses incurred to generate the revenue. The additional expenditures cannot be for additional permanent staffing or additional staffing contracted beyond the current fiscal year, unless approved by Council.
  - (3) If revenues exceed budget, department heads may, with the support of their General Manager, present a business case to the City Manager regarding an increase in service levels. The City Manager, if in agreement, may support a request to Council.
  - (4) General managers will advise the City Manager, in a timely manner, if it is projected that the total net budget of the directorate, including applicable departments, will be exceeded.
  - (5) The General Manager of Corporate Services, in cooperation with general managers and department heads, will prepare and submit budget variance reports to the City Manager on a regular basis. These reports will include comments and recommendations regarding the interpretation of this policy, and any need for amendments.
  - (6) The General Manager of Corporate Services may carry out internal and external audits on departments, as deemed necessary or prudent, with the full knowledge of the Department Head.
  - (7) General Managers will prepare annual division budgets, based on supportable projections, in a manner and time prescribed by the City Manager.
- 4 Department Heads:
  - (1) Department Heads will prepare annual departmental budgets, based on supportable projections, in a manner and time prescribed by the City Manager.
  - (2) Each department head will ensure that the approved net departmental budget is not exceeded, except as allowed by this policy.



- (3) Department heads are authorized to re-allocate funds between business units within their department provided that:
  - (a) service levels are not altered;
  - (b) new initiatives are not undertaken;
  - (c) re-allocations will not be made between General Operations and Utility/Self Supporting Funds; and
  - (d) re-allocations will not be made between individual Utility or Self Supporting Funds.
- (4) Revenues that are projected to exceed budget cannot be expended by a Department Head without approval of their General Manager. Revenues in excess of \$5,000 of budget can be approved by the General Manager to offset additional expenses incurred to generate the revenue. The additional expenditures cannot be for additional permanent staffing or additional staffing contracted beyond the current fiscal year.
- (5) Department heads will notify their General Manager and the General Manager of Corporate Services in a timely fashion if it is projected that the department budget target will be exceeded.

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### **References/Links**

- 1 PS-A-2.8 Financial Sustainability
- 2 EL-D-2.0 Financial Sustainability

### **Scope/Application**

- 1 This policy applies to all general managers and department heads.

### **Authority/Responsibility to Implement:**

- 1 General Manager of Corporate Services is responsible to ensure budgets are being followed by their departments.
- 2 Department Heads are responsible for notifying their General Managers and General Manager of Corporate Services of any necessary relocation of budgeted funds.
- 3 General managers shall notify the City Manager if revenues will exceed budget or if the total net budget will be exceeded.

### **Inquiries/Contact Person:**

- 1 General Manager of Corporate Services

### **Policy Monitoring and Evaluation**

- 1 This policy will be evaluated every two years with revisions made as required.



**Approval History:**

<b>Date:</b>	<b>Approved/Reviewed By:</b>	<b>Title:</b>
Approved: July 3, 1996		
Revised: August 11, 1997		
Revised: January 2001		
Revised: September 11, 2002	"Norbert Van Wyk"	City Manager
Revised: July 13, 2020	"Allan Seabrooke"	City Manager