



## Budget Management Policy

PREPARED BY:	Chief Financial Office	COUNCIL APPROVAL DATE:	January 26, 2021
EFFECTIVE DATE:	January 26, 2021		
REFERENCES:	Project Funding Policy C-FI002 Budget Contingency Policy C-FI003 Municipal Government Act	PREVIOUS REVISION DATE:	NEW
FUNCTION:	Finance	LS REVIEW DATE:	October 8, 2020

### PURPOSE

To establish the executive limitations and guidelines specific to the administration of Parkland County's approved budget to ensure effective means to deliver services for residents and to enforce accountability for the proper and prudent management of public funds.

### POLICY STATEMENT

Parkland County shall delegate authority over the approved budget in accordance with the standards set out in this policy.

### DEFINITIONS

1. "Budget amendment" refers to a mechanism used to revise the approved budget to reflect changes that occur throughout the fiscal year.
2. "Budget Adjustment" a revision to the approved budget to reflect changes that occur throughout the fiscal year.
3. "County" means the Municipality of Parkland County.

### SCOPE

This policy applies to all departments within Parkland County.

### STANDARDS

1. **Executive Limitations**
  - a. The Chief Administrative Officer (CAO) is limited to the net approved budget and may action budget amendments between divisions and/or departments up to the following:
    - i. Operating budget amendments up to two hundred and fifty thousand (\$250,000) dollars provided the amendment is within the total approved budget.
    - ii. Capital budget amendments up to five hundred thousand (\$500,000) dollars provided the amendment is within the total approved budget.

- b. A General Manager is limited to the net approved budget for their respective Division and may action budget amendments up to the following:
    - i. Operating budget amendments up to one hundred and fifty thousand (\$150,000) dollars provided the amendment is within their respective approved divisional budget
    - ii. Capital budget amendments up to one hundred and fifty thousand (\$150,000) dollars provided the amendment is within their respective approved divisional budget.
  - c. A Director is limited to the net approved budget for their respective Department and may action budget amendments up to the following:
    - i. Operating budget amendments up to one hundred thousand (\$100,000) dollars provided the amendment is within their respective approved departmental budget.
    - ii. Capital budget amendments up to one hundred thousand (\$100,000) dollars provided the amendment is within their respective approved departmental budget.
  - d. This authority is permitted within the following parameters:
    - i. Service levels will not be altered;
    - ii. Funds will not cross a function; and
    - iii. New initiative will not be undertaken.
    - iv. Transfers between capital and operating budgets are subject to Project Funding Policy C-FI002.
2. **Guidelines**
1. The budget will provide for the adequate maintenance of County owned assets.
  2. The County will align with best practices to ensure all short-term and long-term financial planning performed satisfies or exceeds the multi-year planning requirements of the *Municipal Government Act*.
  3. Public input will be taken into consideration during the development of the proposed budget and in Council's deliberation of the proposed budget.
  4. The budget will include a contingency amount. The budget contingency does not replace any individual project contingency
  5. Administration has authority to manage within the approved budget as per Section A (Executive Limitations) provided the activity is within the approved scope and does not create a corporate deficit. Any budget amendments: in excess of the prescribed thresholds in Section A, resulting in the creation of a new program/service, or a change in scope will require approval from Council.
  6. Budget variances will be reported to Council with each corporate update.
  7. Unbudgeted revenues may be accepted and will be reported as a variance from the approved budget. Additional expenses related to additional revenues must be handled in accordance with this policy.
  8. A project with a completion timeframe of more than one calendar year and with cash flows spanning more than one fiscal year will be highlighted as a multi-year project in the multi-year plan. The total committed cost of a multi-year project will be considered as part of the current year budget approval.

9. Significant operating implications of capital projects will be detailed as part of the capital budget and will also be included in the applicable operating budgets. If completion of the capital project is deferred the operating impact must also be deferred.

### **RESPONSIBILITIES**

The Chief Financial Officer is responsible for implementing, monitoring, and evaluating this policy.