



## Project Funding Policy

PREPARED BY:	Chief Financial Office	COUNCIL APPROVAL DATE:	January 26, 2021
EFFECTIVE DATE:	January 26, 2021		
REFERENCES:	Budget Management Policy C-FI001	PREVIOUS REVISION DATE:	NEW
FUNCTION:	Finance	LS REVIEW DATE:	October 15, 2020

### PURPOSE

To provide guidelines for the administration of project funding and subsequent reporting of transfers, cancellations, additions, deferrals, funding source changes, or the completion of projects.

### POLICY STATEMENT

The County shall apply the following guidelines to ensure consistent funding management practices are adhered to with respect to the capital and operating budgets.

### DEFINITIONS

1. "County" means the Municipality of Parkland County.

### SCOPE

This policy applies to all departments within Parkland County.

### STANDARDS

1. Transfers Between Projects
  - a. The Chief Administration Officer may approve cost and funding transfers between projects provided:
    - i. The projects are from the same Function or Infrastructure Class or are from a different Function or Infrastructure Class but pertain to a common project;
    - ii. The project providing the funding is more than 75% expended, and will have a surplus balance at completion; and
    - iii. The project providing the funding and the project receiving the funding have the same funding source.
  - b. Departments will complete the "Budget Funding Transfer" form to facilitate the transfer.
2. Operating and Capital Budgets
  - a. Cost and funding changes between the operating budget and capital budget may occur provided the item has already been approved as part of a budget and:

- i. Where a non-capital item has been approved as part of the capital budget, or;
- ii. Where a capital item has been approved as part of the operating budget.
- iii. A budget change is required for both the funding and the cost amount.

3. **Project Cancellation**

- a. Projects that are cancelled will return any excess funding to the original funding source.
- b. Departments will supply an explanation for the cancellation.

4. **Project Deferral Limitation**

- a. Budgeted projects that have not been completed within four years of the last budgeted expenditure require the following action:
  - i. If total expenses are within 0%-25% of the total approved expenses, the unused funding will be returned to the original funding source(s) in the same proportion as the funds were applied. The project will be closed and if the project is a requirement in the future, a new request must be submitted for Council approval. Departments will supply an explanation for the deferral.
  - ii. If total expenses are within 26%-50% of the total approved expenses, the department will write a report outlining the project expenses incurred to date and the plans for completing the project. The department will suggest a recommendation to Council for approval and resulting action.
  - iii. If the total expenses are within 51%-99% of the total approved expenses, the department will write a report outlining the plans for completing the project. The department will suggest a recommendation to Council for approval of resulting action.

5. **Funding Source Change**

- a. Funding source changes may occur within the capital or operating budget respectively provided:
  - i. The funding change is the result of a discrepancy between the submitted budget detail and the corresponding operating/capital plan which requires correction;
  - ii. The funding change is the result of a project being ineligible for the original noted funding source;
  - iii. The funding change is the result of the original funding source becoming unavailable; or
  - iv. The funding change is the result of information which makes a different funding source more feasible.

6. **Completed Projects**

- a. Completed projects with a surplus balance, after transfers, will have the excess funding returned to the original funding source(s).
- b. Completed projects with a deficit balance, after transfers, will have additional funding requested through Council approval.

7. **Required Information**

- a. All information required, as noted in this policy, should be forwarded to the Chief Financial Office for compilation and reporting to Council.

8. **Reporting to Council**

- a. A project summary report will be presented to Council with each corporate update.

**RESPONSIBILITIES**

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