



The Corporation of the Municipality of Red Lake

**FINANCIAL SERVICES AND CONTROL
POLICY MANUAL**

Subject: Control	Approval Date: January 19, 2015	By-Law No. 02-2015
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4.3 CONTROL

1. Pending approval of the budgets in any fiscal year:

1.1 No Department Head shall incur any exceptional or new expenditure not authorized in the previous year's budget, unless specifically approved by Resolution of Council.

1.2 The Treasurer is authorized to disburse Municipal Funds:

- a) to meet day-to-day operating expenditures necessary to the functions of the Corporation, but excluding any exceptional or capital expenditures not authorized in the previous year's budget, unless specifically authorized by Resolution of Council;
- b) to make interim appropriations to agencies, boards or committees to maximum of 25% of the previous year's authorized level, unless otherwise directed by Council.

2. After Council Approval of Budgets:

2.1 No Department Head or authorized Delegate shall, with respect to expenditures which fall within his/her jurisdiction and control, authorize a commitment in excess of the available unencumbered appropriation.

2.2 No Department Head or authorized Delegate shall make an expenditure commitment on any capital project until the authorizing by-law or resolution has been adopted by Council, except to the extent that Council has made alternate provisions for interim expenditures thereon.

2.3 And where, in the opinion of a Department Head, a more efficient and/or effective use of funds can be achieved by using an appropriation in a manner not originally specified in the Budget, the Department Head shall report the circumstances to the Treasurer for approval by Council.

2.4 No Department Head or authorized Delegate shall transfer or assume the transfer of intra-Activity appropriations or funding within an Activity or Function in order to present a balanced budget.

2.5 Transfers of intra-Activity appropriations or funding within a Function or between Functions may only be authorized by Council by resolution. When such transfers have been authorized by Council, the Treasurer shall amend the approved budget accordingly.



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- 2.6 When an appropriation for an Activity or Function is likely to be under expended, it shall not be used to off-set an over expenditure of another appropriation without the approval of Council by resolution.
- 2.7 The Treasurer or designate shall prepare and submit quarterly financial statements on the status of the approved budget to Department Heads and Council and shall report to the Department Heads and Council any notable variances or emerging variances of expenditures related to the approved budget.
- 2.8 Where, in the opinion of the Treasurer, it does not appear feasible and/or possible to take corrective action within the current budget year without materially affecting established levels of service, or the satisfactory completion of a capital project, this shall be reported to Council.
- 2.9 Where, in the opinion of a Department Head it will be necessary to expend, in respect to an activity, an amount in excess of the appropriation for that activity, and/or where such circumstances were not reasonably foreseeable when the estimates were prepared, the Department Head shall immediately advise the Treasurer for referral to Council.
- 2.10 Where matters related to clauses 2.8 and 2.9 above are referred to Council, the Treasurer shall report to Council the various means of meeting the circumstances involved, whether by deferring further expenditures for the activity or project, approving an over-expenditure, by transfer from another activity or function, transfer from reserve or reserve funds or allowances or such other means as deemed appropriate.

3. Budget Amendments:

- 3.1 A budget amendment, where the public notice requirement per *Section 291(1) of the Municipal Act* applies, is hereby defined to occur when any proposed acquisition of a good(s) and/or service(2) for a specific purpose particularly of a capital nature was not included in the total budgeted operating and capital expenditures for the year in which the acquisition occurred and which acquisition amount, net of any applicable grants(s) and or revenue, exceeds 1½% of such total budgeted expenditures, but excluding an acquisition(s) where council, by resolution directs the net acquisition amount/outlay or portion thereof to be recovered in a future year(s) and/or to be offset by a transfer in the year of acquisition, from a reserve and/or reserve fund unless the remaining portion to be recovered from taxation in the year of acquisition exceeds 1½% of that year's total budgeted expenditures.



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- 3.2 For the purpose of this section, unbudgeted acquisitions are non-cumulative.

- 3.3 Any acquisition of a good(s) and/or services(s) for a specific purpose(s) in a budget line item where the actual cost inadvertently exceeds the amount budgeted for same, does not constitute the requirement for a budget amendment and public notice.