



**TOWN OF LADYSMITH**  
**POLICIES AND PROCEDURES MANUAL**

<b>TOPIC:</b>	<b>BUDGET TRANSFER POLICY</b>		
<b>APPROVED BY:</b>	<b>Council</b>	<b>DATE:</b>	XXXXX
<b>RESOLUTION #:</b>			
	2000-594		

Purpose:

1. The purpose of the policy is to establish the responsibilities, controls and authorizations for current year Financial Plan budget transfers in order to efficiently manage unforeseen expenses.

Definitions:

2. The following definitions in this policy apply:
  - a) “Department Head” means one of the following staff positions: Chief Administrative Officer, Director of Infrastructure Services, Director of Financial Services, Director of Parks, Recreation & Culture, Director of Development Services.
  - b) “Project Lead” means one staff member authorized to oversee the capital project in question and make financial decisions regarding the project.
  - c) “New Capital Project” means a capital project that is not included in the current year of the Financial Plan.
  - d) “Cancelled Capital Project” means a capital project that was approved in the current year of the Financial Plan and is no longer proceeding.
  - e) “Existing Capital Project” means a capital project that is included in the current

**05-1940-B**

---

year of the Financial Plan and is either complete or requires additional funding.

- f) “Maximum Budget Transfer” means 0.3% of the current year municipal property tax levy.

Policy:

3. Council expects staff to maximize the effective use of taxpayer funds.
4. Council supports Staff’s decisions to efficiently manage cost savings and cost overruns in capital projects.
5. All employees are expected to function within the budget for each capital project established in the Financial Plan.
6. The Director of Financial Services (or delegate) is the only person authorized to amend a capital project up to the maximum budget transfer amount.
7. This policy does not apply to *Community Charter* s.173(3) regarding emergency spending.

Responsibilities:

1. Only Council can:
  - a. Decide on budget transfers exceeding the maximum budget transfer amount.
  - b. Decide on budget transfers to a new project.
2. The Director of Financial Services is responsible for:
  - a. Confirming budget estimates are within the maximum budget transfer amount;
  - b. Confirming adequate funding sources;
  - c. Directing appropriate finance staff to make the Financial Plan and financial software changes.
3. Department Heads are responsible for:
  - a. Confirming eligibility of a budget transfer amount; and
  - b. Preparing a report to Council if budget transfer estimate exceeds maximum budget transfer amount or is required for a new project.
4. Project leads are responsible for:
  - a. Calculating budget transfer estimates; and

<b>05-1940-B</b>
------------------

- 
- b. Obtaining Department Head approval.

Procedures:

1. All budget change requests must be submitted, in writing, to the Director of Financial Services and include the existing or cancelled project codes and dollar amounts.
2. Budget transfers between capital projects are subject to appropriate prior approval.
3. Approval authority depends on the dollar amount of the transfer.
4. Budget transfers are between existing projects and within the appropriate Fund (general, water or sewer).
5. Budget transfers do not increase the total capital budget.
6. The Director of Financial Services will summarize all budget transfers and report to Council.

<b>05-1940-B</b>
------------------