



TOWN OF HINTON

AUTHORIZATION OF EXPENDITURES

UNBUDGETED/UNPLANNED POLICY

Policy No. CORP. 015

Created By: Corporate Services
Approved By: Town Council
Revised By:

Approved On:
Revised On:

POLICY STATEMENT

To provide procedures to authorize unbudgeted / unplanned and verify expenditures that are not included in a budget.

The purpose of this policy is to establish procedures to clarify decision making accountability for the Town to expend funds not included in the approved budget (but within the approved budget dollars) and for the expending of funds from a replacement reserve fund, but not identified in the budget.

The advance the following goals in budget management:

Town First – to consider the overall budget performance not individual department results

Accountability – to have clear accountability for budget management

Positive results overall – whenever possible, without reducing service, to achieve positive financial results (ie. surplus)

Decision Making Chart

	Type of unplanned / unbudgeted expenditure	Situation	Signing Authority <\$10,000	\$10,000 to \$100,000	>100,000
1	Emergency	Act on within one month or service drops / Funding from Reserves	Department Manager	Department Manager in Consultation with Town Manager	Advise Council at next meeting
2	Core Service Required to sustain	a. Have own budget envelope room ----- b. Has no budget room	Department Manager ----- Management Team	Town Manager ----- Council	Council ----- Council
3	Discretionary Spending	Has overall Town budget surplus	Management Team – Recommend to Council	Management Team – Recommend to Council	Council

4	Capital Purchase from revolving replacement reserves up to \$20,000	Required to sustain services / asset management / manager recommendation	Department Manager and Town Manager	Council	Council
5	Capital Purchase from revolving replacement reserves over \$20,000	All other	Council	Council	Council
6	Capital not with revolving reserves	All	Council	Council	Council

*Management Team will review / comment on all financial matters to Council

1. GOALS

2. DEFINITIONS

The Town of Hinton Council adopts the annual operating and capital budgets annually. An operating budget includes the estimated amount of expenditures and transfers for

- ✓ Amounts needed to provide council's policies and programs
- ✓ Amounts needed to pay the debt obligations
- ✓ Amount needed to meet the requisitions
- ✓ Amounts to be transferred to reserves
- ✓ Amount to be transferred to the capital budget

A capital budget includes the estimated amount for:

- ✓ Amounts needed to acquire, construct, remove or improve capital property
- ✓ The anticipated sources and amounts of money to pay the costs referred to in statement above
- ✓ The amount to be transferred from the operating budget

The Town may only make an expenditure that is

- ✓ Included in an operating budget, interim operating budget or capital budget or otherwise authorized by council.
- ✓ For an emergency
- ✓ Legally required to be paid

Council must establish procedures to authorize and verify expenditures that are not included in a budget.

3. METHODS AND PROCEDURES

4. RESPONSIBILITIES

Town Council	adopt the annual operating and capital budgets
Management Team	collectively assess the impact to the bottom line of the budget and weight priorities
Department Managers	accountable for the individual department budgets
Town Manager	evaluate the overall benefit to the Town approve emergency expenditures

5. GUIDING PRINCIPLES TO STAFF