



POLICY

POLICY NO: 313 **APPROVAL DATE:** June 24, 2013
TITLE: Expenditure Controls **REVISION DATE:**
SECTION: Finance **PAGE 1 OF 2**
DEPARTMENT: Financial Services

POLICY STATEMENT

Expenditures within each service area will be closely monitored to ensure the citizens of Grande Prairie are receiving approved services in a cost-effective manner.

REASON FOR POLICY

Financial results need to be monitored by all levels of the organization to ensure the municipality is funding services that were approved during the budget process.

RELATED INFORMATION

Management of Departmental Budgets

The department manager is responsible for managing operating results and all capital projects within their area. Managers have the flexibility to incur expenses required to effectively deliver the service, whether a budget exists within that account line item or not. However, managers are required to keep expenditures within their total approved budget. For example, in a situation where qualified employees cannot be recruited to perform a service, the manager is able to spend less than budgeted in Salaries and more than budgeted in Contracted Services to ensure service delivery.

For capital budgets; managers may transfer funds between approved capital projects, following the guidelines in Procedure 313•1 Authorization Limits on Transferring Funds between Capital Projects.

Monthly, managers are required to submit a report to their Service Area Director and the finance department detailing current budget variances and a forecasted result for the year. Detailed instructions on how to prepare monthly reports are found in Procedure 313•2 Monthly Variance Reporting.

Signing Authority Requirements

Employees will follow Policy 310 - Purchasing when spending City funds for goods or services. Before any employee is issued a spending authorization limit, they will be required to sign a statement indicating they have read and understand the above policy.

Quarterly Reporting

An unaudited financial statement for the organization is prepared each quarter and presented to Council. As part of the quarterly report, explanations for significant variances from budget will be provided, as well as a forecasted surplus or deficit for the year

Year-End

At year-end, any net surplus or deficit will be transferred in accordance with the provisions of Policy 338 - Financial Stabilization Reserve, unless otherwise directed by Council.

RESPONSIBILITIES

City Council will review and approve any revisions to this policy.

City Manager will review and approve any procedures related to this policy.

City Administration will carry out the policy based on established procedures.