

**TOWN OF BEAUMONT
COUNCIL POLICY #32**

CONTINGENCY AND BUDGET CONTROL

Approved by the Council this 27th day of June, 2000
(Resolution Number 00/06/33)

PURPOSE

The purpose of the Contingency Fund is to meet unexpected expenditures (eg. emergencies, break-downs or under-estimates for approved activities [eg. Assessors fees being over-budget]).

BUDGET CONTROL

There are two underlying principles that must be observed for budget control:

- No account may exceed its budget.
- There may be no change in service level except as specifically authorized by the Council.

Accounts will be controlled on an activity or sub-program basis (eg. Common Services, snow removal) except for salaries, wages and benefits which will each be controlled globally by the responsible Manager.

Where it becomes apparent that there will be a negative budget variance (in revenue or expense), the Manager will complete a Contingency Request Form and forward it to the General Manager for his determination of its disposition.

Should an over-expenditure or a revenue shortfall occur and contingency funding has not been approved, it will be seen as exceeding our authority in accordance with the formal Council approval of the budget.

Changes to budget numbers may only be made on approval of the General Manager or the Council.

PROCEDURE

1. Administration requests for contingency/budget adjustments should be made prior to the occurrence, except for:
 - a) cases of emergency (eg. water or sewer repairs, snow removal etc.)
 - b) accounts which are controlled by usage of others (eg. F.C.S.S. contracted services such as home-maker, counselling, home-help, etc.). When the Manager is aware of an over-budget situation, the General Manager should be notified for his determination of the appropriate action.
 - c) Programs, which will be controlled on a net basis.

2. Those items that include unanticipated expenditures in utilities may be funded from surplus or reserves.
3. Requests of Outside Agencies and other requests are normally for a new program or to supplement an existing program, which are not in accordance with the spirit and intent of the approved budget. Except where there is authority to approve such funds granted to the Administration, the matter will be referred to the Council for a decision.
4. The notification to the General Manager will be on a prescribed form. The General Manager will determine the most appropriate action to take, which may include:
 - a) Referral to the Council for approval of the budget variance or change in service level.
 - b) Authorization or rejection of contingency requests/budget adjustments.

REFERRALS

The General Manager will normally refer contingency/budget adjustment requests for a decision of the Council when it is felt that:

- a) The Council would likely wish to be involved with the type of decision;
- b) The request is not in accordance with the spirit and intent of the approved budget; and,
- c) The amount is greater than \$5,000.

MUNICIPAL TREASURER

The Treasurer will transfer budgets from the contingency account or as authorized in accordance with the General Manager approval or a Council resolution.