



Departmental Year End Surplus and Deficits Policy

Policy Number: F-GEN-001

Authority: 9447/11

Date Approved: March 22, 2011

Department Responsible: Finance

Revision Dates: March, 2019

Review Date: March, 2027

Status: Active

1. Policy Statement

- 1.1 The purpose of the policy is to outline how departmental surpluses and deficits resulting from budget to actual variances are addressed and accounted for.

2. Scope

- 2.1 This policy applies to all town departments, services, agencies, boards and commissions.

3. Definitions

- 3.1 Not applicable

4. Policy

4.1 Year-end Departmental Surpluses and Deficits

- 4.1.1 On an annual basis department, services, agencies, boards and commissions may find themselves in a situation whereby the actual financial results of the department vary from the budget. There are many reasons that this situation will occur, both through actions of management and those uncontrollable to management – in a positive nature (under budget) or negative nature (over budget).
- 4.1.2 The reasons for the positive and negative variances will be reviewed at the year end process and if required the upcoming budget will be adjusted accordingly. However, in order not to unduly influence the upcoming budget the variances will not be carried forward.

- 4.1.3 As a result, Council enacted a policy whereby any and all surpluses and deficits from all town departments, services, agencies, boards and commissions will revert to the municipal corporate accounts and are handled in accordance with municipal fiscal policies.

5. Roles and Responsibilities

5.1 Director of Finance and Treasurer and members of the finance department management team

- 5.1.1 Responsibility – Ensure that surpluses are allocated to appropriate reserves and deficits are funded from appropriate reserves.

6. References and Related Documents

Not applicable

7. Attachments

None.