

	POLICY# 5.20 Budget Carry Forwards & Reserve Funds POLICY AREA Finance	Version No:	1
		Issued:	Oct 2011
		Next Review:	2018

Aims & Objectives

To provide direction and a consistent approach towards carry forward of incomplete works and/or projects.

To provide direction and a consistent approach towards the placement of budgeted funds for project and/or capital works into a reserve fund.

Policy Detail

This policy seeks to address two issues that Council is faced with, particularly within the last quarter of each financial year. These two issues are:

- Incomplete Works
- Budgeted Funds for Capital Works where external funding is sought but not approved.

Incomplete Works

At the end of each financial year, there are quite often incomplete works that require Council human and other resources to complete. These works are budgeted for within a financial year and there is an expectation that these works will be completed within the scheduled timeframe.

Various circumstances at times provide for challenges in completing all scheduled works, and there is often a requirement for these works to be carried forward to the following financial year.

- The following process will need to occur to allow any works to be carried forward to the following financial year. Assessment of incomplete works to be reported to Chief Executive Officer by 31 May to allow for consideration in future budget, cash flow implications, reserve fund appropriation, and cause of incomplete works.
- Chief Executive Officer to provide a report to Council for consideration and approval of incomplete works to be carried forward.
- Any incomplete works with guaranteed external funding will be automatically carried forward to the next financial year.

Recurrent expenditure items are excluded from this process.

Incomplete Works with Unguaranteed External Funding

It is normal practice for Council to budget for Councils funding component of works that Council then also seeks external funding through various sources.

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Generally, the notification of funding applications is only provided during the financial year.

If Council is not successful in achieving external funding, what should be done with the Council funded component?

The following process will need to occur to allow any Council funded component of a proposed project or capital works to be placed into a specific reserve fund:

- Assessment of unfunded projects or capital works to be reported to Chief Executive Officer by 31 May to allow for consideration in future budget, cash flow implications, reserve fund appropriation, etc.
- Assessment of future external funding application processes and timelines.
- Chief Executive Officer Report to Council on projects and capital works that are relevant to this policy.
- Council will then need to make the following decision:
 - a) Not carry forward any Council funded component; or
 - b) Place Council funded component into a specific project/capital works reserve fund;

A review of all Project and Capital Works Reserve Funds will be undertaken on an annual basis, with this review to be conducted at the latest in the May review of Councils budget. A specific Reserve Fund will be maintained for a maximum three year period at which time:

- a) The reserve fund will be returned to general revenue; or
- b) Council may chose to fully fund the project or capital works.

Recurrent expenditure items are excluded from this process.

Strategic Link:

Delegation:

All consideration of processes under this policy will be directed through the Chief Executive Officer, with all final decisions to be made by resolution of Council.

Sub-Delegation:

- Delegation made to a specific position (including Chief Executive Officer) extends to any person appointed to act in the position.
- In the absence of the Chief Executive Officer, delegation extends to the Deputy CEO.

Documentation:

Authority: Adopted by Council: 10/10/2011 {Motion No 19c/102011}
Reviewed by Council: 10/11/2015 {Motion No 7c/112015}

SIGNED:

Responsible Officer

Date: ____/____/____

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