



COUNCIL POLICY C-FI002

Project Funding Policy

PREPARED BY: Chief Financial Office

COUNCIL APPROVAL DATE:

EFFECTIVE DATE:

REFERENCES: Budget Policy C-FI001

PREVIOUS REVISION DATE: NEW

FUNCTION: Finance

LS REVIEW DATE: June 25, 2020

PURPOSE

To establish guidelines for the administration of project funding and subsequent reporting of transfers, cancellations, additions, deferrals, funding source changes, or the completion of projects.

POLICY STATEMENT

Parkland County shall apply guidelines to ensure consistent funding management practices are adhered to with respect to the capital and operating budgets.

DEFINITIONS

The following definitions and interpretations apply in this policy:

"County" means the Municipality of Parkland County.

"Function" means the categories outlined in the segmented information disclosure of the audited financial statements.

"Infrastructure Class" means the categories as approved in the capital budget

SCOPE

This policy applies to all departments within Parkland County.

RESPONSIBILITIES

The Chief Financial Officer is responsible for the implementation, monitoring, and evaluation of this policy.

STANDARDS

1. Transfers Between Projects

- a. The Chief Administration Officer may approve cost and funding transfers between projects provided:
 - i. The projects are from the same Function or Infrastructure Class or are from a different Function or Infrastructure Class but pertain to a common project;

- ii. The project providing the funding is more than 75% complete, and has a surplus balance; and
- iii. The project providing the funding and the project receiving the funding have the same funding source.

b. Departments will complete the "Budget Funding Transfer" form to facilitate the transfer.

2. Project Additions/Deletions

- a. Cost and funding changes between operating budget and capital budget may occur provided the item has already been approved as part of a budget and:
 - i. Where a non-capital item has been approved as part of capital and the actual costs and funding will be transferred to operating when the capital review is undertaken, at a minimum on a year basis; or;
 - ii. Where a capital item has been approved as part of operating and the actual costs and funding will be transferred to capital when the operating review is undertaken, at a minimum on a yearly basis.
 - iii. A budget change is required for both the funding and the cost amount.

3. Project Cancellation

- a. Projects that are cancelled will return any excess funding to the original funding source.
- b. Departments will provide an explanation for the cancellation.

4. Project Deferral Limitation

- a. Projects that have not been completed within four years of the last budgeted expenditure require the following action:
 - i. If total expenses are within 0%-25% of the total approved expenses, the unused funding will be returned to the original funding source(s) in the same proportion as the funds were applied. The job will be closed and if the project is a requirement in the future, a new request must be submitted for Council approval. Departments will supply an explanation for the deferral.
 - ii. If total expenses are within 26%-50% of the total approved expenses, the department will write a report outlining the project expenses incurred to date and the plans for completing the project. The department will suggest a recommendation to Council for approval and resulting action.
 - iii. If the total expenses are within 51%-99.99% of the total approved expenses, the department will write a report outlining the plans for completing the project. The department will suggest a recommendation to Council for approval of resulting action.

5. Funding Source Change

- a. Funding source changes may occur within the capital or operating budget respectively provided the funding change is the result of:
 - i. a discrepancy between the submitted budget detail and the corresponding operating/capital plan which requires correction;
 - ii. a project being ineligible for the original noted funding source;
 - iii. the original funding source becoming unavailable; or

iv. information which makes a different funding source more feasible.

6. **Completed Projects**

- a. Completed projects with a surplus balance, after transfers, will have the excess funding returned to the original funding source(s).

7. **Required Information**

- a. All information required, as noted in this policy, should be forwarded to the Chief Financial Office for compilation into the report to Council.

8. **Reporting to Council**

- a. A project summary report will be presented to Council on a periodic basis.

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