



1. Policy Statement

Pursuant to Section 248 of the Municipal Government Act, a municipality may only make an expenditure that is (a) included in an operating budget, interim operating budget or capital budget or otherwise authorized by the council, (b) for an emergency, or (c) legally required to be paid. To operate efficiently, the Town of Sedgewick requires procedures in regards to unbudgeted items and other issues of procurement.

2. Policy Purpose

The purpose of this policy is to establish controls by incorporating guidelines that authorize and verify expenditures that are not included in the budget and still allow for prompt payment of accounts while recognizing that circumstances may arise that result in changes to programs and services planned for in the annual operating and capital budgets.

3. Definitions

- 3.1. **"Acting CAO"** means the Acting Chief Administrative Officer for the Town of Sedgewick as appointed by the CAO or Council in such circumstances that the CAO is unable to perform his/her duties.
- 3.2. **"CAO"** means the Chief Administrative Officer of the Town of Sedgewick as appointed by Council.
- 3.3. **"Council"** means the Mayor and Councillors for the Town of Sedgewick.
- 3.4. **"Emergency"** means an event in which the lack of immediate action would jeopardize operations or equipment, disrupt critical public services or risk public or staff safety.
- 3.5. **"Nepotism"** means the practice among those with power or influence of favouring relatives or friends.
- 3.6. **"Operational Expenditure"** means ongoing costs associated with running the Town.
- 3.7. **"Capital Expenditure"** means costs associated with acquiring or maintaining fixed assets.
- 3.8. **"Unbudgeted Expenditure"** means expenditures that are not included within the budget approved by Council and/or are beyond any allocated amount deemed as miscellaneous or as a contingency.

4. Guidelines

- 4.1. Any Operational or Capital Expenditure approved by Council in budget or by resolution may be awarded and/or actioned by the CAO, with the exception of Request for Proposals or other forms of tendering which must be awarded by Council.
- 4.2. Any Operating Expenditure that exceeds an approved budget line-item may be approved by the CAO if the over expenditure is offset with an under expenditure in a different line-item(s) within the same department. If the over expenditure would result in an overage of the total department budget the expenditure shall be presented to Council for approval.
- 4.3. Unbudgeted Expenditures may be undertaken and authorized by the CAO or Acting CAO in the event of an emergency situation procurement decisions must be made efficiently to bring the emergency situation under control. All such expenditures shall be reported to Council at the next available opportunity.
- 4.4. Any Capital Expenditure that exceeds Council's approved budget by less than \$10,000.00 or 10% and will remain within the overall capital budget, may be approved by the CAO.
- 4.5. The CAO may enter into contracts of procurement on behalf of the municipality if the procurement is identified in the budget, does not exceed the total amount approved, and the length of contract does not exceed a period of one (1) year.
- 4.6. Council authorizes Town of Sedgewick staff to commit to purchases and sign invoices for payment on behalf of the municipality that have been approved in the annual budget as follows:
 - 4.6.1. Chief Administrative Officer or Acting Chief Administrative Officer to the maximum budget allocation;
 - 4.6.2. Directors or General Managers up to \$20,000.00;
 - 4.6.3. Managers up to \$10,000.00;
 - 4.6.4. Foreman up to \$5000.00;
 - 4.6.5. Other staff as delegated in writing by the CAO.
- 4.7. The Finance Clerk may approve invoices related to ongoing operations, such as gas, electric or other utility invoices or regular expenditures identified in executed contracts or agreements.
- 4.8. Purchases that are equal to or less than \$10,000.00 may be sole sourced. Purchases above \$10,000.00 require three (3) written quotes unless it can be deemed as a unique good, service or software not readily available on the open market and must be noted on the invoice or contract.

- 4.9. Staff will not engage in nepotism and will make any actual or perceived conflict of interest known to the CAO. If the charge of nepotism involves the CAO, staff will make any conflict of interest known to Council.
- 4.10. The CAO is responsible for the control of the Town credit card. Purchases from a supplier paid by Town credit card must comply with the provisions of this policy.
- 4.11. Fuels cards may be provided to staff at the discretion of the CAO. Fuel cards may only be used during normal working hours.
- 4.12. The following financial statements shall be presented to Council on a quarterly basis:
 - 4.12.1. Monthly bank reconciliations;
 - 4.12.2. An operational budget variance report; and
 - 4.12.3. A capital budget variance report.

5. Responsibilities

- 5.1. Any Operational or Capital Expenditure approved by Council in budget or by resolution may be awarded and/or actioned by the CAO, with the exception of Request for Proposals or other forms of tendering which must be awarded by Council.
- 5.2. Any Operating Expenditure that exceeds an approved budget line-item may be approved by the CAO if the over expenditure is offset with an under expenditure in a different line-item(s) within the same department. If the over expenditure would result in an overage of the total department budget the expenditure shall be presented to Council for approval.

6. Revision/Review History

TOWN OF SEDGEWICK

Jan. 24 2019

DATE



MAYOR

Jan. 24 2019

DATE



CHIEF ADMINISTRATIVE OFFICER