



| | | | |
|--|------------------------------|---|----------------------|
| Issue Date: April 1997 | Effective Date: Immediate | Responsible Agency: Budgeting and Evaluation, FMBS | Page 3 of 3 |
| Chapter: Budgetary Control | | | Directive No: 302 |
| Directive Title: Budget Adjustments and Transfers | | | |

c) prepare a schedule of the final adjusted budget amounts to be included in the Public Accounts for each fiscal year.

3.9 Budget transfers and adjustments must be approved and processed in the Financial Information System prior to any expenditures that depend on them, except in emergencies as described in *Financial Administration Act* Section 45(2).

3.10 Budget transfers and adjustments for any fiscal year must be approved before the end of that fiscal year (March 31).

4. GUIDELINES

4.1 Budget transfers "chasing actuals" may indicate poor planning and budget management and should not be approved.

4.2 Budget transfers affecting Operations and Maintenance appropriations should represent permanent reallocations that reflect program, priority, organization or policy changes.

4.3 Consultation Guidelines For Capital Project Budget Adjustments

a) No new capital projects over \$250,000 are to be established until the responsible Minister has consulted in writing with the affected MLA(s) and appropriate Standing Committee. If the Standing Committee and/or MLA do not support the proposed project, the responsible Minister should advise the Chairman of the FMB in writing if he or she intends to proceed with the project. The requirement for consultation will be waived if a new project is necessary due to an emergency, in which case notice will be provided as described in (b) below. When a department proposes to delete a capital project of significant concern to a community, the appropriate Standing Committee and affected MLA(s) will be advised.

b) When a department makes any adjustment to a capital project which significantly affects the scope (e.g., \$100,000 or 20% of the project budget, whichever is greater) or timing (e.g., a year or more delay) of the project, the responsible Minister will advise the appropriate MLA and Standing Committee. Minor adjustments required to address changes in project budgets need not be reported to MLA(s) and Standing Committees, but should be reported quarterly as described in (c) below.

c) Each quarter, the Chairman of the Financial Management Board will provide the Standing Committee on Government Operations with a report, by department, that identifies all capital adjustments made in that quarter.