

Approval Date: April 12, 2021	Policy Number: P-12-87-A
Motion: 21-04-141	
Supersedes: P-12-2009-04	
Title: Contingency and Emergency Operating Expenditures	

Purpose

The purpose of this policy is to set a procedure to budget for annual operating contingencies and emergencies, and to ensure a uniform policy for the application and use of contingency allocations within the operating budget.

Related Documents

- Budget Process Policy
- Reserve Policy

Definitions

“Approved Budget” means the financial plan including staffing, service level standards and new initiatives approved and adopted by Council.

“CAO” means the Chief Administrative Officer.

“Contingency Operating Expenditure” means any operational expenditure for goods or services that was unanticipated at the time the annual budget was approved and adopted by Council.

“Emergency Expenditure” means an expenditure related to a present or imminent event for which the Town believes a prompt response is required in order to protect the health, safety, or welfare of the people of the Town of Peace River.

Policy

1. This policy applies to all Town departments and committees that fall directly under the Town’s Approved Budget.
2. The Town of Peace River may annually as part of its budget process approve an estimate from the operating budget to be used for operating contingencies and/or emergencies.
3. The budgeted amount for the operating contingency/emergency amount shall not exceed 0.5% of the annual operating budget.

4. Generally, the operating contingency account would be used for expenditures as defined in this policy only where other sources of funds (such as contingency reserves) are not available.
5. A contingency operating expenditure may not take place without prior approval. The request to expend funds from the operating contingency account must be made in writing by the appropriate Director, and submitted to the CAO for review. If the requested amount is less than \$10,000, the request may be approved by the CAO with notice to the Director of Corporate Services. If the requested amount is \$10,000 or greater, the request must be approved by Council, after the appropriate Request for Decision has been prepared and submitted to Council for its review.
6. Emergency expenditures may be made upon approval by the CAO (or designate) who will provide details of such expenditure to Council at its next meeting subsequent to the expenditure.
7. Any and all previous policies regarding operating contingency and emergency expenditures are hereby rescinded.



Thomas Tarpey, Mayor



Christopher J. Parker, CAO