

BLOUBERG MUNICIPALITY: SUMMARY: VIREMENTS POLICY NP 351

BUDGET TRANSFERS OR VIREMENTS

1. DELEGATION ON TRANSFERS

1.1. Transfers between Votes

A "Vote" in terms of National guidelines is determined as one of the main segments into which a budget of a municipality is divided for the appropriation of funds for different departments or functional areas. This specifies the total amount that is appropriate for the purpose of the department or functional area. Council therefore decides on the total amount that is allocated to that specific function and classifies it as a vote. Because council approves the "vote" only the shifting of funds within the "vote" can be delegated to the Mayor, the Accounting Officer, the Chief Financial Officer or any other Senior Manager.

1.2. Transfers between Functional Centers

Budget transfers within the same department shall be recommended by the Heads of departments in accordance with delegated authority and approved by the Chief Financial Officer.

No budget transfers or virement shall be made to or from salaries except with the recommended by the Director Corporate and prior approval of the Chief Financial Officer during Budget Adjustment.

Savings on allocations earmarked for specific operating and capital projects may not be used for any other purposes except with the approval of Council with an Adjustment Budget.

Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure. Savings realised within a capital programme (e.g. MIG funded etc) can only be transferred to other project budgets in accordance with the funding conditions and with the approval of the funding source.

Any transfer of funds between votes by the Heads of Department must be informed in writing with reasons to the Accounting Officer or the Chief Financial Officer. The amount of transfer by the Heads of Department and the Accounting Officer (Municipal Manager) is limited by the Delegation of Authority; and this amount is revised from time to time in line with the revision of delegations.

1.3. Transfers within Departments

The transfer of budgeted amount within departments is delegated to the Accounting Officer and can only be considered on advice of Chief Financial Officer in writing. The Accounting Officer can delegate his authority to the Chief Financial Officer. The maximum amount that can be transferred in term of this delegation is **R 300,000**, per vote. Anything above that amount must be referred to the Mayor for approval under his/her limitation of R400,000.00 per vote. Anything above **R400,000.00** must be referred to Council for approval. The transfer of funds between line items within the category "General Expenses" and "Maintenance" up to a maximum of **20%** of the budgeted line item amount can be delegated to senior management and by the Accounting Officer.

1.5. Transfer from Operation to Capital Budget

Transfer from operation to capital budget and capital to capital budget can only be approved by the Mayor with recommendation from the Accounting Officer, advised by Chief financial office. The amount to be transferred is limited to an amount of **R200, 000.00**. The virement should be made within the approved budget.

2. GENERAL

The purpose of this Virement is to improve the pace at which service delivery is done and to make functionaries more accountable for their actions.