

COUNCIL POLICY

Title: End of Year Surplus

Responsible Officer: Deputy Chief Executive Officer

Shire of
Kellerberrin

Version: Current

1. PURPOSE

The purpose of this policy is to establish parameters for the use of untied surplus funds at the end of each financial year as identified through the Annual Budget adoption process.

2. SCOPE

This policy is applied to the Shire of Kellerberrin and its elected members and employees.

3. DEFINITIONS

4. STRATEGIC CONTEXT

This policy links to core drivers:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

5. POLICY STATEMENT

As part of the Annual Budget process the Council must calculate its end of year financial position, or surplus / deficit as a starting point for the following year's budget.

Included in this calculation are projects which have not been completed in the previous financial year and in most cases, these items are carried forward for expenditure in the following financial year. However, budget savings which have been achieved which cannot be readily identified at the end of the financial year are known as an "untied surplus".

The Council recognises that the allocation of untied surpluses is an important aspect in discharging its financial management responsibilities. The Council recognises that untied surpluses will not be used to offset the future annual operating costs of the Council, being allocated after the completion of the Annual Financial Report.

Principles:

The use of any identified untied surplus at the end of a financial year will be limited to one (or more) of the following transactions, in order of preference:

1. Retirement of debt (where possible);
2. Allocated to a “one-off” capital project;
3. Allocated to special project nominated by the Council;
4. Transferred to a Reserve Account to be nominated by the Council;

6. RELATED LEGISLATION/ DOCUMENTATION

7. REVIEW DETAILS

Council Adoption	Date	February 2020	Resolution #	MIN009/20
Previous Adoption	Date	October 2016	Resolution #	MIN168/16