



PROVINCE OF QUEBEC
MUNICIPALITY OF CAMPBELL'S BAY

BYLAW NUMBER 104-2024

DECREEING THE RULES FOR BUDGETARY CONTROL AND MONITORING

WHEREAS pursuant to the second paragraph of article 960.1 of the *Municipal Code of Québec*, Council must adopt a by-law concerning budgetary control and follow-up;

WHEREAS this by-law must stipulate, among other things, the means used to guarantee the availability of credits prior to any decision authorizing an expenditure, which means may vary depending on the authority granting the expenditure authorization or the type of expenditure planned;

WHEREAS, in accordance with the second paragraph of Section 165.1 of the *Quebec Municipal Code*, the hiring of an employee is only effective if, in accordance with the by-law adopted pursuant to the second paragraph of Section 960.1, credits are available for this purpose;

WHEREAS, pursuant to Section 961 of the *Quebec Municipal Code*, a by-law or resolution of Council authorizing an expenditure is only effective if, in accordance with the by-law adopted pursuant to the second paragraph of Section 960.1, credits are available for the purposes for which the expenditure is proposed;

WHEREAS, in accordance with the fourth paragraph of Article 961.1 of the *Municipal Code of Québec*, an authorization to incur expenses granted by virtue of a delegation has no effect unless, in accordance with the by-law adopted in accordance with the second paragraph of Article 960.1, credits are available for this purpose;

WHEREAS article 176.4 of the *Quebec Municipal Code*, and the fifth paragraph of article 961.1 provide for the terms and conditions of reporting to Council for the purposes of budgetary control and follow-up;

WHEREAS notice of motion and presentation of draft bylaw were given during the regular meeting of Council held on October 1, 2024;

It is motioned by Jean-Pierre Landry and resolved :

That by-law number 104-2024 be and is hereby adopted by Council and that the following be statued and decreed by this by-law.

The above preamble forms an integral part of the regulations.

DEFINITIONS

"Municipality:	Municipality of Campbell's Bay
"Tip:	Council of the Municipality of Campbell's Bay
"General Manager:	The principal official that a municipality is obliged to have, who is responsible for the administration of the municipality. His role is usually held ex officio by the clerk-treasurer under article 210 of the <i>Quebec Municipal Code</i> .
"Clerk-Treasurer:	Officer that every municipality is required to have under article 179 of the <i>Quebec Municipal Code</i> . He automatically assumes the function of General Manager under article 210, subject to article 212.2, which provides for the possibility of the two functions being exercised by different persons.
"Exercise:	^e The period between January 1 and December 31 of any given year.

"Delegation rules:	Rules set out in a by-law by which the council delegates to municipal officers or employees the power to authorize expenditures and enter into contracts in the name of the municipality, pursuant to the first and second paragraphs of article 961.1 of the <i>Quebec Municipal Code</i> .
"Budget Variation Rules:	Rules setting limits on permissible budget variations and budget transfer procedures.
"Budget activity manager:	Municipality official or employee responsible for a budget envelope entrusted to him/her, including any budget envelope under the responsibility of a direct subordinate.

SECTION 1 - OBJECTIVES OF THE BY-LAW

Article 1.1

The present by-law establishes the budgetary control and monitoring rules that all concerned municipal officials and employees must follow.

More specifically, it establishes the rules of responsibility and operation required to ensure that any expense to be incurred or carried out by a municipal officer or employee, including the hiring of an employee, is duly authorized after verification of the availability of the necessary credits.

This by-law applies to any appropriation attributable to financial or investment activities for the current fiscal year that the Board may adopt by resolution or by-law.

Article 1.2

The present by-law also establishes the rules of follow-up and budgetary accountability that the clerk -treasurer, any other authorized municipal officer and those responsible for budgetary activities of the municipality must follow.

Article 1.3

In addition, the present by-law establishes the rules for the delegation of spending authorizations granted by Council pursuant to the first and second paragraphs of Article 961.1 of the *Quebec Municipal Code*.

SECTION 2 - BUDGET CONTROL AND MONITORING PRINCIPLES

Article 2.1

The appropriations required for the municipality's operating and investment activities must be approved by Council prior to their allocation for related expenditures. This approval of credits takes the form of a vote of credits expressed in one of the following ways:

- adoption by the Board of the annual budget or a supplementary budget,
- the adoption by the Board of a borrowing by-law,
- the adoption by the Board of a resolution or by-law by which appropriations are made from surplus revenues, the accumulated surplus, financial reserves or reserved funds.

Article 2.2

Before any expense may be incurred, it must be duly authorized by the Council, an authorized municipal officer or a person responsible for budgetary activities, in accordance with the delegation rules set out in section 3, after verification of the availability of the necessary credits.

Article 2.3

All civil servants and employees of the municipality are responsible for applying and respecting the present by-law insofar as it concerns them.

Any person responsible for a budgetary activity must comply with these regulations when authorizing an expenditure for which he or she is responsible, before it is committed or

incurred. They may only authorize expenditure for which they are responsible, and may only commit budget appropriations for the purposes for which they are earmarked.

SECTION 3 - DELEGATION AND BUDGET VARIATION POLICY

Article 3.1

The Board delegates its spending authority as follows:

- a) Any person responsible for a budgetary activity may authorize expenditures and enter into contracts in the name of the municipality, on condition that he/she commits the municipality's credit only for the current fiscal year and within the limits of the budget envelopes for which he/she is responsible. However, the following authorization is required when the amount of the expense or contract in question falls within the range indicated:

Branch		Authorization required	
		In general	In the specific case of expenses or contracts for professional services
0 \$	à 500\$	Budget activity manager - Public works manager	Director General
0 \$	à 5 000	Director General	Council
5 000 \$	or more	Council	Council

- b) the delegation does not apply to expenditure commitments or contracts extending beyond the current financial year. Any such commitment or contract must be authorized by the Board. The amount subject to authorization must cover commitments extending beyond the current year;
- c) when the Council delegates, pursuant to article 165.1 of the *Quebec Municipal Code*, to any officer or employee of the Municipality who is not an employee, the power to hire an officer or employee who is an employee, the authorization of the expense to be incurred is subject to the delegation rules of the present article.

Article 3.2

The maximum budget variation allowed per line item in any given year is 30%. The Clerk-Treasurer may make appropriate budget transfers in agreement with the General Manager.

SECTION 4 - GENERAL BUDGET CONTROL AND MONITORING PROCEDURES

Article 4.1

All expenditure authorizations, including those issued by the Board itself, must be accompanied by a certificate from the Clerk-Treasurer attesting to the availability of the necessary funds. The Clerk-Treasurer may issue such a certificate at the beginning of the fiscal year for expenditures provided for in the budget at the time of or following its adoption. However, specific certificates must be issued during the fiscal year for expenses not already provided for in the initial budget and requiring a supplementary budget or appropriation by the Board.

Article 4.2

Apart from the fact that budgeted expenses have been certified by the clerk-treasurer at the beginning of the fiscal year, each person responsible for a budgetary activity, or the clerk-treasurer or general manager as the case may be, must check the budget envelope still available before authorizing, or having authorized by the council, any expenses during the fiscal year. To do this, reference is made to the accounting records in force in the municipality, or to the clerk-treasurer himself.

Article 4.3

If verification of the available budget shows a budget shortfall in excess of the budget variation limit provided for in article 3.2, the person responsible for budgetary activity, or the clerk-

treasurer or general manager as the case may be, must follow the instructions provided in 7.1.

Article 4.4

A civil servant or employee who is not in charge of a budgetary activity may not authorize any expenditure whatsoever. He/she may, however, incur or carry out an expense, which has been duly authorized in advance, if he/she has received a mandate to do so or if his/her job description so provides.

If, for urgent purposes, a civil servant or employee has to incur an expense without authorization, he or she must notify the person in charge of the budgetary activity concerned as soon as possible and provide him or her with the relevant statements, invoices or receipts.

Article 4.5

The Director General is responsible for keeping this by-law up to date. He must present to Council for adoption, if necessary, any proposed amendment to the by-law that may be required to adapt it to new circumstances or to a legislative change affecting it.

The General Manager, in conjunction with the Clerk-Treasurer, is responsible for ensuring that adequate internal controls are put in place and maintained to ensure the application and respect of the by-law by all municipal officers and employees.

SECTION 5 - COMMITMENTS EXTENDING BEYOND THE CURRENT YEAR

Article 5.1

Any authorization of an expenditure commitment extending beyond the current fiscal year must first be subject to verification of the appropriations available for the portion chargeable in the current fiscal year.

Article 5.2

When preparing the budget for each fiscal year, each budget activity manager must ensure that his or her budget covers previously incurred expenses that must be charged to the fiscal year's financial activities and for which he or she is responsible. The Clerk-Treasurer must ensure that the necessary appropriations for these expenses are correctly provided for in the budget.

SECTION 6 - SPECIAL EXPENSES

Article 6.1

Certain expenses are of a special nature, such as :

- Electricity, heating and telecommunications costs;
- Representation, training, transportation, travel and other expenses incurred by employees or Board members in the course of their duties and upon presentation of supporting documents.
- Office supplies, printing and photocopying costs;
- Advertising and media costs;
- Postage and courier costs;
- Food, liqueurs and expenses related to receptions;
- Expenses that are urgent or essential to the proper operation of the public works department and covers expenses related to the public works department that are "exclusively for municipal roads, public lighting, traffic and parking, public hygiene, water and sewer, dry material disposal and other technical services".

The General Manager may also authorize and make payment of incompressible expenses provided for in the budget, namely :

- Expenses inherent in the application of collective agreements or related to working conditions and the basic salary of employees and elected officials, notably salaries, contributions at source including co-payments, and contributions made under a government plan;

- Employee future benefit obligations;
- Sampling and laboratory analysis costs, as well as expenses related to the purchase of chlorine and chemicals;
- Expenses related to the support and service contract for heating, ventilation, air conditioning and alarm system equipment;
- Motor vehicle registration fees;
- Quotas for supramunicipal bodies MRC;
- Provisions and accounting allocations
- Debt service payments to the banks and institutions concerned when due
- Payments made under a service contract between the municipality and a third party that specifies the terms of such payments (snow removal contract, residual materials contract (household waste, recycling and compostable materials), etc.)
- Any other payment to obtain documents, objects or services required for day-to-day operations and which can only be obtained by cash payment or require that the transaction be made by the municipality's credit card.
- Payments required to invest funds;
- Payments made under an enforceable claim;

When preparing the budget for each financial year, each budget activity manager concerned must ensure that his or her budget covers the specific expenses for which he or she is responsible. The Clerk-Treasurer must ensure that the necessary appropriations for these expenses are correctly provided for in the budget.

Article 6.2

Although the specific expenses referred to in article 6.1 do not lend themselves to a priori control, they are subject, like any other expense, to the budgetary monitoring and accountability rules set out in section 7 of the present by-law.

Article 6.3

When an unforeseen situation arises, such as the conclusion of an out-of-court agreement or a new collective agreement, the Clerk-Treasurer must ensure that the necessary additional funds are available. The Clerk-Treasurer may, if necessary, make the appropriate budget transfers, in agreement with the General Manager.

SECTION 7 - BUDGET MONITORING AND REPORTING

Article 7.1

All budget managers must regularly monitor their budgets, and report immediately to their line manager as soon as they anticipate a budget variance in excess of the limit stipulated in article 3.2. They must justify or explain in writing any unfavorable budget variance observed or anticipated, and submit a budget transfer request if necessary.

If the budget variance cannot be absorbed by a budget transfer, the municipal clerk-treasurer must inform Council and, if necessary, submit a supplementary budget proposal for the additional appropriations required.

Article 7.2

As prescribed by article 176.4 of the *Quebec Municipal Code*, the clerk-treasurer must prepare and table two comparative statements at the last regular council meeting held at least four weeks before the meeting at which the budget for the following fiscal year is to be adopted.

In the first comparative statement, revenues and expenses up to the last day of the month ending at least 15 days before the month in which the statement is filed are compared with those for the corresponding period of the previous year.

In the second comparative statement, revenues and expenses forecast for the current fiscal year, at the time the statement is prepared and based on information then available to the Clerk-Treasurer, are compared with those budgeted for that year. This comparative statement

covers twelve months, as anticipated revenues and expenses for the remaining period of the fiscal year are included.

During a general election year within the municipality, the two comparative statements are tabled no later than the last regular meeting held before the council ceases to sit in accordance with section 314.2 of the Act respecting elections and referendums in municipalities (chapter E-2.2).

Article 7.3

In order for the municipality to comply with article 176.5 and the fifth paragraph of article 961.1 of the *Quebec Municipal Code*, the clerk-treasurer must also prepare and periodically table at a regular meeting of Council a report of expenditures authorized by any budget activity manager within the scope of the delegation permitted under article 3.1. Any authorization must be reported to the Board at the first regular meeting held after the expiry of a 25-day period following the authorization. Consequently, the report submitted to the Board by the Clerk-Treasurer must include at least all authorizations preceding the Board meeting by 25 days, which had not already been reported to the Board.

SECTION 8 - ORGANIZATIONS CONTROLLED BY THE MUNICIPALITY

Article 8.1

In the case of a given organization included in the Municipality's reporting entity by virtue of the control indicators set out in the *CPA Canada Public Sector Accounting Handbook*, the Council may decide that the rules of the present by-law apply to this organization when circumstances so lend themselves, with the necessary adaptations.

In such a case, the Director General is responsible for ensuring that the agreement or arrangement governing the relationship between the controlled organization in question and the municipality refers to compliance with the principles of this by-law deemed relevant and the adapted terms and conditions applicable.

SECTION 9 - EFFECTIVE DATE

Article 9.1

This by-law comes into force in accordance with the law.

Raymond Pilon
Mayor

Sarah Bertrand
General manager/treasurer

Notice of motion : October 1, 2024
Draft bylaw : October 1, 2024
Adoption of the bylaw: November 5, 2024
Notice of promulgation : November 19, 2024