Title:	**Financial Management of Budget, Spending and Reporting**
Effective Date:	**2026 March 02**
Responsible Business Unit:	**Finance**

1. PURPOSE

1.1 The purpose of this Administration policy is to:

a) Safeguard public funds, support long-term financial stability, and build trust with community members, residents, partners; and

b) Ensure efficient and effective resource use to deliver Council-directed services and adapt to Council's strategic priorities.

2. APPLICABILITY

2.1 This Administration policy applies to all employees except employees in the:

a) Calgary Police Service;

b) Calgary Housing Company; and

c) Office of the Mayor.

3. POLICY STATEMENT

3.1 City Administration will develop and use financial practices and systems that:

a) Sustain robust internal controls over financial management, planning and budgeting;

b) Make financial information available and accessible to support timely decision-making and transparency to the public;

c) Follow standardized practices to promote consistency and reliability;

d) Provide clarity in roles and responsibilities in carrying out budgeting, spending and reporting duties;

e) Establish segregation of duties to support oversight and accountability requirements;

f) Fulfill regulatory requirements for financial management and reporting, and City bylaw requirements for establishing risk mitigation and internal control systems;

g) Adhere to recognized management accounting and reporting practices; and

h) Establish acceptable thresholds and signing authorities for explanations of operating, capital, and reserves actual-to-budget variances.

4. ROLES AND RESPONSIBILITIES

4.1 The Chief Financial Officer (CFO) and Chief Operating Officer (COO) will jointly be responsible for the City of Calgary's integrated multi-year planning and budgeting process that delivers operating, capital and reserve budgets for Council deliberation amendment and approval.

4.2 The CFO has the authority to provide financial governance and oversight and is responsible for the following:

a) Set corporate financial direction, standards, budgeting targets, funding and financial risk mitigation strategies that align with corporate strategy and Council priorities;

b) Provide final review and approval of consolidated financial plans and budgets;

c) Present multi-year and annual budget adjustments to Council for approval;

d) Establish corporate funding strategies including grants and reserve management and ensure compliance with the Reserve Policy, Debt Policy and financial obligations;

e) Meet Council directed financial reporting requirements;

f) Ensure financial policies compliance;

g) Establish controls, systems, and processes to carry out monitoring, oversight reporting, internal controls testing and spending compliance reviews;

h) Stay informed about unfavorable departmental operating, capital or reserve budget variances, including mitigation plans for cumulative annual impacts up to $5 million. Administration has authorization to make net annual over-expenditures of up to $5,000,000 per Department for Expenditures that are incurred due to unforeseen circumstances, provided funding is available; and

i) Approve budget transfers of corporately managed funds or reorganizations.

4.3 The COO has the overall responsibility to exercise general control and supervision over operational affairs of The City and is responsible for the following:

a) Provide corporate oversight of service delivery performance and ensure departmental business plans, operational execution and resource use align with corporate strategy and Council priorities; and

b) Ensure operational risks and significant service impacts are identified early and escalated appropriately, if significant financial variance is anticipated or when departmental unfavorable variances exceed $5.0 million cumulative annual.

4.4 The General Manager, Infrastructure Services is responsible for:

a) Stewarding the capital portfolio by delivering the functions of capital infrastructure planning, capital portfolio management and stage gating consistently across The City;

b) Developing and supporting the 10-year capital infrastructure plan to enhance decision-making and prioritization, and challenging those plans and forecasts, aligning resources with Council and departmental priorities and confirming whether assumptions are reasonable and multi-year factors are considered;

c) Delivering on The City's capital infrastructure plan, aligning resources and establishing capital portfolio, program and project management systems, standards and tools to carry out that function;

d) Assessing financial pressures impacting capital delivery, both in-year and on a multi-year basis and notifying the Chief Financial Officer and Chief Operating Officer when capital programs and project delivery commitments are at risk of significant shortfall or variance from planned levels so that adaptive planning responses are initiated on a timely basis; and

e) Reporting progress on scope and timing of The City's capital infrastructure plan to Council, including explanations for variances from original cashflow projections.

4.5 Executive Leadership Team (ELT) is responsible for the following:

a) Confirm the multi-year business plans and budgets for The City, and subsequent annual adjustments, prior to submission to Council; and

b) Approve internal recovery rates for inter-department chargebacks for services and goods provided. Review accountability performance reporting when evaluating the business case for proposed rates.

4.6 The Department Heads are responsible for the following:

a) Develop and manage departmental business plans and budgets including workforce needs that align with Council-approved priorities;

b) Approve net over-expenditures up to a cumulative annual total of $5 million for expenditures that are incurred due to unforeseen circumstances, provided funding is available;

c) Authorize the initiation of spending commitments that exceed the approved annual budget, provided the total net-over-expenditure does not exceed $5 million annually at the department level;

d) For departments with capital delivery functions, the Department Head is also responsible for the following:

i. Ensure capital portfolio management, project prioritization, long-term capital planning, integration of operating costs and project performance oversight are conducted in accordance with approved corporate processes, standards and stage-gate requirements; and

ii. Ensure all financial information, funding strategies and economic indicators are reviewed, validated and approved by the Deputy Director, Corporate Finance.

e) Departmental capital prioritization and long-term plans must be developed through the corporate capital prioritization process led by the Capital Investment Planning function and are subject to Corporate Finance's financial validation.

4.7 Corporate Capital Governance

Deputy Director, Corporate Finance is responsible for the financial governance of capital planning, including validating financial assumptions and lifecycle operating impacts, confirming affordability, funding strategies and allocations (reserves, grants, debt), and monitoring capital related financial risk in accordance with Council policies.

Deputy Director, Capital Investment Planning is responsible for corporate capital portfolio planning and prioritization, including maintaining the multi-year capital infrastructure plan, leading the corporate capital prioritization and sequencing process, and recommending capital portfolio relinquishments/ redistributions.

Departments remain accountable for managing and delivering their capital portfolios in accordance with these corporate frameworks.

4.8 Business Unit Directors are responsible for the following:

a) Support Department Heads in the development of departmental business plans and budgets;

b) Act as an owner of the approved business unit budgets and managing financial and workforce resources; and

c) Monitor and report to Department Head on budgets, forecasts and performance.

4.9 Deputy Director, Corporate Finance is responsible for corporate-level financial governance which includes the following:

a) Lead the City's multi-year and annual business plans and budgets process within the targets and direction provided by the CFO;

b) Ensure implementation of Council-directed budget amendments (including multi-year, annual and in-year Council decisions);

c) Develop standardized guidance outlining the financial information that must be included in business plans, budgets, and reports with financial implications;

d) Review and validate all financial assumptions and inputs in business plans and budgets or reports prior to their submission by the CFO and/or Department Heads to Council or Standing Committee Meetings;

e) Ensure financial information applied in capital business plans and budgets, including funding strategies and economic factors, are reviewed, validated and approved for use; and

f) Manage corporate funding strategies including reserves management and confirming major capital financing plans with Treasury.

4.10 Deputy Director, Portfolio Finance is responsible for departmental-level financial leadership which includes the following:

a) Monitor department level operating, capital, and reserve budgets;

b) Validate variance explanations, financial risks, and forecasts;

c) Ensure departmental plans, forecasts, and cashflows are reasonable, consistent and aligned with corporate standards;

d) Provide financial leadership and provide analysis to departments during planning and in-year processes; and

e) Monitor and notify Department Head of any unfavorable departmental operating, capital or reserve budget variances.

4.11 The Portfolio Finance Manager is responsible for the following:

a) Maintain accurate departmental financial information and reporting for Department Heads and Business Unit Directors;

b) Support departments with financial planning, including forecasting, analysis and reporting; and

c) Review and optimize reserves and funding sources that are assigned to the department.

4.12 The Manager, Corporate Budget Office is responsible for the following:

a) Design, implement and manage corporate budget processes, financial controls, spending reviews and compliance systems;

b) Prepare consolidated management reporting for executive oversight and decision-making; and

c) Develop training and guidance material to support adherence to this policy.

5. CONSEQUENCES OF NON-COMPLIANCE

5.1 Employees who fail to adhere to this Administration policy may be subject to corrective action, including dismissal from employment, in accordance with the *Labour Relations standard*, the *Exempt Staff policy*, or the specified terms outlined in their employment contract.

6. DEFINITIONS

6.1 In this Administration policy:

a) **Administration** means the Chief Administrative Officer or an employee accountable to the Chief Administrative Officer;

b) **Budget Transfers** means any transfer(s) of an amount initially recorded within one budget line item to a different budget line item that does not impact the City's total budget (typically only used in reorganizations or corporate fund allocation);

c) **Business Plan** sets out the business units and/or department's key financial and non-financial goals and objectives, resource allocations (including financial, workforce, technology and infrastructure), service delivery performance levels and measures, balanced risk management approach and key relationship engagement actions for the period;

d) **Capital Budget** means the aggregate budget for The City's approved capital expenditures for all approved years, including the current year portion for those relating to all approved multi-year capital project budgets;

e) **City** or **The City** means The City of Calgary;

f) **Corporately Managed Fund** means the money approved in the net operating budget or capital budget, managed corporately to fund ongoing expenditures that were unknown or unexpected at the time Council approved;

g) **Department** means a subset of The City that is dedicated to developing and implementing a distinct service or set of responsibilities and is led by a Department Head;

h) **Department Head** means any General Manager, Chief, Commission, or Board that oversees a department, or the senior officer that represents Water, Waste and Recycling Self-supported Services;

i) **Employee(s)** means any person employed by The City and reporting to a City of Calgary business unit, department, the Office of the Chief Administrative Officer, the Office of the Chief Operating Officer, the Office of The Mayor, the City Auditor's Office, the Calgary Housing Company, and the Calgary Police Service, including those working under an employment contract with The City;

j) **Executive Leadership Team** means the team of most senior administrative officials of The City that exists to understand, make decisions about, and co-ordinate the various programs, projects and initiatives that have broad corporate scope and influence to balance priorities in the best interests of the city community as a whole;

k) **Multi-year** means all years for which Council has approved a budget or plan;

l) **Net Operating Budget** means budgeted expenditures less revenues and internal recoveries;

m) **Net Over-expenditures** occur when expenditures exceed the approved budget, and the excess cannot be fully offset by additional revenue or funding sources;

n) **One-Time Budget** means a non-recurring operating revenue, recovery, or expenditure;

o) **Operating Budget** means items of revenue, recoveries, and expenditures pertaining to The City's ongoing day-to-day operations and service delivery, which budget is generally exhausted within one year;

p) **Recovery** or **Recoveries** means charges between internal departments within The City of Calgary as approved by Executive Leadership Team in setting multi-year plans and budgets;

q) **Relinquishment** refers to surrender of any unspent portion of an allocated capital budget or one-time budget;

r) **Reserve(s)** or **Reserve Funds** means current funds set aside by The City to address future contingency, fiscal sustainability or cashflow management requirements (such as capital projects, debt repayments);

s) **Revenue(s)** means the income generated from a variety of external sources including, but not limited to, property taxes, the sale of goods and services, intergovernmental grants and fines and penalties;

t) **Service Delivery** means the expected function or output of a department, as approved by Council;

u) **Spending Commitments** mean commitments created when the City enters into contracts, purchase orders, agreements, or other arrangements that legally or operationally bind the City to spend money, regardless of when the expense is ultimately incurred;

v) **Unfavourable Variance** means those expenditures of a department that cannot be offset by revenue and which need to instead by offset by using corporate funds; and

w) **User Fees** means any payment(s) charged in exchange for a good or service provided by The City.

7. ASSOCIATED GOVERNANCE

7.1 This policy is established in accordance with the *Municipal Governance Act* (Alberta) which describes the responsibility of the Chief Administrative Officer to implement the policies and programs of the municipality; and

7.2 This policy operates in conjunction with the City's Budget Spend Authorization and Delegation Council Policy (CP2025-03), that delegates authority for Administration to spend against previously approved budgets.

8. HISTORY

Action	Date	Approval	Description
New	2026 Mar 02	ELT 2026-0030	New policy.