

Walford Parish Council

Project Finance Policy

Policy statement

The purpose of this policy is to clearly outline how the Parish Council will handle the finances of any projects it has chosen to support within any given financial year and provide accountability and transparency to the parish.

1. Definition of a project

A project is defined as any activity resolved by the Council to be undertaken by the Council outside of its annual commitment to maintain the parish to basic standards.

2. Projects and Annual Budgeting

1. The project expected costs should be included in the annual budget.
2. The project working group is responsible for providing this data to the RFO before the end of October, in preparation of the parish budget for the following financial year.
3. The project working group is responsible for highlighting and justifying the impact this may have on the annual budget and precept.
4. The Finance Committee will consider the budget provided for the project and make recommendation to Full Council for approval.
5. The Finance Committee has the right to request that the working group adjusts its figures in advance of approving the project budget for inclusion in the annual council budget.

3. Project Reporting

1. During the financial year, the working group is responsible for providing an update to the Finance Committee of actual income and expenditure against budget.
2. Any exceptional over or underspend against budget must be highlighted to the Finance Committee together with proposed actions to bring any deficit back in line with budget.
3. Project reserves from this or other projects may be used to fund the project with the approval of the Finance Committee or Full Council.

4. External Sources of Income

1. A project may seek external funding in order to support its budget for the current or subsequent financial years.
2. Budget submissions should clearly differentiate between funding from the Council and funding from external sources.
3. Details of successful applications must be given to the RFO, specifying to which year the income should be applied.
4. Income relating to subsequent years will be held as deferred income and not appear in the Income and Expenditure account of the current year.
5. The project working group is responsible for recommending to the RFO when deferred income is to be released into the accounts.
6. Where a project is part funded externally, Council funds will be allocated in the same proportion to external funding throughout the year as the split of the funding.

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5. Financial year end

1. At the end of the financial year, the RFO will provide a summary of each project highlighting income, expenditure and the overall surplus or deficit generated by the project.
2. The project working group is responsible for explaining any variances from budget greater than 10% to the Finance Committee.
3. The Financial Committee will be responsible for considering and recommending how the project finances should be managed for the current financial year.
 - 3.1. Where a project is continuing into a subsequent year
 - 3.1.1. If a surplus has been generated, it will be allocated to a project reserve fund or the general reserve subject to the restrictions of the reserves policy.
 - 3.1.2. If a deficit has been generated, the Finance Committee should consider and make recommendations on the feasibility of continuing the project. The deficit may be filled by the project reserve fund or general reserve.
 - 3.2. Where a project has been discontinued, the Finance Committee should consider and recommend whether
 - 3.2.1. The surplus will be retained in general reserves or redirected to other projects.
 - 3.2.2. The deficit may be filled the project reserve fund or general reserve.

Document control

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