



VIREMENT POLICY

2016 - 2017

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PREPARED BY:	B.M.M. Lethuba
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REVIEWED BY:	MOLOKO K.E
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APPROVED BY:	COUNCIL
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1. OBJECTIVE

The objective of the virement policy is to provide guidelines to be followed, to effect virements of approved budgeted expenditure during the course of financial year.

2. PRINCIPLES

- 2.1. Virements should not be permitted in relation to the revenue side of the budget;
- 2.2. Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management(e.g. the management of central insurance funds and insurance claims from separate votes);
- 2.3. Virements from capital budget to the operating budget should not be permitted;
- 2.4. Virements towards personnel expenditure should not be permitted;
- 2.5. Virements to or from the following items should not be permitted : bulk purchases, debt impairment, interest charges, depreciation, grants to individuals, revenue foregone, insurance and VAT;
- 2.6. Virements should not result in adding new projects to the capital budget;
- 2.7. Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted;

3. GUIDELINES

- 3.1. Virement of any budgeted expenditure between the line items can only be approved by the Municipal manager with the recommendation from the Chief Financial Officer.
 - 3.1.1 for projects 20%
 - 3.1.2 Others 15%



3.2. Virement of any budgeted expenditure between votes (Departments) can only be approved by the Council of Molemole Municipality, upon consideration of a report from Municipal manager to support the necessity thereof, which also extends to the authorization of unforeseeable or unavoidable expenditure not provided for in the budget.

4. **AUTHORIZATION**

All changes to be authorized in the adjustment budget or by council committee subsequent thereto.

5. **INTERNAL MEMORANDUM**

FROM : NAME OF DEPARTMENT

TO : OFFICE OF THE MUNICIPAL MANAGER

1. **Purpose**

2. **Background**

3. **Discussion**

4. **Virement Approval Form**

DEBIT

Vote number	Description	Amount

CREDIT

Vote number	Description	Amount



REQUESTED BY

SIGNATURE

Date

RECOMMENDED BY CFO

SIGNATURE

Date

APPROVAL: MUNICIPAL MANAGER

SIGNATURE :

APPROVED APPROVED	NOT
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Delete not applicable

DATE :

5. Policy review

The Virement policy must be reviewed annually and be tabled to the municipal council for approval.

Signature:	
Initial & Surname:	
Designation:	
Council Resolution Number:	
Council Date:	