



Issue Date: <b>May 2008</b>	Effective Date: <b>April 25, 2008</b>	Responsible Agency: <b>Expenditure Management</b>	Directive No: <b>302-5</b>
Chapter: <b>Budget Management Control</b>			
Directive Title: <b>CAPITAL CARRY-OVERS</b>			

## 1. POLICY

The Legislative Assembly approves only one year's appropriation each fiscal year, but *S.44 (2) of the Financial Administration Act (FAA)*, allows for multi-year contracts or obligations. Under *S.34 of the FAA*, any unused portion of a capital appropriation lapses annually even though projects may be scheduled for completion over several years. It is not unusual for capital expenditure projects to lapse appropriated funds due to construction delays and other unforeseen circumstances.

Although financial obligations might exist with these projects, lapsed appropriation authority cannot be automatically added to a following year's appropriation, but rather supplementary appropriation approval must be sought to carry-over the lapsed appropriation authority to the next fiscal year. The following directive sets out the provisions for requesting the carry-over of lapsed funds to the subsequent fiscal year.

## 2. DEFINITION

### 2.1. Capital Carry-over

The portion of an appropriation (Operation Expense (see directive 703-1) or Capital Expense) voted in a fiscal year which, owing to construction or other delays, could not be expended within a fiscal year.

## 3. DIRECTIVE

A capital carry-over request must be made in accordance with the following Provisions.

## 4. PROVISIONS

4.1. The Financial Management Board will consider a capital carry-over request where:



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## FINANCIAL ADMINISTRATION MANUAL

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- 4.1.1. a contractual or financial commitment exists against an approved project budget, or
- 4.1.2. an existing approved project has not been started, no contractual or financial commitments or actual expenditures have been made, and a submission with supporting documentation requesting carry-over is made to the FMB within the first quarter of the new fiscal year.
- 4.2. In order to be eligible for supplementary appropriation in the following year, the project funding associated with the capital carry-over must have lapsed against the specific project in the previous fiscal year and not have been used for another purpose.
- 4.3. As a general rule, capital carry-over requests under \$50,000 will be funded from within a department's appropriation for the subsequent year.