

MSUNDUZI MUNICIPALITY



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The Msunduzi Municipality

VIREMENT POLICY

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1. Introduction

In compliance with the Municipal Finance Management Act, the policy seeks to give flexibility in terms of undertaking Virement in an event of changes that may take place in line with service delivery and budget implementation plan (SDBIP) of the municipality.

2. Definition

Virement is the process of transferring funds from one line item of a budget to another. The term is derived from a French word meaning a commercial transfer.

3. Types of Virements

3.1 Line item Virement

Line item virement is the process of funds re-allocation between line items within a vote (department).

3.2 Vote Virement

Vote Virement is the process of funds re-allocation between the votes (department), undertaken during the mid-year budget process.

To the extent that it is practical to do so, transfers within the first five(5) months and the last two(2) months of the financial year should be avoided.

4. Provision for Virement outside the adjustment budget process

Unforeseen and unavoidable expenditure will be dealt with in terms of the Municipal Finance Management Act (MFMA).

Exceptional circumstances

The Virement will only take place subject to conditions of authorization as contained in the Virement procedure manual.

5. General

The Municipal Manager shall be responsible for the implementation and administration of this Policy.

The policy *as amended* will be effective as from **1 July 2015**.