



VHEMBE DISTRICT
MUNICIPALITY
VIREMENT POLICY
2019/2020

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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, Operational funds to the Capital budget may be done, but only via and adjustment budget
- 2.4. Virements towards personnel expenditure should not be permitted; except Where temporary/contracted (budget for as contracted services in terms to The Mscoa classification) staff status has changed to permanent staff or The budget savings resulted from outsourced services within the same function
- 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;
- 2.8. Virements may not exceed a maximum of 5% of the budget may be moved to or from a function, program, project, etc.
- 2.9. No virement may be made where it would result in unauthorised expenditure. (Section 32 MFMA)
- 2.10. No virements are permitted in the first three month or the final month of the financial year without the express approval of the Accounting Officer

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.
- 3.2. Virement of any budgeted expenditure between votes can only be approved by the mayor, 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. VIREMENT APPROVAL FORM
VHEMBE DISTRICT MUNICIPALITY**

VIREMENT APPROVAL

KINDLY EFFECT THE FOLLOWING CHANGES ON MY BUDGET

DEBIT

Function	Project	Function	Item	Costing	Funding	Amount
Total						

CREDIT

Function	Project	Function	Item	Costing	Funding	Amount
Total						

MOTIVATION

REQUESTED BY HEAD OF DEPARTMENT: NAME.....

SIGNATURE

DATE.....

COMMENTS: BUDGET OFFICE

NAME.....

SIGNATURE

DATE.....

RECOMMENDED BY CHIEF FINANCIAL OFFIC: NAME.....

SIGNATURE

DATE.....

APPROVED BY MUNICIPAL MANAGER: NAME.....

SIGNATURE.....

DATE.....

