

Community Deficits	Policy	F11
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What is the policy?

It is department policy that no community can show a deficit on the annual operating financial statement where reserves exceed the required level and the contribution to capital account has a balance.

Community responsibilities

- It is the responsibility of the community council to follow sound financial management practices in order that no deficits are incurred.
- When the community administrative officer is preparing the annual financial statement, anything over and above the reserve requirements needs to be used to cover off any deficit incurred.

Department responsibilities

- The department will not approve a deficit where this policy is not being followed.
- Where the community is in non-compliance with this policy the regional office will work with the community to correct it.
- Where there is no action by the community, the department will address it with the community auditor to make the necessary corrections.