

Part: **Public Money and Property**  
 Section: **General Revenue Fund and Revolving Funds**  
 Subsection: **Control of the GRF**

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## Control of the GRF

### Gross Budgeting Concept

*The Financial Administration Act, 1993 (FAA)* continues the General Revenue Fund (GRF) and enshrines the gross budgeting concept (section 19). The GRF is the main fund that receives government revenue. The GRF is available for appropriation for the public services of Saskatchewan.

All payments from the GRF must have legislative authority, which is the authority to undertake the activity; budgetary authority, which is the appropriation granted by the Legislature from which payments are made; and spending authority, which is the approval of the permanent head or delegate that certifies the lawfulness, propriety and accuracy of the proposed payments and the allocation of the related charges.

The gross budgeting concept means that all revenues and expenditures are reflected at gross amounts. This means that offsetting revenues that are attributable to a program are not netted against expenditures of the program but are recorded as revenue.

The following are subject to the gross budgeting concept and the provisions in the FAA regarding the GRF:

- Ministries
- Legislative Assembly Service
- Chief Electoral Officer
- Conflict of Interest Commissioner
- Information and Privacy Commissioner
- Ombudsman
- Advocate for Children and Youth
- Public Interest Disclosure Commissioner
- Provincial Auditor
- Judiciary

### Appropriation

Appropriation is formally defined in the FAA (clause 2(a)) to mean:

- (i) an appropriation in an *Appropriation Act*;
- (ii) an amount permitted or directed to be paid from the general revenue fund under this or any other Act (statutory); or
- (iii) an appropriation by special warrant issued pursuant to section 14.

Appropriation means that the Legislature has provided money for a specific use.

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## Legislative Authority for Spending

Unless statutory appropriation is provided, authority for spending from the GRF is provided by the Legislature on an annual basis through an *Appropriation Act(s)*.

## Statutory Appropriation

The Legislative Assembly has, in a few cases, provided statutory appropriation, which is the continuing authority for spending from the GRF for a specific purpose. This authority is provided in the same Act that authorizes the activity. An example of statutory appropriation is interest on the public debt.

The FAA provides for net budgeting in the GRF, which is similar to statutory appropriation in that there is continuing authority to incur expenses for a specific purpose (however, there must be sufficient associated revenues). Refer to [Section 3001 Net Budgeting in the GRF](#) for more information.

## Appropriation Act

The main *Appropriation Act* authorizes appropriations for a fiscal year (less any amounts granted for that fiscal year through previous *Appropriation Acts*). Moneys of the GRF can be spent for the purposes identified in the *Appropriation Act* and estimates.

In accordance with the Legislative Assembly's Rules and Procedures, the main appropriation bill is to be concluded by the sitting day prior to the Completion Day of the legislative session (the normal Completion Day is the Thursday before Victoria Day).

At the end of a fiscal year, unused appropriations lapse and the cycle begins again for the new fiscal year.

An *Appropriation Act* may provide for the carry over of appropriation for major capital projects from one fiscal year to a subsequent fiscal year. The approval of Treasury Board through the budget process is required. Capital carry-overs require a separate vote to schedule it in the *Appropriation Act*. By policy, Treasury Board requires the entire vote to be capital.

## Estimates

The document tabled with the Budget that reflects the Government's detailed expenditure plan for the GRF for the fiscal year is called the Estimates (also known as the Main Estimates).

The FAA provides specific direction with respect to the preparation and tabling of estimates for a fiscal year. The Minister of Finance is to prepare the estimates in any form required by Treasury Board and to table them.

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They are to include:

- any expenses that are required to be voted on by the Legislature;
- any expenses that are permitted or required to be paid out of the GRF and that are not required to be voted on by the Legislature;
- any loans, advances or investments that are required to be voted on by the Legislature;
- any loans, advances or investments that are permitted or required to be paid out of the GRF and that are not required to be voted on by the Legislature; and
- any other information that Treasury Board considers appropriate (section 12).

The Main Estimates must include all expenditures (i.e., expenses, capital, loans, advances, investments) that are a charge on the GRF. These expenditures are grouped into votes and further subdivided into subvotes. The Legislative Assembly approves the amounts at the subvote level.

### **Vote**

A Vote represents a block of funding provided by statute or approved by the Legislature through an *Appropriation Act*. The block of funding is for a particular activity or purpose as outlined in the Estimates. A vote generally relates to expenditures of a ministry.

### **Subvote**

A subvote is a division of a vote. Subvotes usually represent a major program or function within the vote.

### **Allocation (sub-program)**

An allocation (sometimes referred to as a sub-program) is a division of a subvote. An allocation represents a further delineation of the program, such as a distinct client group or method of delivering the program.

### **Further Estimates**

Further estimates are additional estimates that are tabled by the Government while the Estimates are being reviewed by the Legislative Assembly.

### **Supplementary Estimates**

Supplementary estimates are additional estimates that are tabled by the Government after the passage of the *Appropriation Acts* that supplied funding as specified in the Budget estimates. A document containing supplementary estimates detail is prepared in a format that is consistent with the Main Estimates (i.e., on a subvote and sub-program). Supplementary estimates would typically be tabled in the fall and in the spring prior to the tabling of the Main Estimates.

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The Treasury Board Branch of the Budget Analysis Division of the Ministry of Finance prepares the [Main Estimates](#), further estimates and [supplementary estimates](#). These documents are available on the Ministry of Finance website.

## Legislative Review

The operating expenditures of the Government in the estimates are grouped by the Executive Branch and the Legislative Branch. Refer to [Section 1000 Form and Structure of the Government](#) for information on the branches of the Government.

Through its [Rules and Procedures](#), the Legislative Assembly has provided for the consideration of estimates.

The [Standing Committee on House Services](#) is to consider the estimates of the Legislative Branch of government. The Speaker and the officials of the various legislative offices attend as witnesses.

The [Committee of Finance](#) is to consider the estimates for Executive Council. The estimates of the Executive Branch (except Executive Council) are to be considered by a policy field committee, as allocated by the Standing Committee on House Services. During the review, ministers are asked questions with respect to their ministries' estimates. They often have their deputies and other senior officials with them to provide the requested information.

Once the committee has 'voted' on the estimates, the amounts are reported back to the Legislative Assembly for inclusion in the appropriation bill.

## Legislative Approval

When an *Appropriation Act* is passed by the Legislature and receives Royal Assent, appropriations are granted for the purposes identified in the *Appropriation Act* and estimates.

## Automatic Interim Funding

The FAA (section 14.1) provides for interim funding commencing on April 1 of a new fiscal year, based on two-twelfths of the previous year's estimates (includes the Estimates, further estimates and supplementary estimates). Automatic interim funding cannot be used to fund programs that could not have been legally charged to the previous year's appropriation. Typically, this would be new programs legally authorized in the new year or existing programs that were not funded in the previous year. Automatic interim funding allows the Government to continue to operate existing programs without an [interim supply bill](#) until the normal Completion Day of the legislative session.

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However, there are situations when an interim supply bill would still be required. For example, an interim supply bill would be required if funding was needed for new programs, if the Completion Day extended significantly past the normal Completion Day, or if more than two-twelfths automatic interim funding was needed, for a program.

Automatic interim funding does not apply if there is an early budget and an *Appropriation Act* is enacted before the commencement of a fiscal year. Automatic interim funding must be included as part of the sums appropriated by the next *Appropriation Act* and not in addition to the sums.

## Adjustments to Appropriations

Additional funds may be provided by the Legislature for a fiscal year through additional *Appropriation Acts*.

Despite the requirement for strict adherence to the principles of legislative control, the Legislature recognized the need to be flexible during the year as conditions and government priorities change. The Legislature, through the FAA, has provided two mechanisms whereby annual budgetary authority to incur expenses can be modified. These mechanisms are special warrants and virements.

## Special Warrants

Pursuant to the FAA, the Lieutenant Governor in Council may order a special warrant when the Legislature is not in session and money is needed for an expense that was not foreseen or provided for, or insufficiently provided for (section 14).<sup>1</sup> Amounts approved by special warrant are deemed to be an appropriation for the fiscal year in which they are issued and are included in the next *Appropriation Act* that is not an Act for interim supply. Any funding provided by special warrant would appear in the next supplementary estimates document.

## Virements

Pursuant to the FAA, the Minister of Finance may approve a virement to move amounts of an appropriation from one subvote to another subvote within the same vote when funds are available but designated for another use (section 13).

## Payments from the GRF

The FAA stipulates that no person is to make a requisition for payment out of an appropriation that would be an unlawful or improper charge

<sup>1</sup> *The Provincial Auditor Act* provides for a different process for special warrants for the Provincial Auditor.

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against the appropriation, that would result in an expense in excess of the appropriation or that would reduce the balance available in the appropriation so that it would not be sufficient to meet the commitments chargeable against it (subsection 31(4)).

The FAA directs the Provincial Comptroller to maintain or cause to be maintained, the appropriation accounts of the GRF and the financial accounts relating to the operations of the GRF and to control disbursements from the GRF in accordance with the FAA (section 10).

### **Appropriation Control**

The FAA directs the Provincial Comptroller to control disbursements from the General Revenue Fund (GRF), to maintain appropriation accounts of the GRF (section 10), and to ensure no payment is made in excess of an appropriation (section 32(2)).

The FAA allows payments to be made against a liability incurred before the end of the fiscal year if the liability is recorded against an appropriation during the fiscal year or during a supplementary period that follows the end of the fiscal year (section 37).

For detailed information regarding payments from the GRF, refer to [Section 3100 Payments from the GRF](#).

### **Agreements or Contracts**

The FAA does not permit agreements or undertakings to be entered into in a fiscal year that would result in a charge to an appropriation for that fiscal year in excess of the unencumbered balance of that appropriation (section 33).

### **Over-spending**

In rare situations, over-spending occurs. While there is no legislative authority to incur costs that exceed the appropriation, when this occurs, the FAA requires the amount of the expense in excess of appropriation to be a first charge against a suitable appropriation for the next year and the appropriation for the next year is charged with that amount, which means that amount is no longer available to be spent. In accordance with the FAA, over-expenditures are reported to the Legislative Assembly (section 37(3)).

### **Deposit in the GRF**

The FAA permits any moneys that are not otherwise required to be paid into the GRF to be held in the GRF upon the authorization of Treasury Board. These moneys are held in the GRF on any terms and conditions that Treasury Board may set, including the payment of interest from the GRF (section 20). Refer to Treasury Board's policies in [Section 3300 Holding Money in the GRF](#) for more information.

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**Advances from the GRF** The FAA permits the Minister of Finance to advance moneys from the GRF to any public agency in any amounts and on any terms and conditions that may be approved by the Lieutenant Governor in Council (section 39) provided there is a suitable appropriation.

The FAA also permits the Minister of Finance, subject to any directives of Treasury Board, to advance moneys from the GRF to any person on account of expenses that are authorized by an appropriation and that are incurred or are to be incurred against the appropriation (section 41). Refer to Treasury Board's policy regarding advances to individuals in [Section 3132 Advances to Individuals](#).

**Refunds to Vote** Treasury Board allows for certain receipts to be accounted for as a reduction of expenses. This treatment is referred to as a [refund to vote](#). Refer to [Section 3005 Refunds to Vote](#) for more information on refunds to vote.

**Shared Services** The FAA provides for shared services (i.e., one ministry provides services (e.g., information technology support) to one or more ministries. and charges its appropriation with associated costs until the reimbursements from the other ministries are received (section 33.1)). It should be noted that the Legislative Assembly Service, the Office of the Law Clerk and Parliamentary Counsel, the Legislative Library and the office of any officer of the Legislature are included under this provision. Refer to [Section 3007 Shared Services](#) for more information on shared services.

**Shared Grants or Programs** The FAA also provides for shared grants or programs (i.e., one ministry administers a shared grant or program for one or more ministries and charges its appropriation with the other ministries' costs until the reimbursements from the other ministries are received (section 33.2)). Ministries must have legal authority for the grants, as this section does not provide that authority. Refer to [Section 3008 Shared Grants and Programs](#) for more information on shared grants or programs.

**Remissions** The FAA allows [remissions](#) of certain revenues. When remissions are made, they are accounted for as a reduction of revenue. The FAA requires remissions granted to be reported annually in the Public Accounts (section 24). For Treasury Board's policy regarding the application for remissions, refer to [Section 3010 Application for Remissions](#). Refer to [Section 2000 Overview of the Public Accounts](#) for more information.



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## Revenue Refunds

The FAA allows refunds of GRF revenue to be accounted for as a reduction of revenue (section 25). This treatment is referred to as a revenue refund. Refer to [Accounting Manual, Section 3000 Revenue](#) for more information.

## Fees or Charges

The FAA allows the Lieutenant Governor in Council to authorize any member of the Executive Council to prescribe the fees and charges for the provision of any good, service, or the use of facilities by any ministry for which the member is responsible subject to any terms and conditions that the Lieutenant Governor in Council may impose (section 26). The Lieutenant Governor in Council has provided this authorization subject to all of the following conditions:

- Another Act does not provide specific authority to set a fee or charge.
- The ministry is not obligated by law to provide the good, service, or the use of facilities.
- The fee or charge prescribed does not exceed the estimated cost of providing the good, service or the use of facilities.

## References

[1000 Form and Structure of the Government](#)  
[1200 Role of the Legislature to Control Public Money](#)  
[1300 Government Management and Control](#)  
[1400 Financial Management and Control](#)  
[1500 Applicability of the Financial Administration Manual](#)  
[2000 Overview of the Public Accounts](#)  
[2005 Form and Content of the Public Accounts](#)  
[2010 Reporting Payee Details in the Public Accounts](#)  
[2100 Overview of General Revenue Fund Accounting](#)  
[3001 Net Budgeting in the GRF](#)  
[3005 Refunds to Vote](#)  
[3007 Shared Services](#)  
[3008 Shared Grants and Programs](#)  
[3010 Application for Remissions](#)  
[3100 Payments from the GRF](#)  
[3300 Holding Money in the GRF](#)

[Accounting Manual, Section 3000 Revenue](#)