
SECTION 6

BUDGETING AND FINANCIAL MANAGEMENT

6.03 SPECIAL WARRANTS

AUTHORITY: *FINANCIAL ADMINISTRATION ACT*

ADMINISTRATION: TREASURY BOARD SECRETARIAT

EFFECTIVE DATE: JUNE 2024

6.03 SPECIAL WARRANTS

(1) PURPOSE

The purpose of this policy is to outline Government's process for the issuance of Special Warrants.

In addition to funds that are appropriated by the Legislative Assembly in the *Appropriation Act* each fiscal year, section 37 of the *Financial Administration Act* allows for funds to be appropriated by the Lieutenant Governor in Council (by Order-in-Council) where a payment is required for the public good and there is no other appropriation available. These Orders-in-Council are referred to as Special Warrants.

The provision under the *Financial Administration Act* for Government to approve Special Warrants during the fiscal year is an important executive tool and forms an integral part of the overall Budget/Appropriation system.

Pursuant to the functions assigned to Treasury Board in Part I of the *Financial Administration Act*, the Board has approved the following policy and procedures for processing requests for Special Warrants.

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) for which funds are appropriated. Some agencies are funded by a department. The policy applies as follows:

- Schedule "A" - Departments
- Schedule "B" - Crown corporations
- Schedule "C" - Education Authorities
- Schedule "D" - Commissions

(3) DEFINITIONS

In this policy, the following definitions apply:

- (a) **"Appropriation Vote (Vote)"** means the total amount appropriated for a department etc. as per the schedule set out in the *Appropriation Act* for a specific fiscal year.
- (b) **"Special Warrant Request"** means the form designed by Treasury Board for this purpose and prepared by the Department concerned.
- (c) **"Special Warrants"** includes the following four types:
 - (i) **"Special Warrants with Offset"** means full or partial revenue offset or sequestration transfers which have varying degrees of effect on revenues, expenditures and net debt.

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- (ii) **“Accounting Warrant”** means a warrant relating to an expenditure which is the result of a financial adjustment required during the preparation of the financial statements in accordance with Generally Accepted Accounting Principles. These could include entries for pension/benefit adjustments, amortization of capital assets, and provisions regarding guarantee of debt and write offs.
- (iii) **“Spending Warrant”** means a warrant which is not offset by revenue and is made throughout the year for the public good. This warrant will increase expenditures and net debt.
- (iv) **“Reorganization Warrant”** means a warrant relating to departmental reorganization and/or realignment of program responsibility that occurs during the fiscal year which changes funding requirements from one department or Crown corporation’s budget (Appropriation Vote) to another. Authorization and the sequestration of funds process is described in subsection 6.04(4)(b) Appropriation Transfers of the Manual.

(4) POLICY

Requests from Departments for additional appropriations by Special Warrants will be reviewed by Treasury Board, and if approved, will be recommended to Executive Council.

Before presenting a request for a Special Warrant, it is incumbent upon the Department to examine its priorities and expenditure plans for the current fiscal year to determine if the plan can be revised and if funds from other programs can be utilized avoid the need for a Special Warrant.

In consideration of appropriation changes, Treasury Board’s general policy is fund from within first and Special Warrants should only be a LAST RESORT if no other funding sources can be identified.

(5) PROCEDURES

- (a) Special Warrant requests shall be:
 - (i) submitted on the Request for Special Warrant form and signed by the Minister with the Department forwarding the original to the Executive Director of Fiscal Management (see Attachment 6.03-I).
 - (ii) accompanied by a Treasury Board memorandum containing a full explanation of and rationale for the increase in the appropriations. Relevant supporting documentation should be attached.
 - (iii) identified on the form as to the type of Special Warrant listed in subsection 6.03(3)(c).

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- (b) Requests for Special Warrants must be signed by the Minister.
- (c) Special Warrant requests shall be rounded up to the nearest thousand dollars (\$1,000) for each account.
- (d) Requests for Special Warrants will be reviewed by Treasury Board and either recommended to Executive Council for approval by Order-in-Council, held for additional information or denied.
- (e) When a Special Warrant has been approved by Order-in-Council, the appropriation accounts will be increased by Treasury Board Secretariat Operations staff and a copy of the approved Special Warrant request is returned to the Department for information.

(6) GENERAL

- (a) In the process of reviewing requests for Special Warrants, Treasury Board Secretariat Operations staff may contact the Department for additional information.
- (b) If there are insufficient funds available in the Appropriation Vote, payments will not be accepted by the Enterprise Financial Information System until the Special Warrant has been approved and entered in the Funds Checking Budget.
- (c) Requests for Special Warrants should be prepared as soon as the Department recognizes there is a need for additional funds and only after ascertaining that such funds are not available from within its existing Vote.

(7) TIMING

In accordance with section 37 of the *Financial Administration Act*, a Special Warrant can only be authorized when the Legislative Assembly is not in session. The Legislative Assembly is deemed to not be in session when it has been adjourned indefinitely or for a period in excess of thirty days.

(8) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Secretary to Treasury Board or their delegated officer who will make the interpretation or refer the matter to Treasury Board, if a Treasury Board decision is deemed necessary.