



Appendix I

RE: EX5.6

5th DRAFT
2019-03-28

**BOARD OF MANAGEMENT
OF THE TORONTO ZOO**

FINANCIAL AUTHORITIES BY-LAW

BY-LAW No. 2-2019

Approved by the Board of Management on 2019-_____

A.	GENERAL	4
	1. Definitions.....	4
	2. Sole Authority.....	6
	3. Purpose.....	6
B.	Appropriations	6
	4. Estimates.....	6
	5. Interim Operating Budget Appropriation.....	6
C.	Capital Budget	6
	6. Projects.....	6
D.	Board Approval	6
	7. Approval.....	6
	8. Contents of Reports.....	7
E.	Commitments	7
	9. Specific Board Approval.....	7
	10. Authority of Chief Executive Officer.....	8
	11. Animal Transactions.....	9
	12. Grants.....	9
F.	Forms of Commitment	9
	13. Petty Cash.....	9
	14. Zoo Commitment.....	9
	15. Requests for Proposals.....	10
	16. Consultant's Agreements.....	10
	17. Convention, Business and Travel Expenses, etc.....	10
	18. Meterage.....	10
	19. Agreements.....	11
G.	Capital Projects	11
	20. Contracts and Tenders.....	11
	21. Execution.....	11
H.	DOCUMENTS	11
	22. Safekeeping of Documents.....	11
I.	Certification	12
	23. Certification of Payments.....	12
J.	Evidence of Payment Due	12
	24. General.....	12
	25. Advance Payments.....	12
	26. Payroll.....	13
K.	Payments	13
	27. Chief or Senior Financial Officer – Requisition from a Unit.....	13
	28. Chief or Senior Financial Officer's Authority.....	13
L.	Special Powers	14
	29. Successive Agreements.....	14
	30. Emergencies.....	14
M.	Over-Expenditures	14
	31. Overrun on Amount Specifically Approved.....	14
	32. Overrun on Appropriation.....	14
N.	Write-Offs	14
	33. Authority for Write-Offs.....	14
O.	Disposal of Surplus Property	15
	34. Chattels.....	15
P.	DEVELOPMENT & OTHER SOURCES OF REVENUES	15

	35. Donations	15
Q.	Administration	15
	36. Designation	15
	37. Controls	16
	38. Banking Agreements	16
	39. Financial Reporting	16
	40. Repeal	16
	41. Effective Date	16

BOARD OF MANAGEMENT OF THE TORONTO ZOO
FINANCIAL AUTHORITIES BY-LAW NO. 2-2019

To confer certain authorities and responsibilities with respect to the appropriation and commitment of funds and the payment and reporting of accounts of the Board of Management of the Toronto Zoo.

WHEREAS the Board has sole authority to allocate funds through its adoption of the estimates and the capital budget for financing approved Board programs and objectives;

AND WHEREAS the Chief Executive Officer has the authority to commit Board funds for implementing approved Board programs and objectives, subject to the terms of this By-law, any other financial By-law and there being sufficient funds;

AND WHEREAS the Chief Executive Officer is authorized to pay all accounts and other liabilities of the Board, subject to the terms of this By-law;

NOW THEREFORE the Board of Management of the Toronto Zoo HEREBY ENACTS as follows:

A. GENERAL

1. Definitions

In this By-law,

- (a) “account” means a financial liability of the Board arising from a commitment and evidenced by any invoice, paysheet, receipt or other document indicating payment is due for the goods or services specified in the account;
- (b) “appropriation” means the allocation of funds approved by the Board for a specified purpose;
- (c) “Board” means the Board of Management of the Toronto Zoo;
- (d) “budget” means the operating and capital budgets of the Zoo as approved by the Board and Council;
- (e) “capital account” means the funds allocated by the Board for a particular work or project in the capital budget;
- (f) “Chief Executive Officer” or “CEO” means the Chief Executive Officer of the Zoo, or his designate, acting pursuant to section 36;
- (g) “Senior Financial Officer” or SFO means the staff member of the Zoo designated by the Board as the senior financial manager for the purposes of this By-law, or his designate;

-
- (h) “commitment” means a contractual obligation for the purchase of goods, services or construction, including the execution of any document evidencing the obligation;
 - (i) “Committee” means the Policy & Finance Committee of the Board;
 - (j) “contract” means a written agreement entered into pursuant to a request process;
 - (k) “cost centre manager” means a person designated as such and authorized by the CEO to exercise limited financial authority;
 - (l) “Council” means the Council of the City of Toronto;
 - (m) “designate” means any person to whom the CEO or the SFO has delegated authority under this By-law;
 - (n) “estimates” means the annual operating and capital estimates submitted to the Board for approval and not yet approved by Council;
 - (o) “goods” means all manner of property, both real and personal, and tangible and intangible;
 - (p) “member” means a member of the Board;
 - (q) “official” means any employee of the Zoo, any agent actually or apparently authorized to execute a commitment;
 - (r) “project” means an undertaking, work or improvement included in the capital budget;
 - (s) “proposal” means a proposal to supply goods and/or services at a fixed price as to the total amount or on a unit basis, or both;
 - (t) “Purchasing Agent” means the officer duly appointed by the CEO to procure goods and services for a unit of the Zoo on the most favourable terms possible from interested suppliers;
 - (u) “quotation” means an offer, presented either orally and recorded, or submitted in writing, for the provision of goods and/or services at a price fixed as to the total amount or on a unit basis, or both;
 - (v) “request” means a request for tenders, proposals, or quotations;
 - (w) “services” means any matter in respect of which the Zoo may incur a financial obligation except for the provision of property;
 - (x) “Solicitor” means the Solicitor for the Board;
 - (y) “tender” means a bid to perform a project or other work or undertaking or provide a service at a price fixed as to the total amount or on a unit basis, or both;

(z) “unit” means an organizational unit of the Zoo; and,

(aa) “Zoo” means the Board of Management of the Toronto Zoo.

2. Sole Authority

The Board has the sole authority to allocate funds to Zoo appropriations and projects and for approving corporate programs and objectives.

3. Purpose

The commitment of funds and payment of accounts of the Zoo shall be carried out in accordance with the provisions of this By-law.

B. APPROPRIATIONS

4. Estimates

The Board, in adopting the estimates of all sums required during the year for the purpose of the Zoo in accordance with City of Toronto Act, and agreements executed thereunder, shall determine the sums required for every purpose, and the sums required for the various categories of purposes, shall be an appropriation.

5. Interim Operating Budget Appropriation

Prior to Council approval of the annual operating Budget for the Board, the Board will expend funds in accordance with the annual interim operating budget adopted by Council in accordance with Chapter 71-5, Financial Control, of the City of Toronto Municipal Code, for the period from the 1st day of January to the date the estimates for that year are adopted by Council.

C. CAPITAL BUDGET

6. Projects

(a) The Board, in adopting the Capital Budget, shall determine the sums required for every purpose and each category of purpose shall be a project and each sum provided therefore shall be a capital account.

(b) Notwithstanding the inclusion of a project within the Capital Budget adopted by the Board, each individual project therein, including the funding therefore, must be separately justified and approved by the Board.

D. BOARD APPROVAL

7. Approval

No commitment shall be made, no debt shall be incurred, no expenditure shall be made and no account shall be paid by or on behalf of the Zoo except as approved by the Board in accordance with the provisions of this By-law.

8. Contents of Reports

When required in accordance with this By-Law, every report by an official to the Board recommending the expenditure of money shall:

- (a) state the grounds on which the recommendation is made in sufficient detail to enable a member to judge the recommendation;
- (b) state the name of the person supplying the goods or services unless the Board, in adopting the report, specifically waives compliance with this clause. In which case, the name of the person supplying the goods or services shall be reported to the Board as soon as practicable;
- (c) provide an estimate of the probable cost, or, in the absence of an estimate, a limit on the amount recommended to be expended;
- (d) state the source of the funding for the expenditure including the following, to the extent applicable;
- (e) for expenditures the cost of which, or a portion thereof, is to be incurred in the current year, state whether funds are available in the appropriation or the interim appropriation therefore;
- (f) for expenditures for a project, a statement that the SFO has calculated that such expenditures can be accommodated within the annual capital targets and financial obligation limits of the Board;
- (g) state whether any other approval is required before the expenditure may be made and, if so, identify the nature of such approval;
- (h) state any reserve or reserve fund available to provide the funding; or
- (i) state any other source of funding; and
- (j) be signed by the CEO or SFO.

E. COMMITMENTS

9. Specific Board Approval

- (a) Except as provided in sections 11 and 28, no official or committee shall make any commitment on behalf of the Zoo unless the Board has approved the expenditure in a specific report in accordance with section 8.

- (b) All commitments in excess of \$250,000 may be made only by an agreement in writing, such as a Purchase Order, or by any such other method as the Board may direct.

10. Authority of Chief Executive Officer

Subject to subsection 11, the CEO may authorize an expenditure not exceeding \$500,000 in any one instance provided that:

- (a) The Board has
 - (1) provided funds by way of an appropriation for that purpose, or
 - (2) approved the project and the funding therefore, and
- (b) the expenditure
 - (1) does not exceed the funds appropriated or approved for the project by the Board, and
 - (2) is in a form specified in Part F.
 - (3) where the Term of contract does not exceed 5 years, including option years.
- (c) The CEO may authorize an additional expenditure in excess of a commitment authorized in accordance with this By-law of up to 10% of the original amount of a commitment, provided that:
 - (1) such additional amount shall not exceed \$500,000; and
 - (2) sufficient funds remain in the approved budget for the project or program. Any amendment to a commitment which require expenditures in excess of the amounts authorized under subsection (c) requires the approval of the Board.
- (d) The CEO may enter into licence or lease agreements in a form satisfactory to the Solicitor for terms of less than three years for use of the land or buildings, or parts thereof, on the Zoo site, on terms consistent with rental policies adopted by the Board from time to time. Agreements longer than three years or of a value greater than \$500,000 require approval by the Board.
- (e) The CEO may enter into sponsorship and revenue sharing agreements in a form satisfactory to the Solicitor and SFO for up to a period of five years for amounts accumulating up to \$500,000 on terms consistent with sponsorship or revenue sharing policies adopted by the Board. Agreements exceeding \$500,000 require approval by the Board.
- (f) Reallocation of approved operating Budget funds of not more than \$500,000 annually between operating programs and services that do not affect the net expenditure budget of the Board shall require the approval of the CEO and the

SFO. Reallocation of approved operating Budget funds in excess of \$500,000 requires Board approval.

11. Animal Transactions

- (a) Animal transactions for cash or trade for less than \$30,000, (including shipping charges and currency exchange), shall be approved by the CEO.
- (b) Animal transactions of \$30,000 to \$ \$100,000 (including shipping charges and currency exchange), shall be approved by the Animal Transaction Committee.
- (c) Animal transactions of greater than \$100,000 (including shipping charges and currency exchange) shall receive prior approval of the Board upon recommendation of the Zoo's Animal Transaction Committee.
- (d) An expenditure exceeding the uncommitted cash balance in the Animal Transaction Reserve Fund requires the prior approval of Council.

12. Grants

Notwithstanding section 10, no grant shall be made on behalf of the Zoo except pursuant to a specific Board approval, including the name of, or other information sufficient to identify the donee.

F. FORMS OF COMMITMENT

13. Petty Cash

- (a) There may be established in a unit a petty cash fund in an amount approved by the CEO or their delegate having regard to the operational requirements of the unit.
- (b) The SFO or their delegate may authorize petty cash expenditures not exceeding \$350 in any one instance.
- (c) The SFO is authorized to reimburse a petty cash fund upon the submission of receipts and such other documentation as the SFO may require.

14. Zoo Commitment

- (a) Subject to subsection (b), the CEO may authorize the purchase of goods and/or services not exceeding the cost of \$500,000 by the issue of a Zoo commitment.
- (b) Where the estimated cost of goods and services is in excess of \$10,000 the CEO or SFO shall only authorize the issue of a commitment where competitive quotes have been received and the purchase order is issued to the bidder submitting a quote with the lowest life-cycle cost and/or best meeting the specifications and requirements outlined in the request for quotations. The requirement for competitive quotes may be waived by the SFO if a City or other government

cooperative agreement exists for the purchase of specific goods and services, or where the purchase is deemed to satisfy the requirements for a Sole Source Purchase.

- (c) A Zoo commitment shall be in such form as the SFO and the Solicitor may prescribe.
- (d) The Purchasing Agent shall, upon receipt of an approved purchase requisition from a cost centre manager, obtain quotes for the goods and/or services required by means of written quotations or in such other manner as the SFO may deem advisable.
- (e) If the SFO is of the opinion that advertising is necessary to secure the lowest price, requests for quotations shall be advertised by publication by such means as the SFO may deem appropriate.

15. Requests for Proposals

- (a) The CEO may authorize the purchase of goods or services not exceeding the cost of \$500,000 in any one instance through a request for proposals process.
- (b) A request for proposals shall be in such form and be conducted in such manner as the SFO and the Solicitor may prescribe.
- (c) A Zoo commitment resulting from the RFP process shall be in such form as the SFO and the Solicitor may prescribe.

16. Consultant's Agreements

- (a) On behalf of the Board, the CEO may enter into a commitment with a consultant for the provision of professional services at a cost not exceeding \$250,000.
- (b) The process for the selection of a consultant shall be in accordance with the policies of the Board as approved from time to time.
- (c) The agreement shall be in writing, describe the services to be performed, prescribe the basis and time of payments, establish a maximum fee and be in form approved by the SFO in consultation with the Solicitor.

17. Convention, Business and Travel Expenses, etc.

Notwithstanding anything contained in this By-law, the CEO shall not make a commitment of expenditure to reimburse an official for convention, business and travel expenses and expenses related thereto, except in accordance with the policies approved by the Board from time to time.

18. Meterage

Employees who are authorized to use their own vehicles for Zoo purposes shall be allowed to claim meterage at a rate equivalent to the rate specified in the applicable Collective Agreement or Exempt Staff Benefit Program.

19. Agreements

Where the form of commitment is not otherwise specified in this Part, the CEO may make a commitment as provided for in section 10 by means of an agreement in a form approved by the SFO in consultation with the Solicitor.

G. CAPITAL PROJECTS

20. Contracts and Tenders

- (a) A formal written contract shall be used to commit to a project with a value exceeding \$250,000, excluding therefrom any agreement with an architect, engineer or other consultant retained in connection therewith, unless the Board otherwise directs.
- (b) Unless the contract is to be awarded by the City of Toronto, the following conditions shall apply:
 - (1) The form of tender, general conditions and the kind and amount of security forming part of a contract shall be as approved by the Board from time to time.
 - (2) All invitations to tender shall be advertised at least 10 days before tenders are to be opened unless the Board otherwise directs.
 - (3) All tenders shall be opened in public by the SFO or such senior member of the Finance staff as the SFO may designate.
 - (4) The CEO or SFO under whose supervision the project will be carried out, shall prepare a report to the Board recommending the awarding of the contract to the tender best meeting the specifications and requirements outlined in the tender call.
 - (5) All contracts over \$500,000 shall be awarded by the Board.

21. Execution

Where a commitment is made in accordance with Part E and F, the officials are authorized to take the necessary action to give effect thereto, including the execution of any necessary agreement.

H. DOCUMENTS

22. Safekeeping of Documents

Duly executed copies of all agreements, including all contracts: all bonds, letters of credit and other security for the due performance thereof; all insurance and certificates thereof; and all other documents executed by or on behalf of the Zoo shall be delivered to the SFO for safekeeping.

I. CERTIFICATION

23. Certification of Payments

The cost centre manager, under whose supervision a commitment is made, on requisition from the accounting unit for payment of an account, shall, in a form approved by the COO, certify:

- (a) that funds are available in an appropriation or capital account therefore,
- (b) the authority to commit the expenditure,
- (c) Board approval in a specific report in accordance with section 8, or
- (d) authority of the CEO pursuant to sections 10 and 11 and the section in Part F of this By-law authorizing the form of commitment, and
- (e) that payment is due in accordance with Part J.

J. EVIDENCE OF PAYMENT DUE

24. General

- (a) The cost centre manager, in certifying an account payable under section 23, shall state:
 - (1) the appropriation or capital account to be charged therefore,
 - (2) the reserve or reserve fund, if any, and any other source of available funding,
 - (3) the nature of the goods or services supplied, and
 - (4) that all goods or services which are the subject of the account have, in fact, been supplied or rendered or that section 25 applies.
- (b) Where a commitment is under the supervision or direction of an architect or engineer or other consultant retained by or on behalf of the Zoo, the SFO shall obtain a certificate from such architect, engineer or other consultant evidencing the supply or rendering of such goods and services prior to requisitioning payment for the account from the accounting unit.

25. Advance Payments

The SFO may certify an account is payable prior to goods or services being supplied or rendered if such goods are provided to the Zoo in the usual course of its operations and advance payment is normal business practice as determined by the SFO.

26. Payroll

The SFO shall ensure the accuracy of all documentation relating to the production of the payroll, including attendance records.

K. PAYMENTS

27. Chief or Senior Financial Officer – Requisition from a Unit

- (a) The SFO is authorized to pay all accounts where the cost centre manager:
- (1) certified the account in accordance with Part I,
 - (2) provided evidence of payment due in accordance with Part J, and
 - (3) delivered all documents in accordance with Part H.
 - (4) before payment is released, the SFO shall ensure the account is recorded in the corporate accounts and that funds sufficient to pay the account are available in the appropriation or capital account as certified by the cost centre manager.

28. Chief or Senior Financial Officer's Authority

Notwithstanding any other provision in this By-law, the SFO is authorized to pay the following accounts, provided that funds are available in the appropriation or capital account for that purpose:

- (a) Subject to section 27,
- (1) all salaries, wages, and benefits due to any person in the employ of the Zoo, and
 - (2) all retiring allowances and the mandatory sick pay grants due to any person previously in the employ of the Zoo;
- (b) all accounts for telephones, postage and utilities supplied to the Zoo;
- (c) all accounts for fees and levies payable to the federal, provincial or other municipal government, or to any agency, board or commission thereof;
- (d) all overdrafts, including foreign exchange; and
- (e) all accounts relating to employee and employer pension contributions in respect of the salaries and wages to those persons who are paid by or employed by the

Zoo and which are payable to the trustees of any duly authorized registered pension plan on behalf of the respective employees.

L. SPECIAL POWERS

29. Successive Agreements

Where goods and/or services designated by the CEO as essential to the ongoing operations of the Zoo are provided under agreements renewed not more frequently than annually, the SFO is authorized to pay accounts for such goods and/or services under the same authority, at the same rates and on the same basis as the last previously executed agreement from the date of the expiry of such agreement until the date of its renewal or replacement, provided that all provisions of the By-law, except as herein provided, shall continue to apply.

30. Emergencies

Notwithstanding any other provision of this By-law, where in the opinion of the CEO an emergency exists, the CEO is authorized to take such immediate steps as may be considered necessary, acting reasonably, to deal with the emergency and the CEO shall if the funds to be committed exceed \$500,000:

- (a) immediately notify the Chair of the Board of the proposed course of action, and
- (b) report action taken and request concurrence of the Board at its meeting immediately following such action.

M. OVER-EXPENDITURES

31. Overrun on Amount Specifically Approved

Where the cost of goods or services provided, pursuant to a report of the Board in accordance with section 8 will exceed the amount approved by the Board, plus any additional amount permitted under subsection 10 (c), the CEO shall report this fact to the Board as soon as possible, acting reasonably, together with a detailed explanation of the reasons therefore and recommendations on an appropriate course of action.

32. Overrun on Appropriation

Where expenditures will exceed the appropriation or capital account therefore, the CEO shall report this fact to the Board or Committee as soon as possible, acting reasonably, together with a detailed explanation of the reasons therefore and recommendations on an appropriate course of action.

N. WRITE-OFFS

33. Authority for Write-Offs

The SFO is authorized to write-off outstanding amount owing to the Zoo as uncollectible provided that such amount shall not exceed \$50,000. Write-offs of amounts owing

of more than \$50,000 must be approved by the Board on the recommendation of the SFO and the Solicitor.

O. DISPOSAL OF SURPLUS PROPERTY

34. Chattels

- (a) Any materials or equipment managed by the Zoo, which are surplus to Zoo requirements, shall be disposed of by having materials and equipment declared by the CEO to be surplus to the requirements of the Zoo. Surplus property shall be disposed of at the discretion of the SFO:
 - (1) by public auction or internet auction, or
 - (2) by a call for competitive bids where the Purchasing & Supply Supervisor and the SFO are of the opinion that the highest competitive bid is a fair or favourable price, and the bid price by cash, certified cheque or credit note, or by any combination thereof, is received at the time of disposal.
 - (3) by way of trade-in at a fair value in connection with the acquisition of other material or equipment, or
 - (4) as the Board may otherwise direct.
- (b) The SFO shall report to the Board annually on all disposal activity, including sales, expenses and net amounts realized from the disposal of surplus property pursuant to subsection (a).
- (c) For the purpose of this section, "property" means any property that is not real property.

P. DEVELOPMENT & OTHER SOURCES OF REVENUES

35. Donations

Net donations received by the Board may be transferred to a Foundation designated by the Board from time to time and shall be managed in accordance with the policies adopted by the Board from time to time.

Q. ADMINISTRATION

36. Designation

- (a) The CEO shall formulate and maintain a current schedule specifying the delegation of financial signing authority within the Toronto Zoo including commitment and payment authorities, and the authority levels for each level of management within the Zoo.
- (b) The schedule shall be signed by the CEO and a copy of the schedule shall be forwarded to the Secretary of the Board to be filed.

37. Controls

The Auditor of the Board shall be the Auditor appointed by Council as required by the City of Toronto Act. The Auditor shall carry out whatever tests and inquiries are appropriate to ensure that the Zoo maintains satisfactory internal control practices, and that the terms of this By-law are duly carried out.

38. Banking Agreements

The banking business of the Board shall be transacted with such bank or trust company carrying on a banking business as the Board may designate, appoint or authorize from time to time by resolution, and all such banking business shall be transacted on the Board's behalf by such one or more officers of other persons as the Board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

39. Financial Reporting

- (a) The CEO shall report on the preceding month's revenue and expenditure results at each scheduled Board meeting.
- (b) The CEO shall report on the operating budget variances at the summary level to the Board on no less than a tri-annual basis.
- (c) The CEO shall report on the progress of all projects in the approved capital program on no less than a semi-annual basis.
- (d) The CEO shall report the results of the Audit of the prior year's financial results to the Committee for review and recommendation to the Board.

40. Repeal

By-law No. 2-2010, a By-law "To govern the financial authorities of the Board of Management and its officers", and all amendments thereto are hereby repealed.

41. Effective Date

This By-law shall come into force on the ___ day of _____, 2019.

ENACTED by the Board of Management of the Toronto Zoo on the ___ day of _____, 2019.

Secretary

Chair