

TORONTO MUNICIPAL CODE
CHAPTER 71, FINANCIAL CONTROL

Chapter 71

FINANCIAL CONTROL

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[History: Adopted by the Council of the City of Toronto March 2, 2000 by By-law 152-2000.¹ Amendments noted where applicable.]

General References

Auditor General - See Ch. 169, Art. VI.

Purchasing - See Ch. 195.

Reserves and reserve funds - See Ch. 227.

City of Toronto Act 2006 - See S.O. 2006, c. 11.

ARTICLE I
Definitions; Authority; Purpose; Applicability

§ 71-1. Definitions.²

As used in this chapter, the following terms shall have the meanings indicated:

ACCOUNT - A financial liability of the City arising from a commitment and evidenced by any invoice, pay sheet, receipt or other document indicating payment is due for the goods or services specified in the account.

APPROVAL OF COUNCIL - The funding approval authorized by the adoption of interim or final operating budgets or the capital budget. [**Amended 2004-09-30 by By-law 778-2004³**]

CAPITAL PROJECT - An undertaking in respect of which an expenditure is incurred to acquire, improve, demolish or maintain land, buildings, engineering structures, machinery and equipment, including installation of computer software, and is the level at which Council approves funding and funds control in the capital budget. [**Amended 2004-09-30 by By-law 778-2004**]

CHIEF FINANCIAL OFFICER AND TREASURER - The person appointed by Council as the Chief Financial Officer and Treasurer. [**Added 2005-04-14 by By-law 331-2005; amended 2018-07-27 by By-law 1206-2018; 2018-12-13 by By-law 17-2019⁴**]

¹ Editor's Note: This by-law also repealed By-law 7-1998, a by-law "To confer certain authorities and responsibilities with respect to the appropriation and commitment of funds and the payment of accounts of the City of Toronto and other related matters on an interim basis."

By-law 331-2005, adopted April 14, 2005, enacted the 2005 administrative reorganization amendments to this chapter and came in force April 15, 2005.

² Editor's Note: This section was amended April 14, 2005 by By-law 331-2005 to delete the definitions of "Chief Administrative Officer," "department," "department head" and "director."

³ Editor's Note: This by-law comes into force November 1, 2004.

⁴ Editor's Note: By-law 17-2019 deleted all references to the title "Chief Financial Officer" and replaced the title with "Chief Financial Officer and Treasurer". By-law 17-2019 is deemed to have come into force on October 23, 2018.

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CHIEF PURCHASING OFFICIAL - The person holding the position of Director of Purchasing and Materials Management whose responsibility it is to supervise and carry out the procurement function on behalf of the City and includes his or her designate. **[Added 2004-09-30 by By-law 778-2004⁵; amended 2005-04-14 by By-law 331-2005]**

CITY MANAGER - The person appointed by Council as the City's chief administrative officer under section 140 of the City of Toronto Act, 2006. **[Added 2005-04-14 by By-law 331-2005; amended 2007-12-13 by By-law 1405-2007]**

COMMITMENT - **[Amended 2004-09-30 by By-law 778-2004; 2005-04-14 by By-law 331-2005]**

- A. A contractual obligation for the purchase of goods, services or construction, including the execution of any document evidencing the obligation.
- B. A settlement of a legal action, if the settlement complies with the spending authorities in this chapter and has the concurrence of the City Solicitor and, where appropriate, the Manager of Insurance and Risk Management within the Corporate Finance Division.

CONTINGENCY FUND - The money approved in the operating budget to provide for funding of one-time expenditures that were not known or expected at the time the operating budget was approved by Council. **[Amended 2000-10-05 by By-law 869-2000]**

CONTROLLER - A person appointed to the management position of Controller in the City's administrative organization and who has also been appointed as a deputy treasurer under section 138 of the City of Toronto Act, 2006. **[Amended 2005-04-14 by By-law 331-2005; 2007-12-13 by By-law 1405-2007; 2018-12-13 by By-law 17-2019⁶]**

DIVISION: **[Added 2005-04-14 by By-law 331-2005]**

- A. An organizational unit of the City, whether or not it is called a division or office, that is headed by a division head.
- B. For the purpose of making a commitment under this chapter, includes the office of the City Manager.

DIVISION HEAD: **[Added 2005-04-14 by By-law 331-2005]**

- A. Any General Manager or any director or executive director reporting to the City Manager, a Deputy City Manager, the Chief Financial Officer and Treasurer or the Controller. **[Amended 2005-05-04 by By-law 338-2005⁷]**
- B. The City Clerk, the City Solicitor and the Medical Officer of Health. **[Amended 2007-12-13 by By-law 1405-2007; 2009-10-27 by By-law 1098-2009]**

⁵ Editor's Note: This by-law comes into force November 1, 2004. This by-law also repealed the definition of "Purchasing Agent," previously included in this section.

⁶ Editor's Note: By-law 17-2019 deleted all references to the title "Treasurer" and replaced the title with "Controller". By-law 17-2019 is deemed to have come into force on October 23, 2018.

⁷ Editor's Note: This by-law came into force April 15, 2005.

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- C. The Auditor General, the Integrity Commissioner, the Lobbyist Registrar and the Ombudsman. **[Added 2009-10-27 by By-law 1098-2009⁸]**
- D. For the purpose of making a commitment under this chapter for their office, a Deputy City Manager, the Chief Financial Officer and Treasurer and Controller.
- E. A person authorized to act in the place of an official listed in Subsections A, B, C or D by Council or by the City Manager or another official under delegated authority. **[Amended 2009-10-27 by By-law 1098-2009]**

PROGRAM - An organizational unit that may encompass one or more related municipal services, usually a division, that is aimed at one or more target groups and is either mission driven or mandate driven and is the level at which Council approves funding and funds control in the operating budget. **[Amended 2005-04-14 by By-law 331-2005]**

SERVICES - Further defines a program identified in the annual operating budget.

STANDING COMMITTEE - A standing committee established under the Chapter 27, Council Procedures. **[Amended 2005-04-14 by By-law 331-2005]**

SUBPROJECT - A level within a capital project that a division head may wish to use to track expenditures within the capital project. **[Amended 2005-04-14 by By-law 331-2005]**

§ 71-1.1. Monetary references.

[Added 2004-09-30 by By-law 778-2004⁹]

All references in this chapter to dollar amounts are Canadian dollars and shall be considered to be exclusive of taxes unless otherwise provided.

§ 71-2. Sole authority.

Except as otherwise provided in this chapter, Council has the sole authority for approving funding to operating programs and capital projects.

§ 71-3. Purpose.

The budgeting, commitment of funds and payment of accounts of the City shall be carried out in accordance with the provisions of this chapter.

§ 71-4. Applicability.

[Amended 2005-04-14 by By-law 331-2005]

The provisions of this chapter shall apply to all divisions.

⁸ Editor's Note: This by-law also redesignated former Subsections C and D as Subsections D and E, respectively.

⁹ Editor's Note: This by-law comes into force November 1, 2004.

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ARTICLE II
Budgets

§ 71-5. Interim operating budget.

- A. Council shall, before the adoption of the final operating budget for a year, adopt an interim operating budget.
- B. Council, in adopting the interim operating budget, shall determine the sums required for every purpose and the sums required for the various categories of purposes for the period from the 1st day of January to the date the operating budget for the next following year is adopted.
- C. The interim operating budget shall be approved by Council prior to the 1st day of January of the year in which the operating budget will be adopted.

§ 71-6. Operating budget.

[Amended 2007-12-13 by By-law 1405-2007]

Council, in adopting the total of all sums required during the year for the operating purposes of the City, shall, in accordance with the City of Toronto Act, 2006, determine the operating budget required to provide for the sums required for every purpose and the sums required for the various categories of purposes.

§ 71-7. Capital budget.

[Amended 2005-04-14 by By-law 331-2005]

- A. Council, in adopting the capital budget, shall determine the sums required for each capital project listed in the capital budget, and each sum provided for a capital project shall be a capital account.
- B. The Chief Financial Officer and Treasurer shall certify that funding for the capital projects in the capital budget is within the City's updated debt and financial obligation limit.

§ 71-8. Spending authority; operating budget.

[Amended 2000-10-05 by By-law 869-2000; 2002-11-28 by By-law 1076-2002; 2004-09-30 by By-law 778-2004¹⁰; 2005-04-14 by By-law 331-2005]

- A. Review of expenditure levels.
 - (1) The operating budget approved by Council establishes the spending authority for a program.
 - (2) Subject to § 71-19, division heads shall ensure that expenditures do not exceed the approved program budget. **[Amended 2008-06-24 by By-law 616-2008]**

¹⁰ Editor's Note: This by-law comes into force November 1, 2004.

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- (3) Spending or funds control is based on the total gross expenditures approved for a program.
 - (4) Division heads must review expenditure levels to address revenue shortfalls.
 - (5) A division head may request funds control to be implemented at a lower level than the program level.
 - (6) Subject to § 71-19, division heads shall report any anticipated over-expenditure to the Chief Financial Officer and Treasurer and the appropriate standing committee as soon as the potential over-expenditure is known. **[Amended 2008-06-24 by By-law 616-2008]**
- B. Any expenditure that would result in a division exceeding the funding available in a program requires Council approval before a commitment is made to incur the expenditure, except for purchases made under § 195-9B(1) or 195-10F of Chapter 195, Purchasing.
- C. Reallocations; transfer between programs and services.
- (1) Reallocation of approved budgets of more than \$500,000 requires Council approval.
 - (2) The transfer of approved budgets of more than \$500,000 between programs or services or between programs and services affecting the net operating budget for a program requires the approval of the Chief Financial Officer and Treasurer, the City Manager and Council.
 - (3) The transfer of approved budgets of not more than \$500,000 in respect of each reallocation between services within a program which do not affect the net operating budget for the program requires the approval of the Chief Financial Officer and Treasurer and the City Manager.
 - (4) Any reallocation under Subsection C(3) shall be reported to Council not later than the second regular Council meeting following the reallocation.
 - (5) Transfers during the year between non-tax-supported services, such as water and wastewater, can be made where it is not contrary to law, only within that program area and not to other programs within a division.
- D. Auditor General.
- (1) Despite Subsection C(2), the transfer of approved budgets between services within the office of the Auditor General affecting the net operating budget of the office of the Auditor General requires the approval of the Audit Committee, the Chief Financial Officer and Treasurer and Council.
 - (2) Despite Subsection C(3), the transfer of approved budgets of not more than \$500,000 in respect of each reallocation between services within the office of the Auditor General which do not affect the net operating budget for the office of the Auditor General requires the approval of the Audit Committee, the Chief Financial Officer and Treasurer and Council.

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§ 71-9. Spending authority; capital budget.

[Amended 2004-09-30 by By-law 778-2004¹¹; 2005-04-14 by By-law 331-2005]

A. Review of expenditure levels.

- (1) The capital budget approved by Council establishes the spending authority for a capital project.
- (2) Subject to § 71-19, division heads shall ensure that expenditures do not exceed the approved budget. **[Amended 2008-06-24 by By-law 616-2008]**
- (3) Subject to § 71-19, division heads shall report any anticipated over-expenditure to the Chief Financial Officer and Treasurer and the appropriate standing committee as soon as the potential over-expenditure is known. **[Amended 2008-06-24 by By-law 616-2008]**

B. Over-expenditures on a capital project.

- (1) A division head is authorized to approve additional expenditures where costs for a capital project increase to the extent that they exceed the original funding approval for the capital project by the lesser of 10 percent or \$500,000, if excess funds are available in another capital project to fund the over-expenditure or are available pursuant to § 71-19. **[Amended 2008-06-24 by By-law 616-2008]**
- (2) If costs for a capital project exceed the original funding by more than 10 percent or \$500,000 or excess funds are not available in another capital project or are available pursuant to § 71-19, Council approval must be obtained before any payment can be made to incur the additional cost, except for purchases made under § 195-9B(1) or 195-10F of Chapter 195, Purchasing. **[Amended 2008-06-24 by By-law 616-2008]**
- (3) If § 195-9B(1) or 195-10F of Chapter 195, Purchasing, applies, the approval of the City Manager or a Deputy City Manager is required before any payment may be made for the additional costs, and the additional costs shall be reported to Council.
- (4) If the additional funding is to be provided through the issuance of debentures, the Chief Financial Officer and Treasurer shall certify that the funding is within the City's updated debt and financial obligation limit.
- (5) If Council approval must be obtained under Subsection B(2), the Chief Financial Officer and Treasurer together with the division head and the appropriate Deputy City Manager shall prepare a report to Council identifying suggested sources of funding for the over-expenditure.

C. Unspent funds.

- (1) Except where a capital project has been financed through the issuance of debentures and subject to compliance with Chapter 227, Reserves and Reserve Funds, unspent funds in any capital project that is completed shall be applied, subject to the approval of the Chief Financial Officer and Treasurer, against other capital projects that may be

¹¹ Editor's Note: This by-law comes into force November 1, 2004.

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overspent before any reallocation is requested to fund a new capital project within the division.

- (2) A reallocation under Subsection C(1) shall be reported to Council.
- D. Allocations between subprojects within a capital project and any subsequent reallocations of these funds among other subprojects or the addition of subprojects may be made by a division head, if the reallocation does not exceed the approval by Council for the capital project.
- E. Reallocations.
- (1) Any reallocation of budget between capital projects in an amount of not more than \$250,000 requires approval of the Chief Financial Officer and Treasurer.
 - (2) Any reallocation of budget between capital projects of more than \$250,000 requires approval of the Chief Financial Officer and Treasurer and subsequent Council approval of the reallocation.
 - (3) The Chief Financial Officer and Treasurer shall have the authority to approve any reallocation of budget between capital projects in an amount of not more than \$1,000,000, in the following circumstances: **[Added 2009-10-27 by By-law 1065-2009; amended 2010-08-27 by By-law 981-2010]**
 - (a) During the period between when Council breaks for the summer recess and the first agenda closing deadline for the appropriate standing committee following the break; or
 - (b) During the period between the last scheduled meeting of Council and the first meeting of a new Council after an election; or
 - (c) If regularly scheduled meetings of standing committees and Council are not held, for any reason, for a period of two months or longer.
- F. Divisions in preparing their annual capital budgets must include in their submissions a cash flow forecast which indicates the entire capital expenditure for each capital project, including those capital projects approved in previous years.
- G. Closure review.
- (1) Any capital project approved in a previous year for which a cash flow forecast is not included in a subsequent capital budget shall be considered to be completed and may be closed by the Chief Financial Officer and Treasurer after consultation with the division head.
 - (2) A division head shall advise the Chief Financial Officer and Treasurer if additional expenditures are expected to occur as a result of litigation or claims as it may not be appropriate to reflect those expenditures in the capital forecasts.
- H. The Chief Financial Officer and Treasurer, after consultation with the division head, shall close any capital project that is considered to be complete and shall submit a report to Council on an annual basis detailing all capital projects closed during the year.

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ARTICLE III
Compliance

[Amended 2002-05-23 by By-law 438-2002; 2002-06-20 by By-law 574-2002; 2004-09-30 by By-law 778-2004¹²]

§ 71-10. Expenditure compliance.

No expenditure shall be made and no account shall be paid by or on behalf of the City, except with Council approval and in accordance with the provisions of this chapter.

§ 71-10.1. Commitment compliance.

No commitment shall be made except in accordance with the provisions of this chapter and the provisions of Chapter 195, Purchasing.

§ 71-10.2. Reporting of certain financial information.

[Amended 2005-04-14 by By-law 331-2005]

- A. Prior to any division head or director, or his or her designate, signing any report and submitting it to a standing committee, a community council or Council:
- (1) The following information, where applicable, must be included in the report under the heading "Financial Implications":
 - (a) Current year impacts, which are to include the current approved budget, the current year incremental cost of the proposed change and the total amended approved budget as proposed, including gross expenditures, revenue and net amounts in all cases, and any appropriate budget adjustments that may be required;
 - (b) Future year impacts, which are to include the current year's and the following year's incremental costs for full implementation, the total project cost, the five-year cash flow for capital works and the operating impacts of capital projects including debt service costs;
 - (c) Corporate impacts, which are to include financial impacts to other programs and agencies, including their potential precedent setting ability and any opportunity costs;
 - (d) Identification of sustainable funding sources and resultant impact on service levels and standards or on capital program work plans so as to offset the total new financial impacts;
 - (e) Resultant budget adjustments to capture cost-savings and revenue sources for current and future years;

¹² Editor's Note: This by-law comes into force November 1, 2004.

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- (f) Impact on reserves or reserve funds or both, including current and future liabilities;
 - (g) Impact on staffing levels; and
 - (h) Consistency with Council's strategic directions and fiscal priorities.
- (2) The Chief Financial Officer and Treasurer shall review the report, and:
- (a) Approve the financial implications identified in the report; or
 - (b) If the Chief Financial Officer and Treasurer does not concur with the financial implications of the report or is of the opinion that the financial implications are not fully reflected in the report, the Chief Financial Officer and Treasurer shall submit a companion report to the standing committee, community council or Council, as the case may be, outlining his or her concerns in respect of the financial implications and making further recommendations with respect to the financial implications.
- B. If a standing committee or a community council makes recommendations which have financial implications for the City, or which amend the financial implications identified in a report, the Chief Financial Officer and Treasurer shall review the recommendations and submit a fiscal impact statement to Council prior to Council's consideration of the recommendation.

ARTICLE IV
Commitments

§ 71-11. Spending authorities.

[Amended 2004-09-30 by By-law 778-2004¹³; 2005-04-14 by By-law 331-2005]

- A. A commitment of more than \$500,000 requires Bid Committee, Standing Committee or Council approval as required by Chapter 195, Purchasing, before expenditures may be made.
- B. The City Manager or his or her designate may make a commitment of not more than \$500,000 in any one instance, if the purchasing procedures in Chapter 195, Purchasing, have been followed and cash flow funding has been provided in the interim operating budget, operating budget or capital budget or pursuant to § 71-19 to the satisfaction of the Chief Financial Officer and Treasurer. **[Amended 2008-06-24 by By-law 616-2008]**
- C. The City Manager may delegate commitment authority in any amount within the limit of \$500,000 to a division head.

¹³ Editor's Note: This by-law comes into force November 1, 2004.

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- D. The following officials may delegate any amount within the commitment authority delegated to him or her by the City Manager to a person holding a management position directly reporting to them: **[Amended 2005-05-04 by By-law 338-2005¹⁴]**
- (1) A Deputy City Manager, the Chief Financial Officer and Treasurer and the Controller.
 - (2) A General Manager and the Medical Officer of Health.
 - (3) The Chief Building Official and Executive Director of Building, the Chief Planner and Executive Director of City Planning, the Director of Court Services and the Executive Director of Municipal Licensing and Standards.
- E. Despite Subsections C and D, the City Manager may amend the spending authority of any staff member and may place conditions or restrictions on the delegation of authority to any staff member within the \$500,000 limit of the commitment authority applicable to the City Manager.
- F. (1) Despite Subsection C, the City Manager may not delegate commitment authority to the following officials: **[Added 2007-12-13 by By-law 1405-2007]**
- (a) The Auditor General;
 - (b) The Integrity Commissioner;
 - (c) The Ombudsman; and **[Amended 2009-10-27 by By-law 1098-2009]**
 - (d) The Lobbyist Registrar.
- (2) If the purchasing procedures in Chapter 195, Purchasing, have been followed and cash flow funding has been provided in the interim operating budget, operating budget or capital budget to the satisfaction of the Chief Financial Officer and Treasurer, the following officials may make commitments of not more than \$500,000 in any one instance:
- (a) The Auditor General.
 - (b) The Integrity Commissioner.
 - (c) The Ombudsman. **[Amended 2009-10-27 by By-law 1098-2009]**
 - (d) The Lobbyist Registrar.

§ 71-11.1. Over-expenditures on commitments.

[Added 2004-09-30 by By-law 778-2004¹⁵]

- A. A division head, or his or her delegate, may authorize expenditures in excess of the amount of a commitment, entered into in compliance with this chapter and Chapter 195,

¹⁴ Editor's Note: This by-law came into force April 15, 2005.

¹⁵ Editor's Note: This by-law comes into force November 1, 2004.

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Purchasing, to a maximum of 10 percent of the original amount of the commitment, provided that: **[Amended 2005-04-14 by By-law 331-2005]**

- (1) Such additional amount shall not exceed \$500,000; and
 - (2) Council has:
 - (a) Provided funds in the operating or capital budget for that purpose or funds are provided pursuant to § 71-19; or **[Amended 2008-06-24 by By-law 616-2008]**
 - (b) Approved the project and the funding therefor; and
 - (c) Sufficient funds remain in the project or program; and
 - (3) If the commitment was within the spending authority of staff, the person authorizing the additional amount is in a management position superior to that of the person which authorized the original amount of the commitment.
- B. Despite Subsection A, the City Manager, or his or her delegate, may authorize additional expenditures in excess of the original amount of a commitment, entered into in compliance with this chapter and with Chapter 195, Purchasing, of up to \$500,000, provided there is compliance with the conditions contained in Subsection A(2) and, in the event of any delegation under this Subsection B by the City Manager, additional compliance with the condition contained in Subsection A(3). **[Amended 2005-04-14 by By-law 331-2005]**
- C. Any amendment to a commitment which requires expenditures in excess of the amounts that may be authorized under Subsection A or B requires approval of the appropriate standing committee prior to the making of a payment for the expenditure except for purchases made under § 195-9B(1) or 195-10F of Chapter 195, Purchasing.

§ 71-12. Petty cash.

- A. There may be established in a division petty cash funds in amounts, following policy and procedures, which have been approved by the Controller having regard to the operational requirements of the division. **[Amended 2005-04-14 by By-law 331-2005]**
- B. The Controller is authorized to reimburse a petty cash fund upon delivery of original receipts and such other documentation as the Controller may require from time to time.
- C. Petty cash payments for any individual purchase shall not exceed \$200.

§ 71-13. Deposits with Chief Financial Officer and Treasurer.

[Amended 2005-04-14 by By-law 331-2005]

Duly executed copies of all agreements, including all insurance and certificates thereof, all contracts, bonds, letters of credit and other security for the due performance thereof, and all other documents executed by or on behalf of the City shall be delivered to the Chief Financial Officer and Treasurer for safekeeping.

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ARTICLE V

Chief Financial Officer and Treasurer's Authority

[Amended 2004-09-30 by By-law 778-2004¹⁶; 2005-04-14 by By-law 331-2005]

§ 71-14. Authority to pay certain accounts.

Despite any other provision in this chapter or any provision of Chapter 195, Purchasing, the Chief Financial Officer and Treasurer is authorized to pay the accounts and expenditures set out in Schedule A at the end of this chapter without the involvement of the Chief Purchasing Official or the issuance of a purchase order, if funds are available in the operating budget or a capital project for that purpose.

ARTICLE VI

Reserves and Reserve Funds

§ 71-15. Reserve and reserve funds.

The administration of reserves and reserve funds is contained in Chapter 227, Reserves and Reserve Funds.

ARTICLE VII

Contingency Funds

§ 71-16. Use of contingency funds.

A. Purpose of contingency funds.

(1) Expenditures from contingency may only be made for: **[Amended 2001-06-01 by By-law 370-2001]**

(a) One-time non-recurring costs that were not identified at the time the operating budget was approved;

(b) Unforeseen expenditures resulting from economic, climatic, in-year legislative changes from senior levels of government and legal settlements.

(2) Contingency funds shall not be used for over-expenditures by programs. **[Amended 2005-04-14 by By-law 331-2005]**

B. Approval must be obtained from the Chief Financial Officer and Treasurer for any use of contingency funds for any purpose. **[Amended 2005-04-14 by By-law 331-2005]**

C. The Chief Financial Officer and Treasurer shall report to Council requesting approval for the use of contingency funds. **[Amended 2005-04-14 by By-law 331-2005]**

¹⁶ Editor's Note: This by-law comes into force November 1, 2004.

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ARTICLE VIII
Authority for Write-Offs

§ 71-17.1. Authority to write off outstanding debt.¹⁷

[Amended 2005-04-14 by By-law 331-2005; 2006-04-27 by By-law 258-2006; 2007-12-13 by By-law 1405-2007]

- A. The Controller is authorized to write off outstanding amounts owing to the City as uncollectible, if the amount is not more than \$50,000 and is not an amount raised as taxation or deemed to be taxes, except for items added to the tax bills for collection purposes only and not as a result of a tax or assessment appeal.
- A.1. Despite the provisions of Subsection A, the Controller is authorized to write off outstanding tax arrears as uncollectible, following a failed tax sale, if the amount is not more than \$50,000.
- B. Write-offs of amounts owing to the City of more than \$50,000 must be approved by Council except for tax reductions as a result of a successful appeal of assessment or taxes by a taxpayer.
- C. Despite Subsections A, A.1 and B, the Controller is authorized to write off outstanding amounts owing to the City as uncollectible, if all of the following conditions are met:
[Added 2008-06-24 by By-law 609-2008]
 - (1) The City Solicitor has been asked to try to recover the amount owing;
 - (2) The amount owing is not more than \$500,000, exclusive of taxes; and
 - (3) The City Solicitor concludes that the amount is uncollectible and the write-off is appropriate under the circumstances.

§ 71-17.2. Authority to adjust outstanding payments in lieu of taxes.

[Added 2015-11-04 by By-law 1171-2015]

The Controller, in consultation with the City Solicitor, is authorized to adjust for accounting purposes, outstanding amounts of receivables in respect of payments in lieu of taxes which amounts the Controller determines are unlikely to be paid.

ARTICLE IX
Administration

§ 71-18. Divisional signing authorities.

[Amended 2005-04-14 by By-law 331-2005]

- A. The City Manager and each division head shall formulate and maintain a current schedule specifying the delegation of financial signing authority within their division, including

¹⁷ Editor's Note: By-law 1171-2015, enacted November 4, 2015 renumbered this section to § 71-17.1. and added new § 71-17.2.

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commitment and payment authorities and the authority levels for each level of management within the division.

- B. The schedule shall be signed by the City Manager or division head respectively, and a copy of the schedule, and specimen signatures of the relevant officers and staff of the division, shall be forwarded to the Controller at least annually.

ARTICLE X
Donated Funds¹⁸
[Added 2008-06-24 by By-law 616-2008]

§ 71-19. Donation authorities.

- A. A division head may accept and spend donated funds in respect of a program or capital project for which he or she is responsible, provided that:
- (1) The donation has not been solicited by the City through a fundraising campaign or otherwise;
 - (2) The donation does not exceed \$50,000;
 - (3) The sum of the donation and any other donations accepted by the City from the same donor for the same purpose within the fiscal year does not exceed \$50,000;
 - (4) The donation is not conditional upon and does not involve a proposal to name or rename a City asset; and
 - (5) The donation complies with the City's Donation Policy.
- B. Division heads shall report any donations expended pursuant to Subsection A to Council through the variance reporting process at the next available opportunity.
- C. The City Manager is authorized to accept and spend donated funds in excess of \$50,000 and up to \$500,000 in respect of a program or capital project, in the following circumstances: **[Added 2010-08-27 by By-law 981-2010]**
- (1) During the period between the last scheduled meeting of Council and the first meeting of a new Council after an election; or
 - (2) If regularly scheduled meetings of standing committees and Council are not held, for any reason, for a period of two months or longer; and
 - (3) The conditions specified in Subsections A(1), (4) and (5) are met.
- D. The City Manager shall report any donations expended pursuant to Subsection C to Council through the Executive Committee at the next available opportunity. **[Added 2010-08-27 by By-law 981-2010]**

ARTICLE X.1

¹⁸ Editor's Note: Former Art. X, Delegation, added September 24, 2003 by By-law 888-2003, was repealed April 14, 2005 by By-law 331-2005.

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Sponsorships
[Added 2011-12-01 by By-law 1368-2011]

§ 71-19.1. Sponsorship authorities.

- A. A division head may accept a sponsorship and execute an agreement in respect of a sponsorship as permitted under the Sponsorship Policy where:
- (1) The total value of the agreement does not exceed \$500,000 in a given fiscal year;
 - (2) The total value of sponsorships from a particular third party for the same purpose does not exceed \$500,000 in a given fiscal year; and
 - (3) The sponsorship does not include naming rights and is in compliance with the Sponsorship Policy.
- B. A division head may accept and spend sponsorship funds received from a sponsorship under Subsection A.
- C. All sponsorship funds shall be credited to the appropriate accounts and, where the funds have not already been accounted for in the budget, each division shall disclose the amount of all sponsorships received to date and report on how the funds were used as part of the quarterly budget variance reporting process.
- D. References in this Article to the "Sponsorship Policy" shall be deemed to refer to the sponsorship policy adopted by Council as Item EX12.2 on November 29, 30 and December 1, 2011, as amended from time to time, and "sponsorship" and "naming rights" shall have the same meaning as those terms are defined in the Sponsorship Policy.

ARTICLE XI

Review

[Added 2004-09-30 by By-law 778-2004¹⁹]

§ 71-20. Comprehensive review.

[Amended 2005-04-14 by By-law 331-2005]

The Chief Financial Officer and Treasurer shall undertake a comprehensive review of this chapter every five years.

¹⁹ Editor's Note: This by-law also redesignated former Art. XI, Title, as Art. XII. This by-law comes into force November 1, 2004.

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ARTICLE XII

Title

§ 71-21. Short title.

The short title of this chapter is the "Financial Control By-law."

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SCHEDULE A

[Added 2004-09-30 by By-law 778-2004²⁰; amended 2005-04-14 by By-law 331-2005; 2005-05-25 by By-law 597-2007; 2008-03-05 by By-law 207-2008; 2014-02-20 by By-law 134-2014; amended in its entirety 2014-06-13 by By-law 541-2014]

In accordance with § 71-14, the following items can be processed without purchase order or a sole source request form:

1 Utilities

- 1.1 Utility usage fees
- 1.2 Television cable usage fees
- 1.3 Internet usage fees
- 1.4 Toll road usage fees

2 Training and Education

- 2.1 Magazine, periodical, Web subscription fees and books purchased from a proprietary vendor including on-line purchases, excluding 3rd party providers
- 2.2 Training through a proprietary vendor including training materials (except where training is arranged or can be arranged through a competitive bid process)

3 Refundable Employee Expenses

- 3.1 Meal allowances for Members of Council and their staff
- 3.2 Hospitality Allowance
- 3.3 Employee Expense Claims - Non Travel

4 Conference, Seminars & Business Travel (in accordance with existing City policies and procedures)

- 4.1 Registration fees
- 4.2 Accommodation Fees
- 4.3 Ground Transportation Fees
- 4.4 Business Kilometrage
- 4.5 Per Diem
- 4.6 Travel Advances

5 General Expenses

- 5.1 Postage, not including 3rd party service charges
- 5.2 Licenses and Recertification
- 5.3 Professional Designation Fees

²⁰ Editor's Note: This by-law came into force November 1, 2004.

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- 5.4 Payments to non-profit community based organizations and resident associations working with the City on City projects
- 5.5 Grants and Donations
- 5.6 All costs associated with Council approved land purchases, leases, survey records and expropriations or Councillor negotiated leases
- 5.7 Refunds
- 5.8 Legal Settlements
- 5.9 Experts and witnesses for civil actions or administrative hearings
- 5.10 Arbitrators and mediators
- 5.11 Advertising to a specific audience. All advertising services in all mediums including but not limited to print, radio, TV, etc. in order to reach a specific target audience i.e. seniors, adolescents, ethnic groups, industry or business groups, specific neighbourhoods or geographical areas, statutory or special public notices, etc.
- 5.12 Advertising job postings targeting a specific profession through a professional association
- 5.13 Meeting arrangements for public consultation meetings, City hosted conferences, co-hosted events, ceremonies and special events at City owned and non-City owned locations including, but not limited to, charges for equipment, catering and booth rentals, when dictated by venues as to specific vendors to use
- 5.14 Labour negotiation arrangements per the Collective Agreement including hotel accommodations, meeting room rentals, catering and technical services
- 5.15 Specialized performing artists or entertainers for City hosted, supported or Council approved events including audio-visual equipment, specialized displays and technical services and curators integral to such performers or entertainers
- 5.16 Honorarium. Amount not to exceed \$500.00
- 5.17 Entertainment Admission Fees
- 5.18 Emergency Hospital Linen Services
- 5.19 Copyright/Certification Fees

6 Federal, Provincial and Municipal Mandated Programs

- 6.1 Ontario Works Act - Toronto Employment and Social Services. Delivery of related assistance programs such as funerals, cemetery and burial services, dental program and medical programs administered by Toronto Employment and Social Services.
- 6.2 Doctors providing services at Sexual Health Clinics including contracted and partnership clinics
- 6.3 Medical Services, Assessments and Pharmaceutical Drugs
- 6.4 Contraceptive devices for Toronto Public Health mandated programs
- 6.5 Court Translators / Interpreters / Process Servers
- 6.6 Purchase of supplies and or services from a supplier mandated by the Province or Federal governments i.e.: Technical Service and Standards (TSSA)
- 6.7 Municipal Elections, By-Elections and Referenda

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7 Toronto Transit Commission (TTC)

7.1 Tokens

7.2 Metro Pass

7.3 Use of TTC Vehicles (e.g. buses, subways, streetcars)

8 Petty Cash Replenishment

9 Payments to Past and Current Employees

All salaries, wages, benefits and grievance payments due to any person in the employ of the City. All retirement allowances and mandatory sick pay grants due to any person previously in the employ of the City. Payments to past employees who attend arbitration hearings on behalf of the City.

10 Government Payments

Payments to Federal, Provincial or other municipal governments for taxes or goods and services that can only be purchased from such entities i.e.: Wedding licenses, Court Services, Vehicle licenses, Statistics Canada, Property Taxes, Land Registry Fees, etc.

11 Debt

11.1 All accounts for payment of principal or interest on debentures, loans or overdrafts, foreign exchange in accordance with Council's investment policy and including legal expenses incurred by the issuance of debt in accordance with the City's Financing of Capital Works Policy

11.2 Credit rating agencies

12 School Board Capital Work

All accounts for payment to the school boards of amounts raised for them by tax levy

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13 Agencies and Corporations

13.1 Payments to City Agencies and Corporations and/or their contractors, as determined by the Agency or Corporation, for work performed as part of a capital project subject to the following criteria:

- A. The work to be performed relates to an approved Capital Project;
- B. The Agency or Corporation uses an open, competitive bidding process consistent with the City's procurement policies and processes;
- C. The Agency or Corporation complies with and requires that all vendors comply with the City's
 - (i) Fair Wage Policy;
 - (ii) Labour Trades and Contractual Obligations in the Construction Industry Policy; and
 - (iii) Non -Discrimination Policy; and
- D. An agreement is entered into with the Agency or Corporation on terms and conditions satisfactory to the Deputy City Managers and City Solicitor

13.2 Monthly/quarterly operating budget account payments approved by Council for agencies and corporations.

14 Payroll and Pension Deductions and Contributions

All accounts relating to statutory deductions, as well as employee pension deductions and employer pension contributions in respect of salaries and wages to those persons who are paid by or employed by the City, including those which are payable in respect of any duly authorized registered pension plan on behalf of the respective employee.

15 Capital Projects

Charges to or from federal, provincial or municipal government Agencies and Corporations and railways and utility companies for goods and service incidental to an approved capital project provided that the goods and services of the main project shall be subject to the by-law. If directed by the aforementioned entity payment may be issued directly to their vendor.

16 Taxi Services

16.1 Metered taxi services excluding administrative fees

16.2 Metered taxi services for Members of Council and their staff

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17 Paid Duty

Payment to police officers for off duty services performed on behalf of the City of Toronto

18 Council Functions

18.1 Council appointed citizen members

18.2 Payment of costs to hold emergency off-site meetings of City Council, Committees of Council or Agencies and Corporations established and appointed by City Council in City or non-City owned locations, when Council Chamber and Committee Rooms in all city buildings are not available due to unforeseen circumstances, to ensure meeting functionality, accessibility, safety and compliance with legislated requirements or as may be directed by City Council, on an interim basis (including but not limited to meeting locations, alternate off-site facilities, security, audio/visual equipment and operators, modifications to facility accessibility, etc.)

19 Non Union Secondments from an External Organizations

20 Rents, Leases, Maintenance

Payments to landlords for rents/leases and facility maintenance outside of regular lease payments for maintenance repairs that are the responsibility of the City as the renter, and the contractors are determined by the landlords for repairs.

21 Toronto Water Research Initiatives or Projects

Payments to post secondary education institutions, other municipalities, government agencies and/or not for profit professional organizations in respect to the funding, participation or procurement of services related to research initiatives or projects which directly contribute to achieving the Goals and Objectives stated in Toronto Water's Business Plan subject to the following criteria:

- A. The research initiative or project is of a scientific or technical nature utilizing specialized academic or professional expertise at competitive rates;
- B. Toronto Water's contribution to each research initiative prior project does not exceed a value of \$500,000.00 (exclusive of taxes) per year; and
- C. An agreement is entered into among all participants involved in the research initiative or project on terms and conditions satisfactory to the City Solicitor.

22 Payments to the Toronto and Region Conservation Authority (TRCA)

Payments to the TRCA for the delivery of approved capital projects, operating programs and partner funded projects provided that:

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- A. The work to be performed relates to waterways, ravines and Lake Ontario waterfront lands;
- B. The TRCA uses an open, competitive bidding process consistent with the City's procurement policies and processes;
- C. The TRCA complies with and requires that all vendors comply with the City's
 - (i) Fair Wage Policy;
 - (ii) Labour Trades and Contractual Obligations in the Construction Industry Policy; and
 - (iii) Non -Discrimination Policy; and
- D. The TRCA undertakes the work on a cost recovery basis; and
- E. An agreement is entered into with the TRCA on terms and conditions satisfactory to the Deputy City Managers and City Solicitor.

23 Transportation Research Initiatives or Projects

Payments associated with City funding and participating in research initiatives or projects related to road and sidewalk management, transportation safety and operations, as well as permits and applications with post-secondary educational institutions, governmental agencies and/or non-governmental professional organizations, including any procurement of services related thereto subject to meeting the following criteria:

- A. The research initiative or project directly contributes to achieving the mission of Transportation Services;
- B. The project participants are post-secondary educational institutions in Canada, other municipalities or governmental entities, and/or non-governmental professional organizations with a transportation-focused mission who can provide objective, qualified and professional expertise;
- C. The project is of a scientific or technical nature utilizing specialized academic or professional expertise at competitive rates and without a profit margin; Transportation Services' contribution to each research initiative or project does not exceed a value of \$100,000 (before taxes) per year; and
- D. An agreement be entered into among all participants in the research initiative or project on terms and conditions satisfactory to the City Solicitor.