



STAFF REPORT ACTION REQUIRED

Financial Control Policy – Revised

Date:	May 21, 2019
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library (TPL) Board approval for a revised Financial Control Policy to remove procurement references that have been incorporated into a new Purchasing Policy, included as a separate report. There are no other changes being made to the Financial Control Policy at this time.

The Financial Control Policy sets the award and commitment authority for the City Librarian which is currently up to \$500,000, and this has remained unchanged for 16 years. The City is planning on updating their financial control policy in the near future, and once this is done TPL will update its policy.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the revised Financial Control Policy as set out in Attachment 1.

FINANCIAL IMPACT

There are no financial implications from this report.

The Director, Finance and Treasurer has reviewed this financial impact statement and agrees with it.

DECISION HISTORY

The [Financial Control Policy](#) was last reviewed by the Board on November 22, 2010 and it closely mirrored the City's policy.

ISSUE BACKGROUND

The Financial Control Policy establishes how the operating budget and capital budget for the Library Board is approved. The policy also establishes the Board’s spending authority and, in turn, how the Board delegates its spending authority to the City Librarian. All expenditures of the capital and operating budgets are made in accordance with this policy. The policy is based on the City’s Financial Control Policy/By-law with modifications to meet the Library’s organizational requirements.

COMMENTS

TPL is proposing a new Purchasing Policy to replace the current Procurement Processes Policy and incorporate procurement sections from the Financial Control Policy. The new TPL Purchasing Policy aligns with the City’s amended Purchasing By-law and Procurement Processes Policy.

The current Financial Control Policy includes four procurement sections that are no longer necessary due to the new Purchasing Policy, and these are being deleted and replaced as follows:

Financial Control Policy – Deletions	Purchasing Policy Reference
11 Purchasing	
11.1 Purchasing Agent	2 Responsibilities of Chief Purchasing Officer
11.2 Directors	4 Responsibilities of Directors and Project Leads
11.3 Divisional Purchase Limit	13.6 Divisional Purchase Limit
11.4 Co-operative Purchasing	5.5. Co-operative Purchasing
11.5 Procurement of Library Materials	2.4 Application – Library Materials
12 Access to Bids	Schedule A (Purchasing Procedures), 23.1 Procurement records retention and access to information
13.6 City Librarian - Extended Authority	Appendix B (Approval Authority) of Schedule A (Purchasing Procedures), City Librarian – Extended Authority
14 Forms of Commitment	10 Contract Execution
23 Sale or Disposal of Surplus Materials or Equipment	11 Surplus Goods

Apart from these deletions, no other changes are being made to the Financial Control Policy at this time.

The revised Financial Control Policy is on Attachment 1.

The original Financial Control Policy, marked up for changes, is on Attachment 2.

The Financial Control Policy sets the award and commitment authority for the City Librarian which is currently up to \$500,000 and this has remained unchanged for 16 years. The City is planning on updating their financial control policy in the near future, and once this is done TPL will update its policy.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1 – Financial Control Policy - revised
Attachment 2 – Financial Control Policy – with changes marked

ATTACHMENT 1

POLICY: FINANCIAL CONTROL

SECTION: II – General Policies – Finance & Property

MOTION #/DATE: 03 - 109 – June 9, 2003

REVISED: 04 - 148 – November 15, 2004

10 - 149 – November 22, 2010

Toronto Public Library Board

Financial Control Policy

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1 Definitions

In this policy “Account” means a financial liability of the Board 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;

“Acquisitions Manager” means the person holding the position of Acquisitions Manager for Library Materials with the Library or a similar successor position, and includes his or her Designate and immediate supervisor;

“Act” means the Public Libraries Act, as it may be amended from time to time; “Appropriation” means the allocation of funds in the interim operating Budget and the operating Budget;

“Award” means the acceptance of a Bid or Proposal in accordance with the terms of this policy;

“Bid” means a formal price response to a Call issued by the Library;

“Bidder” means any legal entity submitting a Bid in response to a Call by the Library;

“Board” means the Toronto Public Library Board;

“Budget” means the annual operating and capital budgets approved by Council and adopted by the Board in accordance with section 24 of the Act;

“Call” means a Solicitation from the Library to external suppliers or providers to submit a Tender;

“Capital Account” means the fund allocated by the Board for a particular Capital Project in the Capital Program and or funds raised from other sources for Capital Projects;

“Capital Project” means an undertaking in respect of which an expenditure is incurred to acquire, improve, demolish and maintain land, buildings, engineering structures, machinery or equipment, including installation of computer hardware, software and other technology and is the level at which the Board and Council approve funding in the capital Budget;

“Capital Program” means the multi-year plan adopted by the Board and Council respecting intended expenditures for Capital Projects;

“City” means the City of Toronto;

“City Librarian” means the person appointed by the Board holding the position of Chief Executive Officer for the Library or a similar successor position, and includes his or her Designate;

“City Solicitor” means the person holding the position of City Solicitor for the City, or a similar successor position, and includes his or her designate;

“City’s Chief Financial Officer” means the person appointed by Council as the Deputy City Manager and Chief Financial Officer of the City or a similar successor position, and includes his or her designate;

“Commitment” means the document evidencing the contractual obligation for the purchase of any Goods or Services arising from an Award;

“Co-operative Purchasing” means procurement conducted by the Purchasing Agent on behalf of the Library and one or more public bodies, or the involvement of the Purchasing Agent in procurement by other public bodies which include procurement on behalf of the Library;

“Council” means City Council;

“Delegate” means a Library employee to whom authority has been delegated pursuant to sub-article 13.2 of this policy;

“Department” means an administrative unit of a Division of the Library headed by a Manager;

“Designate” means a Library employee designated to exercise authority pursuant to clause 20.3.1 of this policy;

“Director” means a person holding a management position in charge of a Division reporting directly to the City Librarian or the Director Branch Services, or a similar successor position, and includes his or her Designate, and includes the Director Branch Services;

“Division” means an administrative unit of the Library headed by a Director; and for the purpose of making an Award or Commitment under this policy, includes the office of the City Librarian.

“Divisional Purchase Limit” means the maximum amount that a Director or Designate may expend to procure Goods and Services directly rather than through the Purchasing Agent;

“Existing Agreement” means an agreement between the City or one of its agencies, boards, and commissions and a vendor for the supply of Goods or Services at the best value specified in the agreement, provided that:

1. a competitive process for procuring the Goods or Services has been used; and
2. the agreement was awarded to the vendor that offered the Goods or Services at the best value that met the specifications;

“Goods” means all forms of personal property, both tangible and intangible;

“Library” means the Toronto Public Library;

“Library Materials” means books, videos, periodicals, subscriptions, serials, electronic information products and any other media, purchased by the Library for use by the public;

“Library Treasurer” means the person holding the position of Director, Finance and Treasurer of the Library or a similar successor position, and includes his or her Designate;

“Proponent” means any legal entity submitting a Proposal in response to a Request;

“Proposal” means an offer to furnish Goods or Services, including professional or consulting services, as a basis for negotiations for entering into a contract;

“Purchasing Agent” means the person holding the position of Manager, Purchasing and Administration in the Library’s Finance Department, or a similar successor position, and includes his or her Designate and immediate supervisor, and whose responsibility it is to supervise and carry out selected procurement functions on behalf of the Library in accordance with this policy;

“Quotation” means an offer to supply specified Goods or Services at a price fixed as to the total amount or on a unit basis, or both;

“Request” means a Solicitation from the Library to external suppliers to submit a Proposal;

“Services” means any matter in respect of which the Board may incur a financial obligation other than Goods, excluding real property;

“Solicitation” means the process of notifying prospective Bidders or Proponents that the Board wishes to receive Bids or Proposals;

“Subproject” means a level within a Capital Project that the City Librarian or the Library Treasurer may choose to use to track expenditures within the Capital Project;

“Tender” means an offer in respect of a Project at a fixed price as to total amount or on a unit basis, or both, and where all of the material terms, conditions and specifications to be met for the project, aside from price and, in some cases, time for completion, are contained in the Call and determined at the time a bid is opened so that there is no prospect of negotiations between the parties.

2 Monetary References

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

3 Purpose

- 3.1 The approval of the Budget, the purchasing of all Goods and Services on behalf of the Board, the payment of Accounts of the Board and the related matters identified in this policy, shall be carried out in accordance with the provisions of this policy.

4 Applicability

- 4.1 The provisions of the policy shall apply to all Divisions.

5 Interim Operating Budget

- 5.1 Prior to Council's approval of an 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 sub-article 71-5, Financial Control, of the City of Toronto Municipal Code, for the period from the first day of January in each year until the approval of the Budget for such year.
- 5.2 Subsequent to Council's approval of the annual interim operating budget, the Board shall adopt such Budget.

6 Operating Budget

- 6.1 The Board shall submit to Council, annually on or before the date and in the form specified by the Council, the total of all sums required during the year for the operating purposes of the Board.
- 6.2 The total of all sums identified in sub-article 6.1 that is approved by Council shall be adopted by the Board, and shall be the Board's operating Budget.
- 6.3 Subject to the other provisions of this policy, the Board shall apply the money paid to it in accordance with the operating Budget.

7 Capital Budget

- 7.1 The Board shall submit to Council, annually on or before the date and in the form specified by the Council, the total of all sums required during the year for the capital purposes of the Board.
- 7.2 The total of all sums identified in sub-article 7.1 that is approved by Council shall be adopted by the Board, and shall be the Board's capital Budget.
- 7.3 Subject to the other provisions of this policy, the Board shall apply the money paid to it in accordance with the capital Budget.

8 Spending Authority - Operating Budget

- 8.1 Review of expenditure levels:
 - 8.1.1 The operating Budget approved by Council establishes the spending authority for the Board.
 - 8.1.2 The City Librarian shall ensure that expenditures do not exceed the approved operating Budget subject to any obligations to spend funds for any unanticipated and uncontrollable expenditure.
 - 8.1.3 The City Librarian must review expenditure levels to address revenue shortfalls.
 - 8.1.4 Subject to sub-article 8.2 and articles 21 and 22, the City Librarian shall report any anticipated over-expenditure from the operating Budget to the Board and the City's Chief Financial Officer as soon as such potential over-expenditure is known.
- 8.2 Reallocations; transfer between programs and services:
 - 8.2.1 The reallocation of approved operating Budget of not more than \$500,000 annually between Appropriations which do not affect the net operating Budget for the Library shall require the approval of the City Librarian and the Library Treasurer.
 - 8.2.2 Any such reallocation shall be reported to the Board not later than the second regular Board meeting following the transfer.
 - 8.2.2. Reallocation of approved operating Budget in excess of \$500,000 requires both Board and Council approval.

9 Spending Authority – Capital Budget

- 9.1 Review of Expenditure levels:

- 9.1.1 The capital Budget approved by Council establishes the spending authority for the Board from the capital Budget.
- 9.1.2 The City Librarian shall ensure that expenditures from the capital Budget do not exceed that approved capital Budget.
- 9.1.3 Subject to sub-article 9.2 and articles 21 and 22, the City Librarian shall report any anticipated over-expenditure to the Board and the City's Chief Financial Officer as soon as such potential over-expenditure is known.
- 9.2 Over-expenditure on a capital project:
 - 9.2.1 The City Librarian is authorized to approve additional expenditures where the costs of a Capital Project funded from the capital Budget increase to the extent that they exceed the original funding approval for the Capital Project by the lesser of 10 per cent or \$500,000, provided that excess funds are available in the approved funding of another Capital Project to fund the over-expenditure.
 - 9.2.2 If the costs of a Capital Project exceed the original funding by more than 10 per cent or \$500,000 or excess funds are not available in the approved funding of another Capital Project, Board and Council approval must be obtained before any payment can be made to incur the additional costs, except for expenditures made under clause 13.3.1.
 - 9.2.3 If sub-article 13.3 applies, the City Librarian is authorized to approve the expenditure for the additional costs, and such additional costs shall be reported to the Board.
- 9.3 Unspent funds:
 - 9.3.1 For any Capital Project that is completed, the Library Treasurer shall obtain the approval of the City's Chief Financial Officer to apply unspent funds from the capital Budget for that project first against other Capital Projects of the Library that may be overspent and if there are still excess funds, then to apply the remaining funds to another Capital Project within the Library.
- 9.4 Allocations between Subprojects within a Capital Project and any subsequent transfers of these funds among other Subprojects or the addition of Subprojects may be made by the Library Treasurer, provided that such transfer does not exceed the amount approved by Council for the Capital Project.
- 9.5 Reallocations:
 - 9.5.1 Any reallocation of Budget between Capital Projects in an amount of not more than \$250,000 requires approval of the City Librarian.

- 9.5.2 Any reallocation of Budget in excess of \$250,000 between Capital Projects requires approval of the City Librarian, the Board and Council.
- 9.5.3 If Board meetings are cancelled, the Board's normal meeting schedule interrupted because of a labour disruption, or, during the months when no Board meetings are scheduled or held, the City Librarian shall have the authority to request Council to approve any reallocation of budget between capital projects in an amount not more than \$1,000,000.
- 9.6 In preparing the annual capital Budget, the Board shall include in the submissions a cash flow forecast which indicates the entire capital expenditure for each Capital Project from the City, including those Capital Projects approved in previous years.
- 9.7 Closure review:
- 9.7.1 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 City's Chief Financial Officer after consultation with the City Librarian.
- 9.7.2 If additional expenditures are expected to occur as a result of litigation or claims, it may not be appropriate to reflect those expenditures in the capital forecasts. In such cases the City Librarian shall advise the City's Chief Financial Officer of the possibility of additional costs to the Capital Project.
- 9.8 The City's Chief Financial Officer, after consultation with the City Librarian, may close any Capital Project that is considered to be complete.

10 Reporting of Certain Financial Information

- 10.1 Prior to the City Librarian signing any report and submitting it to the Board, the following information, where applicable, must be included in the report under the heading "Financial Implications":
- 10.1.1 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 expenditure, revenues and net amounts in all cases, and any appropriate Budget adjustments that may be required;
- 10.1.2 future year impacts, which are to include the current year's and the following year's incremental cost for full implementation and the operating impacts of Capital Projects;
- 10.1.3 identification of sustainable funding sources and resultant impact on service levels and standards or on Capital Program works plan so as to offset the total new financial impacts;

- 10.1.4 resultant Budget adjustments to capture cost-savings and revenue sources for current and future years;
 - 10.1.5 impact on staffing levels; and
 - 10.1.6 consistency with the Library’s strategic direction and fiscal priorities.
- 10.2 The Library Treasurer shall review the report, and approve the financial implications identified in the report.

11 (DELETED)

12 (DELETED)

13 Awards and Commitments

- 13.1 Approval:
- 13.1.1 No Award or 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 Board except with Board approval or in accordance with the provisions of this policy and any applicable legal requirements.
- 13.2 Award and Commitment Authorities:
- 13.2.1 An Award or Commitment of more than \$500,000 requires Board approval.
 - 13.2.2 The City Librarian may make an Award or Commitment of not more than \$500,000 in any one instance, if the purchasing procedures identified in article 11 have been followed and funding has been provided in the interim operating Budget, the operating Budget or the capital Budget or pursuant to article 21 to the satisfaction of the Library Treasurer.
 - 13.2.3 The City Librarian may delegate Award and Commitment authority in any amount within the limit of \$500,000 to a Director.
 - 13.2.4 A Director may delegate Award and Commitment authority delegated to him or her by the City Librarian to a person holding a management position directly reporting to him or her.
 - 13.2.5 Despite sub-clause 13.2.3 and sub-clause 13.2.4, the City Librarian may amend the Award and Commitment authority of any staff member and place conditions or restrictions on the delegation of authority to any staff member within the \$500,000 limit of Award and Commitment authority applicable to the City Librarian.

- 13.2.6 In cases where the Board has made the Award, the City Librarian or the Library Treasurer are authorized to enter into the Commitment arising from the Award, subject to such terms and conditions imposed by the Board when making the Award.
- 13.2.7 An Award and Commitment may be made under sub-article 13.2, provided:
 - 13.2.7.1 any applicable purchasing policies and procedure approved by the Board or the City Librarian have been followed; and
 - 13.2.7.2 subject to the authority to transfer set out in sub- article 8.2, funds for the purpose of the Award and Commitment are available in the interim operating Budget or the operating Budget in the year in which the Award and Commitment are being made, or from another source and the amount payable under the Commitment in the year in which the Award and Commitment are made does not exceed the amount of such funds or the funds available from another source; or
 - 13.2.7.3 subject to the authority to transfer set out in sub-articles 9.2 and 9.5, the Capital Project and its funding have been approved and the amount payable under the Commitment in the year in which the Award and Commitment are made does not exceed the amount of approved funding in the year or the funds available from another source.
- 13.2.8 The City Librarian may authorize additional cumulative expenditures on a Commitment authorized in accordance with this policy of up to 10 per cent of the original Commitment, subject to the limits set in the clause 13.2.2 provided that, in the year in which the additional expenditures is being made:
 - 13.2.8.1 funds are available in the interim operating Budget or the operating Budget for that purpose; or
 - 13.2.8.2 the Capital Project and its funding have been approved; and
 - 13.2.8.3 sufficient funds remain in the Capital Account.
- 13.2.9 All Commitments shall be in a form specified in article 14 of this policy.
- 13.3 Emergencies:
 - 13.3.1 Where, in the opinion of the City Librarian, an emergency exists, the City Librarian may take such steps as he or she, acting reasonably, considers necessary to deal with the emergency, without the necessity for compliance with the requirements of this policy and despite the fact that any expenditure in relation to the emergency may result in an Award or Commitment exceeding his or her authority under this policy.
 - 13.3.2 Where the dollar amount of any Commitment entered into under clause 13.3.1 is not within the maximum dollar amount of any Award and Commitment authority delegated to the City

Librarian under clause 13.2.2, the City Librarian shall report to the Board at the earliest opportunity after entering into the Commitment.

13.4 Advance Payments:

13.4.1 Prior to making an Award or Commitment, the person making the Award or Commitment shall request the Library Treasurer to certify an Account is payable prior to Goods, Services or Library Materials being supplied or rendered and the Library Treasurer may so certify if, in his or her opinion, such payment will ensure the Goods, Services or Library Materials are obtained at the best possible price without placing the Library at undue risk.

13.5 Petty Cash:

13.5.1 The Library Treasurer may establish petty cash funds for a Department in an amount he or she considers appropriate having regard to the operational requirements of the Library and the Department.

13.5.2 Managers of Departments are authorized to dispense money from the petty cash fund for their respective Departments upon delivery of receipts and/or such other documentation as may be directed by the Library Treasurer.

13.5.3 The Library Treasurer is authorized to reimburse a petty cash fund upon delivery of original receipts and/or such other documentation as specified in clause 13.5.2 and as the Library Treasurer may require from time to time.

13.5.4 Petty cash payments for any individual purchase shall not exceed \$200.

13.6 City Librarian – Extended Authority:

13.6.1 (DELETED)

13.6.2 If the City Librarian makes an Award under clause 13.6.1, the Award shall be reported to the Board at the next regularly scheduled Board meeting.

14 (DELETED)

15 Authority to Pay Accounts

- 15.1 Despite any other provision in this policy, the Library Treasurer is authorized to pay the Accounts and expenditures set out in Schedule “A” to this Policy without the involvement of the Purchasing Agent or the issuance of a purchase order, provided that the funds are available in the operating Budget or the capital Budget for that purpose or, if the funds are not so available, an expenditure from additional funds identified in article 16 or other revenues identified in article 21 has been approved within the requirements of that section.

16 Additional Funds

- 16.1 Application for additional funds from the City may only be made for:
 - 16.1.1 costs that were not identified at the time the Budget was approved, including costs resulting from legal and negotiated settlements; or
 - 16.1.2 unforeseen expenditures resulting from economic, climatic, in-year legislative changes from senior levels of government or legal and negotiated settlements.
- 16.2 Board approval must be obtained to apply to Council for additional funds from the City.

17 Payments

- 17.1 Certification:
 - 17.1.1 Prior to an Account being paid, the person who made the Award or is authorized to execute the Commitment must sign the receipt, invoice or other similar document submitted in respect to the Account and to identify the account codes to be charged.
 - 17.1.2 By signing the receipt, invoice or other document, the signatory is confirming that:
 - 17.1.2.1 there is authority to make the expenditure;
 - 17.1.2.2 subject to sub-article 13.4, the Goods and Services have been supplied or rendered and are satisfactory; and
 - 17.1.2.3 the amount of the requested payment is correct and the payment is due.
 - 17.1.3 Where Goods or Services are supplied under the supervision or direction of a person retained by or on behalf of the Board, the appropriate person identified in clause 17.1.1 shall obtain a certificate from such person attesting to the supply or rendering of the Goods or Services, in a format acceptable to the Library Treasurer, prior to requisitioning payment for the Account under this sub-article.

18 Custody of Documents

- 18.1 Duly executed copies of all agreements, including all bonds, letters of credit and other security for the due performance of the agreements, all insurance and certificates of insurance, and all other documents executed on behalf of the Board shall be deposited and maintained as directed by the City Librarian.

19 Write-offs

- 19.1 The City Librarian or the Library Treasurer is authorized to write-off an outstanding account of \$10,000 or less owing to the Library as uncollectible provided that reasonable efforts have been made to collect the outstanding amount.

20 Administration

- 20.1 Forms:

- 20.1.1 The Library Treasurer shall approve all necessary forms and other documentation for recording and substantiating the Accounts of the Board.

- 20.2 Controls:

- 20.2.1 The Library Treasurer shall undertake tests and inquiries as are appropriate to ensure that the Library maintains satisfactory internal control practices, and that all officials and employees duly carry out the terms of this policy, and shall carry out such tests and inquiries as are requested by the Board.

- 20.3 Schedule of Delegations:

- 20.3.1 Any individual who is authorized to exercise authority under this policy, other than a Designate, may from time to time, in writing, designate a Library employee to exercise the authority in the individual's absence or inability to exercise such authority.

- 20.3.2 The Purchasing Agent in consultation with the City Librarian shall formulate and maintain a current schedule specifying any delegation of authority under sub-article 13.2 including, but not limited to Award, Commitment, certification and payment authorities and authority levels for each level of management with the division.

- 20.3.3 The schedule shall be approved by the City Librarian and a copy of the schedule shall be forwarded to the Library Treasurer at least annually.

21 Toronto Public Library Foundation

- 21.1 The City Librarian may accept revenues from the Toronto Public Library Foundation in respect of a Library service or a Capital Project, provided that:

- 21.1.1 the revenues are part of the funding priorities approved by the Board; or

- 21.1.2 if the revenues are not part of the funding priorities approved by the Board, the total of the revenues accepted by the Library from the same source for the same purpose within the fiscal year does not exceed \$250,000; and
- 21.1.3 the revenues comply with the all of the Library's Policies.
- 21.2 The City Librarian may spend revenues from the Toronto Public Library Foundation in respect of a Library service or a Capital Project up to the Award and Commitment dollar limits established by article 13.
- 21.3 The Library Treasurer will annually report to the Board on all revenue items in excess of \$50,000 received under subarticle 21.1.2.

22 Other Revenues

- 22.1 Other revenues include donations, grants, and revenues from revenue generating activities of the type not contemplated within other articles of this policy.
- 22.2 The City Librarian may accept and spend other revenues in respect of a Library service or a Capital Project, provide that:
 - 22.2.1 the other revenues are within the Award and Commitment dollar limits established by article 13;
 - 22.2.2 the total of the other revenues accepted by the Library from the same source for the same purpose within the fiscal year does not exceed the Award and Commitments authority established by article 13; and
 - 22.2.3 the other revenues comply with the all of the Library's Policies.
- 22.3 The Library Treasurer will annually report to the Board all individual other revenues in excess of \$50,000 received under this article.

23 (DELETED)

24 Miscellaneous

- 24.1 The Library Treasurer shall undertake a comprehensive review of this policy every five years.
- 24.2 Effective Date:
 - 24.2.1 This policy is effective from the date of its adoption by the Board.

25 SCHEDULE “A” to FINANCIAL CONTROL POLICY

In accordance with article 15.1, the following items can be processed without purchase order or as a sole source:

1. Utilities

Toronto Hydro
 Water and sewage charges
 Natural gas
 Basic telephone/long distance service
 Basic television cable service
 Enwave

2. Training and Education

Membership fees-professional associations
 Magazine and periodical subscriptions
 Training registration (except where bulk training is arranged through a bidding process)
 Conference and seminars

3. Refundable employee expenses

Meal allowances
 Travel expenses
 Entertainment allowance
 Hotel accommodations
 Mileage
 Cash advance

4. General Expenses

Property taxes
 Postage (Canada Post)
 Licenses, e.g. vehicles
 Charges to or from other government agencies including contracts with federal, provincial or municipal governments, agencies, boards, commissions and railways for minor Goods and Services incidental to an approved Capital Project, provided that the Goods and Services of the main project shall be subject to the by-law
 Payments to associations and government funded organizations working with the Library on Library projects
 Land purchases/expropriation
 Land registry fees
 Refunds

Legal settlements
 Grievance payments
 Experts and witnesses for civil actions or administrative hearings
 Arbitrators and mediators
 Advertising to a specific audience – All services (print, radio, TV, etc) in order to reach a specific target audience (e.g. seniors, adolescents, ethnic groups, industry or business groups, specific neighbourhoods or geographical areas, etc.)
 Metered taxi services – for transporting residents, with or without staff accompaniment to medical facilities, hospitals in routine and emergency situations, to transport employees to various locations as required for the purposes of responding to a Library requirement
 Meeting arrangements and Library-hosted conferences and special events at non-City owned locations
 Statistics Canada
 Entertainers, performers, curators or organizations providing entertainment

5. Federal, Provincial and Municipal Mandated Programs (including but not limited to the following):

Purchase of supplies and services from a supplier mandated by the municipal, provincial, or federal government.

6. TTC Tokens

7. Petty cash replenishment

8. Payments to Past and Current Employees

All salaries, wages and benefits due to any person in the employ of the Library
 All retiring allowances and mandatory sick pay grants due to any person previously in the employ of the Library

9. Government Payments

All accounts for fees and levies payable to the federal, provincial or other municipal government or to any agency, board or commission thereof.

10. Pension Deductions and Contributions

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

ATTACHMENT 2

POLICY: FINANCIAL CONTROL – with changes marked

SECTION: II – General Policies – Finance & Property

MOTION #/DATE: 03 - 109 – June 9, 2003

REVISED: 04 - 148 – November 15, 2004

10 - 149 – November 22, 2010

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1 Definitions

In this policy “Account” means a financial liability of the Board 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;

“Acquisitions Manager” means the person holding the position of Acquisitions Manager for Library Materials with the Library or a similar successor position, and includes his or her Designate and immediate supervisor;

“Act” means the Public Libraries Act, as it may be amended from time to time; “Appropriation” means the allocation of funds in the interim operating Budget and the operating Budget;

“Award” means the acceptance of a Bid or Proposal in accordance with the terms of this policy;

“Bid” means a formal price response to a Call issued by the Library;

“Bidder” means any legal entity submitting a Bid in response to a Call by the Library;

“Board” means the Toronto Public Library Board;

“Budget” means the annual operating and capital budgets approved by Council and adopted by the Board in accordance with section 24 of the Act;

“Call” means a Solicitation from the Library to external suppliers or providers to submit a Tender;

“Capital Account” means the fund allocated by the Board for a particular Capital Project in the Capital Program and or funds raised from other sources for Capital Projects;

“Capital Project” means an undertaking in respect of which an expenditure is incurred to acquire, improve, demolish and maintain land, buildings, engineering structures, machinery or equipment, including installation of computer hardware, software and other technology and is the level at which the Board and Council approve funding in the capital Budget;

“Capital Program” means the multi-year plan adopted by the Board and Council respecting intended expenditures for Capital Projects;

“City” means the City of Toronto;

“City Librarian” means the person appointed by the Board holding the position of Chief Executive Officer for the Library or a similar successor position, and includes his or her Designate;

“City Solicitor” means the person holding the position of City Solicitor for the City, or a similar successor position, and includes his or her designate;

“City’s Chief Financial Officer” means the person appointed by Council as the Deputy City Manager and Chief Financial Officer of the City or a similar successor position, and includes his or her designate;

“Commitment” means the document evidencing the contractual obligation for the purchase of any Goods or Services arising from an Award;

“Co-operative Purchasing” means procurement conducted by the Purchasing Agent on behalf of the Library and one or more public bodies, or the involvement of the Purchasing Agent in procurement by other public bodies which include procurement on behalf of the Library;

“Council” means City Council;

“Delegate” means a Library employee to whom authority has been delegated pursuant to sub-article 13.2 of this policy;

“Department” means an administrative unit of a Division of the Library headed by a Manager;

“Designate” means a Library employee designated to exercise authority pursuant to clause 20.3.1 of this policy;

“Director” means a person holding a management position in charge of a Division reporting directly to the City Librarian or the Director Branch Services, or a similar successor position, and includes his or her Designate, and includes the Director Branch Services;

“Division” means an administrative unit of the Library headed by a Director; and for the purpose of making an Award or Commitment under this policy, includes the office of the City Librarian.

“Divisional Purchase Limit” means the maximum amount that a Director or Designate may expend to procure Goods and Services directly rather than through the Purchasing Agent;

“Existing Agreement” means an agreement between the City or one of its agencies, boards, and commissions and a vendor for the supply of Goods or Services at the best value specified in the agreement, provided that:

1. a competitive process for procuring the Goods or Services has been used; and
2. the agreement was awarded to the vendor that offered the Goods or Services at the best value that met the specifications;

“Goods” means all forms of personal property, both tangible and intangible;

“Library” means the Toronto Public Library;

“Library Materials” means books, videos, periodicals, subscriptions, serials, electronic information products and any other media, purchased by the Library for use by the public;

“Library Treasurer” means the person holding the position of Director, Finance and Treasurer of the Library or a similar successor position, and includes his or her Designate;

“Proponent” means any legal entity submitting a Proposal in response to a Request;

“Proposal” means an offer to furnish Goods or Services, including professional or consulting services, as a basis for negotiations for entering into a contract;

“Purchasing Agent” means the person holding the position of Manager, Purchasing and Administration in the Library’s Finance Department, or a similar successor position, and includes his or her Designate and immediate supervisor, and whose responsibility it is to supervise and carry out selected procurement functions on behalf of the Library in accordance with this policy;

“Quotation” means an offer to supply specified Goods or Services at a price fixed as to the total amount or on a unit basis, or both;

“Request” means a Solicitation from the Library to external suppliers to submit a Proposal;

“Services” means any matter in respect of which the Board may incur a financial obligation other than Goods, excluding real property;

“Solicitation” means the process of notifying prospective Bidders or Proponents that the Board wishes to receive Bids or Proposals;

“Subproject” means a level within a Capital Project that the City Librarian or the Library Treasurer may choose to use to track expenditures within the Capital Project;

“Tender” means an offer in respect of a Project at a fixed price as to total amount or on a unit basis, or both, and where all of the material terms, conditions and specifications to be met for the project, aside from price and, in some cases, time for completion, are contained in the Call and determined at the time a bid is opened so that there is no prospect of negotiations between the parties.

2 Monetary References

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

3 Purpose

- 3.1 The approval of the Budget, the purchasing of all Goods and Services on behalf of the Board, the payment of Accounts of the Board and the related matters identified in this policy, shall be carried out in accordance with the provisions of this policy.

4 Applicability

- 4.1 The provisions of the policy shall apply to all Divisions.

5 Interim Operating Budget

- 5.1 Prior to Council's approval of an 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 sub-article 71-5, Financial Control, of the City of Toronto Municipal Code, for the period from the first day of January in each year until the approval of the Budget for such year.
- 5.2 Subsequent to Council's approval of the annual interim operating budget, the Board shall adopt such Budget.

6 Operating Budget

- 6.1 The Board shall submit to Council, annually on or before the date and in the form specified by the Council, the total of all sums required during the year for the operating purposes of the Board.
- 6.2 The total of all sums identified in sub-article 6.1 that is approved by Council shall be adopted by the Board, and shall be the Board's operating Budget.
- 6.3 Subject to the other provisions of this policy, the Board shall apply the money paid to it in accordance with the operating Budget.

7 Capital Budget

- 7.1 The Board shall submit to Council, annually on or before the date and in the form specified by the Council, the total of all sums required during the year for the capital purposes of the Board.
- 7.2 The total of all sums identified in sub-article 7.1 that is approved by Council shall be adopted by the Board, and shall be the Board's capital Budget.
- 7.3 Subject to the other provisions of this policy, the Board shall apply the money paid to it in accordance with the capital Budget.

8 Spending Authority - Operating Budget

- 8.1 Review of expenditure levels:
 - 8.1.1 The operating Budget approved by Council establishes the spending authority for the Board.
 - 8.1.2 The City Librarian shall ensure that expenditures do not exceed the approved operating Budget subject to any obligations to spend funds for any unanticipated and uncontrollable expenditure.
 - 8.1.3 The City Librarian must review expenditure levels to address revenue shortfalls.
 - 8.1.4 Subject to sub-article 8.2 and articles 21 and 22, the City Librarian shall report any anticipated over-expenditure from the operating Budget to the Board and the City's Chief Financial Officer as soon as such potential over-expenditure is known.
- 8.2 Reallocations; transfer between programs and services:
 - 8.2.1 The reallocation of approved operating Budget of not more than \$500,000 annually between Appropriations which do not affect the net operating Budget for the Library shall require the approval of the City Librarian and the Library Treasurer.
 - 8.2.2 Any such reallocation shall be reported to the Board not later than the second regular Board meeting following the transfer.
 - 8.2.2. Reallocation of approved operating Budget in excess of \$500,000 requires both Board and Council approval.

9 Spending Authority – Capital Budget

- 9.1 Review of Expenditure levels:

- 9.1.1 The capital Budget approved by Council establishes the spending authority for the Board from the capital Budget.
- 9.1.2 The City Librarian shall ensure that expenditures from the capital Budget do not exceed that approved capital Budget.
- 9.1.3 Subject to sub-article 9.2 and articles 21 and 22, the City Librarian shall report any anticipated over-expenditure to the Board and the City's Chief Financial Officer as soon as such potential over-expenditure is known.
- 9.2 Over-expenditure on a capital project:
 - 9.2.1 The City Librarian is authorized to approve additional expenditures where the costs of a Capital Project funded from the capital Budget increase to the extent that they exceed the original funding approval for the Capital Project by the lesser of 10 per cent or \$500,000, provided that excess funds are available in the approved funding of another Capital Project to fund the over-expenditure.
 - 9.2.2 If the costs of a Capital Project exceed the original funding by more than 10 per cent or \$500,000 or excess funds are not available in the approved funding of another Capital Project, Board and Council approval must be obtained before any payment can be made to incur the additional costs, except for expenditures made under clause 13.3.1.
 - 9.2.3 If sub-article 13.3 applies, the City Librarian is authorized to approve the expenditure for the additional costs, and such additional costs shall be reported to the Board.
- 9.3 Unspent funds:
 - 9.3.1 For any Capital Project that is completed, the Library Treasurer shall obtain the approval of the City's Chief Financial Officer to apply unspent funds from the capital Budget for that project first against other Capital Projects of the Library that may be overspent and if there are still excess funds, then to apply the remaining funds to another Capital Project within the Library.
- 9.4 Allocations between Subprojects within a Capital Project and any subsequent transfers of these funds among other Subprojects or the addition of Subprojects may be made by the Library Treasurer, provided that such transfer does not exceed the amount approved by Council for the Capital Project.
- 9.5 Reallocations:
 - 9.5.1 Any reallocation of Budget between Capital Projects in an amount of not more than \$250,000 requires approval of the City Librarian.

- 9.5.2 Any reallocation of Budget in excess of \$250,000 between Capital Projects requires approval of the City Librarian, the Board and Council.
- 9.5.3 If Board meetings are cancelled, the Board's normal meeting schedule interrupted because of a labour disruption, or, during the months when no Board meetings are scheduled or held, the City Librarian shall have the authority to request Council to approve any reallocation of budget between capital projects in an amount not more than \$1,000,000.
- 9.6 In preparing the annual capital Budget, the Board shall include in the submissions a cash flow forecast which indicates the entire capital expenditure for each Capital Project from the City, including those Capital Projects approved in previous years.
- 9.7 Closure review:
- 9.7.1 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 City's Chief Financial Officer after consultation with the City Librarian.
- 9.7.2 If additional expenditures are expected to occur as a result of litigation or claims, it may not be appropriate to reflect those expenditures in the capital forecasts. In such cases the City Librarian shall advise the City's Chief Financial Officer of the possibility of additional costs to the Capital Project.
- 9.8 The City's Chief Financial Officer, after consultation with the City Librarian, may close any Capital Project that is considered to be complete.

10 Reporting of Certain Financial Information

- 10.1 Prior to the City Librarian signing any report and submitting it to the Board, the following information, where applicable, must be included in the report under the heading "Financial Implications":
- 10.1.1 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 expenditure, revenues and net amounts in all cases, and any appropriate Budget adjustments that may be required;
- 10.1.2 future year impacts, which are to include the current year's and the following year's incremental cost for full implementation and the operating impacts of Capital Projects;
- 10.1.3 identification of sustainable funding sources and resultant impact on service levels and standards or on Capital Program works plan so as to offset the total new financial impacts;

- 10.1.4 resultant Budget adjustments to capture cost-savings and revenue sources for current and future years;
 - 10.1.5 impact on staffing levels; and
 - 10.1.6 consistency with the Library's strategic direction and fiscal priorities.
- 10.2 The Library Treasurer shall review the report, and approve the financial implications identified in the report.

11 Purchasing

11.1 Purchasing Agent:

11.1.1 Subject to sub-articles 11.2 and 11.5, the Purchasing Agent shall be responsible for:

11.1.1.1 determining, in consultation with the City Solicitor where the Purchasing Agent considers it necessary, and in accordance with policies and directives as may be provided from time to time by the Board, the appropriate form and method by which all Goods and Services that meet the Library's operational needs and specifications shall be procured on behalf of the Board in the most competitive manner reasonably possible;

11.1.1.2 the Solicitation of Goods and Services in such forms and by such methods as determined under sub-clause 11.1.1.1;

11.1.1.3 determining, in consultation with the City Solicitor where the Purchasing Agent considers it necessary, and in accordance with policies and directives as may be provided from time to time by the Board, the appropriate form and method by which potential vendors shall be pre-qualified and administering the pre-qualification process;

11.1.1.4 scheduling, in consultation with the Library Treasurer, the place, date and time for the receipt and opening of Bids and Proposals and the making of Awards;

11.1.1.5 reporting, along with the Director who initiated the Call or Request, to the Board on all Bids or Proposals that require Board approval;

11.1.1.6 generally monitoring, supervising and reporting to the Board, as required from time to time, on the purchasing process; and

11.1.1.7 compiling and maintaining a compendium of all policies adopted by the Board from time to time affecting the purchasing process and communicating such policies to Bidders and Proponents and all staff involved in the purchasing process;

11.1.2 The Purchasing Agent may engage in Solicitations other than in accordance with sub-clause 11.1.1.2 under circumstances identified in Section 3.0 of the Board's Procurement Processes Policy.

11.1.3 Despite sub-clause 11.1.1.2 and clause 11.1.2, the Purchasing Agent may refrain from undertaking a Solicitation if the relevant Goods or Services can be obtained at the prices specified in an Existing Agreement.

11.1.4 The Purchasing Agent may only engage in Solicitations pursuant to clause 11.1.2, or refrain from undertaking a Solicitation pursuant to clause 11.1.3, with the approval of the City Librarian or the Library Treasurer and, in the case of situations arising under Section 3.0 of the Board's Procurement Processes Policy, the Purchasing Agent shall provide written justification for the alternative procurement process, as described in the Board's Procurement Processes Policy, in a form acceptable to the City Librarian or the Library Treasurer, as the case may be.

11.1.5 The Purchasing Agent shall be authorized to cancel any Call or Request when:

11.1.5.1 Bids or Proposals received are greater than approved funding; or

11.1.5.2 in the opinion of the Purchasing Agent and/or the Director who initiated the Call or Request:

11.1.5.2.1 a documented significant change in the scope of work or specifications requires that a new Call or Request be issued;

11.1.5.2.2 the Goods or Services that are the subject of the Call or Request no longer meet the Library's operational needs; or

11.1.5.2.3 proceeding with the Call or Request would not be in the best interests of the Board and the Library.

11.1.6 Subject to the provisions of Section 6.0 of the Board's Procurement Processes Policy, Bids and Proposals received by the Purchasing Agent in the location specified in the Call or Request before the time stipulated therein for the receipt, shall be opened by the Purchasing Agent at the time and location specified in the Call or Request, and the names of the Bidders and Proponents shall be read out. All Bidders and Proponents and other interested members of the public shall be entitled to be present when the information is read out. The prices bid on Calls only, where considered appropriate in the discretion of the Purchasing Agent, shall also be read out. The prices bid on Requests shall not be read out.

11.2 Directors:

~~11.2.1 Despite sub clause 11.1.1.2, a Director may engage in Solicitations directly rather than through the Purchasing Agent for purchases within the Divisional Purchase Limit provided that the method and form of solicitation is approved by the Purchasing Agent.~~

~~11.3 Divisional Purchase Limit:~~

~~11.3.1 The City Librarian is authorized to determine from time to time, in consultation with the Library Treasurer and the Purchasing Agent, any increase to the Divisional Purchase Limit within the commitment authority delegated to the City Librarian in sub article 13.2.~~

~~11.4 Co-operative Purchasing:~~

~~11.4.1 The Purchasing Agent may participate in Co-operative Purchasing with other public bodies.~~

~~11.4.2 Participation in Co-operative Purchasing shall be in compliance with the provisions of this policy to the extent that purchasing results in a Commitment on behalf of the Library.~~

~~11.5 Procurement of Library Materials:~~

~~11.5.1 Despite sub article 11.1, the Director responsible for acquisition of Library Materials and the Acquisitions Manager, in consultation with the Purchasing Agent, shall be responsible for the procurement of all Library Materials required by the Library and shall determine the appropriate method by which Library Materials shall be obtained for the Library to best meet the Library's needs.~~

~~11.5.2 The Director responsible for acquisition of Library Materials and the Acquisitions Manager, in consultation with the Purchasing Agent, shall be responsible for undertaking regular evaluation of vendors of Library Materials to ensure the Library is obtaining competitive pricing for Library Materials.~~

12 Access to Bids

~~12.1 The contents of any Bid shall be made available to the public, on request, except to the extent such information may not be disclosed under the provisions of the Municipal Freedom of Information and Protection of Privacy Act.~~

13 Awards and Commitments

13.1 Approval:

13.1.1 No Award or 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 Board except with Board approval or in accordance with the provisions of this policy and any applicable legal requirements.

13.2 Award and Commitment Authorities:

- 13.2.1 An Award or Commitment of more than \$500,000 requires Board approval.
- 13.2.2 The City Librarian may make an Award or Commitment of not more than \$500,000 in any one instance, if the purchasing procedures identified in article 11 have been followed and funding has been provided in the interim operating Budget, the operating Budget or the capital Budget or pursuant to article 21 to the satisfaction of the Library Treasurer.
- 13.2.3 The City Librarian may delegate Award and Commitment authority in any amount within the limit of \$500,000 to a Director.
- 13.2.4 A Director may delegate Award and Commitment authority delegated to him or her by the City Librarian to a person holding a management position directly reporting to him or her.
- 13.2.5 Despite sub-clause 13.2.3 and sub-clause 13.2.4, the City Librarian may amend the Award and Commitment authority of any staff member and place conditions or restrictions on the delegation of authority to any staff member within the \$500,000 limit of Award and Commitment authority applicable to the City Librarian.
- 13.2.6 In cases where the Board has made the Award, the City Librarian or the Library Treasurer are authorized to enter into the Commitment arising from the Award, subject to such terms and conditions imposed by the Board when making the Award.
- 13.2.7 An Award and Commitment may be made under sub-article 13.2, provided:
- 13.2.7.1 any applicable purchasing policies and procedure approved by the Board or the City Librarian have been followed; and
- 13.2.7.2 subject to the authority to transfer set out in sub- article 8.2, funds for the purpose of the Award and Commitment are available in the interim operating Budget or the operating Budget in the year in which the Award and Commitment are being made, or from another source and the amount payable under the Commitment in the year in which the Award and Commitment are made does not exceed the amount of such funds or the funds available from another source; or
- 13.2.7.3 subject to the authority to transfer set out in sub-articles 9.2 and 9.5, the Capital Project and its funding have been approved and the amount payable under the Commitment in the year in which the Award and Commitment are made does not exceed the amount of approved funding in the year or the funds available from another source.
- 13.2.8 The City Librarian may authorize additional cumulative expenditures on a Commitment authorized in accordance with this policy of up to 10 per cent of the original Commitment, subject to the limits set in the clause 13.2.2 provided that, in the year in which the additional expenditures is being made:

13.2.8.1 funds are available in the interim operating Budget or the operating Budget for that purpose; or

13.2.8.2 the Capital Project and its funding have been approved; and

13.2.8.3 sufficient funds remain in the Capital Account.

13.2.9 All Commitments shall be in a form specified in article 14 of this policy.

13.3 Emergencies:

13.3.1 Where, in the opinion of the City Librarian, an emergency exists, the City Librarian may take such steps as he or she, acting reasonably, considers necessary to deal with the emergency, without the necessity for compliance with the requirements of this policy and despite the fact that any expenditure in relation to the emergency may result in an Award or Commitment exceeding his or her authority under this policy.

13.3.2 Where the dollar amount of any Commitment entered into under clause 13.3.1 is not within the maximum dollar amount of any Award and Commitment authority delegated to the City Librarian under clause 13.2.2, the City Librarian shall report to the Board at the earliest opportunity after entering into the Commitment.

13.4 Advance Payments:

13.4.1 Prior to making an Award or Commitment, the person making the Award or Commitment shall request the Library Treasurer to certify an Account is payable prior to Goods, Services or Library Materials being supplied or rendered and the Library Treasurer may so certify if, in his or her opinion, such payment will ensure the Goods, Services or Library Materials are obtained at the best possible price without placing the Library at undue risk.

13.5 Petty Cash:

13.5.1 The Library Treasurer may establish petty cash funds for a Department in an amount he or she considers appropriate having regard to the operational requirements of the Library and the Department.

13.5.2 Managers of Departments are authorized to dispense money from the petty cash fund for their respective Departments upon delivery of receipts and/or such other documentation as may be directed by the Library Treasurer.

13.5.3 The Library Treasurer is authorized to reimburse a petty cash fund upon delivery of original receipts and/or such other documentation as specified in clause 13.5.2 and as the Library Treasurer may require from time to time.

13.5.4 Petty cash payments for any individual purchase shall not exceed \$200.

13.6 — City Librarian — Extended Authority:

13.6.1 — If Board meetings are cancelled, the Board's normal meeting schedule interrupted because of a labour disruption, or, during months when no Board meetings are scheduled or held, the City Librarian is authorized to exercise the power of the Board to make an Award to the lowest Bidder whose Bid meets the specifications and requirements set out in the Call, provided there is no written objection to the merits of the Award to the City Librarian or the Purchasing Agent before the Award is made.

13.6.2 — If the City Librarian makes an Award under clause 13.6.1, the Award shall be reported to the Board at the next regularly scheduled Board meeting.

14 — Forms of Commitment

14.1 — Purchase Order:

14.1.1 — Subject to sub article 14.2, Goods or Services shall be purchased by the issuance of a purchase order.

14.1.2 — A purchase order shall be in such form as the Purchasing Agent may prescribe from time to time, in consultation with the City Solicitor.

14.2 — Other Agreements:

14.2.1 — In addition to the forms of Commitment otherwise specified in this Part, a Commitment may be made by means of an agreement in a form approved by the Purchasing Agent in consultation with the City Solicitor when the Purchasing Agent considers it necessary.

14.2.2 — When in the opinion of the person making the Commitment or the Purchasing Agent the forms of Commitment otherwise identified in this Part are inadequate to address the situation, the Commitment shall be in a form approved by the Purchasing Agent in consultation with the City Solicitor.

14.3 — Execution:

14.3.1 — Where a Commitment is made in accordance with this policy, those authorized to make the Commitment are authorized to execute any necessary agreements or other relevant documents and to take the necessary action to give effect thereto.

15 Authority to Pay Accounts

- 15.1 Despite any other provision in this policy, the Library Treasurer is authorized to pay the Accounts and expenditures set out in Schedule "A" to this Policy without the involvement of the Purchasing Agent or the issuance of a purchase order, provided that the funds are available in the operating Budget or the capital Budget for that purpose or, if the funds are not so available, an expenditure from additional funds identified in article 16 or other revenues identified in article 21 has been approved within the requirements of that section.

16 Additional Funds

- 16.1 Application for additional funds from the City may only be made for:
- 16.1.1 costs that were not identified at the time the Budget was approved, including costs resulting from legal and negotiated settlements; or
- 16.1.2 unforeseen expenditures resulting from economic, climatic, in-year legislative changes from senior levels of government or legal and negotiated settlements.
- 16.2 Board approval must be obtained to apply to Council for additional funds from the City.

17 Payments

- 17.1 Certification:
- 17.1.1 Prior to an Account being paid, the person who made the Award or is authorized to execute the Commitment must sign the receipt, invoice or other similar document submitted in respect to the Account and to identify the account codes to be charged.
- 17.1.2 By signing the receipt, invoice or other document, the signatory is confirming that:
- 17.1.2.1 there is authority to make the expenditure;
- 17.1.2.2 subject to sub-article 13.4, the Goods and Services have been supplied or rendered and are satisfactory; and
- 17.1.2.3 the amount of the requested payment is correct and the payment is due.
- 17.1.3 Where Goods or Services are supplied under the supervision or direction of a person retained by or on behalf of the Board, the appropriate person identified in clause 17.1.1 shall obtain a certificate from such person attesting to the supply or rendering of the Goods or Services, in a format acceptable to the Library Treasurer, prior to requisitioning payment for the Account under this sub-article.

18 Custody of Documents

- 18.1 Duly executed copies of all agreements, including all bonds, letters of credit and other security for the due performance of the agreements, all insurance and certificates of insurance, and all other documents executed on behalf of the Board shall be deposited and maintained as directed by the City Librarian.

19 Write-offs

- 19.1 The City Librarian or the Library Treasurer is authorized to write-off an outstanding account of \$10,000 or less owing to the Library as uncollectible provided that reasonable efforts have been made to collect the outstanding amount.

20 Administration

- 20.1 Forms:

- 20.1.1 The Library Treasurer shall approve all necessary forms and other documentation for recording and substantiating the Accounts of the Board.

- 20.2 Controls:

- 20.2.1 The Library Treasurer shall undertake tests and inquiries as are appropriate to ensure that the Library maintains satisfactory internal control practices, and that all officials and employees duly carry out the terms of this policy, and shall carry out such tests and inquiries as are requested by the Board.

- 20.3 Schedule of Delegations:

- 20.3.1 Any individual who is authorized to exercise authority under this policy, other than a Designate, may from time to time, in writing, designate a Library employee to exercise the authority in the individual's absence or inability to exercise such authority.
- 20.3.2 The Purchasing Agent in consultation with the City Librarian shall formulate and maintain a current schedule specifying any delegation of authority under sub-article 13.2 including, but not limited to Award, Commitment, certification and payment authorities and authority levels for each level of management with the division.
- 20.3.3 The schedule shall be approved by the City Librarian and a copy of the schedule shall be forwarded to the Library Treasurer at least annually.

21 Toronto Public Library Foundation

- 21.1 The City Librarian may accept revenues from the Toronto Public Library Foundation in respect of a Library service or a Capital Project, provided that:
 - 21.1.1 the revenues are part of the funding priorities approved by the Board; or

- 21.1.2 if the revenues are not part of the funding priorities approved by the Board, the total of the revenues accepted by the Library from the same source for the same purpose within the fiscal year does not exceed \$250,000; and
- 21.1.3 the revenues comply with the all of the Library's Policies.
- 21.2 The City Librarian may spend revenues from the Toronto Public Library Foundation in respect of a Library service or a Capital Project up to the Award and Commitment dollar limits established by article 13.
- 21.3 The Library Treasurer will annually report to the Board on all revenue items in excess of \$50,000 received under subarticle 21.1.2.

22 Other Revenues

- 22.1 Other revenues include donations, grants, and revenues from revenue generating activities of the type not contemplated within other articles of this policy.
- 22.2 The City Librarian may accept and spend other revenues in respect of a Library service or a Capital Project, provide that:
 - 22.2.1 the other revenues are within the Award and Commitment dollar limits established by article 13;
 - 22.2.2 the total of the other revenues accepted by the Library from the same source for the same purpose within the fiscal year does not exceed the Award and Commitments authority established by article 13; and
 - 22.2.3 the other revenues comply with the all of the Library's Policies.
- 22.3 The Library Treasurer will annually report to the Board all individual other revenues in excess of \$50,000 received under this article.

23 Sale or Disposal of Surplus Materials or Equipment

- 23.1 If materials or equipment owned by the Library are declared by the Director having control over them to be surplus to present and future divisional requirements, and are declared by the Purchasing Agent to be surplus to present and future requirements, the Purchasing Agent may either dispose of the materials or equipment by public auction, solicitation or any other method deemed appropriate by the Purchasing Agent in the circumstances.
- 23.2 Funds received for the disposal of surplus materials and equipment will be allocated by the Library Treasurer.
- 23.3 If the Purchasing Agent and the Director concerned are of the opinion that the highest competitive bid for surplus materials or equipment received in response to a public auction, solicitation or any other method deemed appropriate by the Purchasing Agent in the circumstances, represents a fair or favourable price, the surplus materials or equipment may be transferred to that bidder upon payment of the price by cash or certified cheque or by cancellation of an equivalent amount of corporate indebtedness toward that bidder at the time of the transfer, or by any combination of them.
- 23.4 Despite sub-article 23.1, the Director responsible for acquisitions and the Collections Development Manager, in consultation with the Purchasing Agent, shall be responsible for the disposal of all Library Materials and shall determine the appropriate method by which Library Materials shall be disposed.
- 23.5 No surplus materials or equipment shall be disposed of except as follows:
- 23.5.1 in accordance with sub-articles 23.1, 23.3 and 23.4;
- 23.5.2 by way of trade-in at fair market value as part of the acquisition of other materials or equipment; or
- 23.5.3 as the Board may otherwise authorize.

24 Miscellaneous

- 24.1 The Library Treasurer shall undertake a comprehensive review of this policy every five years.
- 24.2 Effective Date:
- 24.2.1 This policy is effective from the date of its adoption by the Board.

25 SCHEDULE “A” to FINANCIAL CONTROL POLICY

In accordance with article 15.1, the following items can be processed without purchase order or as a sole source:

1. Utilities

Toronto Hydro
 Water and sewage charges
 Natural gas
 Basic telephone/long distance service
 Basic television cable service
 Enwave

2. Training and Education

Membership fees-professional associations
 Magazine and periodical subscriptions
 Training registration (except where bulk training is arranged through a bidding process)
 Conference and seminars

3. Refundable employee expenses

Meal allowances
 Travel expenses
 Entertainment allowance
 Hotel accommodations
 Mileage
 Cash advance

4. General Expenses

Property taxes
 Postage (Canada Post)
 Licenses, e.g. vehicles
 Charges to or from other government agencies including contracts with federal, provincial or municipal governments, agencies, boards, commissions and railways for minor Goods and Services incidental to an approved Capital Project, provided that the Goods and Services of the main project shall be subject to the by-law
 Payments to associations and government funded organizations working with the Library on Library projects
 Land purchases/expropriation
 Land registry fees
 Refunds

Legal settlements

Grievance payments

Experts and witnesses for civil actions or administrative hearings

Arbitrators and mediators

Advertising to a specific audience – All services (print, radio, TV, etc) in order to reach a specific target audience (e.g. seniors, adolescents, ethnic groups, industry or business groups, specific neighbourhoods or geographical areas, etc.)

Metered taxi services – for transporting residents, with or without staff accompaniment to medical facilities, hospitals in routine and emergency situations, to transport employees to various locations as required for the purposes of responding to a Library requirement

Meeting arrangements and Library-hosted conferences and special events at non-City owned locations

Statistics Canada

Entertainers, performers, curators or organizations providing entertainment

5. Federal, Provincial and Municipal Mandated Programs (including but not limited to the following):

Purchase of supplies and services from a supplier mandated by the municipal, provincial, or federal government.

6. TTC Tokens

7. Petty cash replenishment

8. Payments to Past and Current Employees

All salaries, wages and benefits due to any person in the employ of the Library
All retiring allowances and mandatory sick pay grants due to any person previously in the employ of the Library

9. Government Payments

All accounts for fees and levies payable to the federal, provincial or other municipal government or to any agency, board or commission thereof.

10. Pension Deductions and Contributions

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