

# Guide to the Municipal Funding Agreement for the transfer of Federal Gas Tax Funds

April 2014



Administered by:

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@GasTaxInOntario



Note: Please read both the Municipal Funding Agreement and this Guide.

Please have the appropriate signing officers execute the Agreement and submit electronically to AMO at [gastax@amo.on.ca](mailto:gastax@amo.on.ca).

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## Introduction

The federal Gas Tax Fund (GTF) is the only permanent, stable and predictable source of funding for municipal infrastructure. Canada, Ontario, the Association of Municipalities of Ontario (AMO) and Toronto extended the GTF to 2023 by signing the Administrative Agreement for the transfer of the federal Gas Tax Fund which took effect on April 1, 2014.

The new Agreement will provide \$3.8 billion to Ontario's municipalities between 2014 and 2018. AMO is pleased to be able to continue administering the GTF on behalf of the Government of Canada.

The GTF provides Ontario's municipalities with a per-capita allocation each and every year, without the need for an application or matching funding. It empowers municipalities to make investment decisions within the program's parameters.

## How is this new Agreement different than the one we have now?

Canada has introduced changes in the Agreement that will benefit municipalities. A chart comparing the old and new Agreements is in Appendix A.

At a high level, changes include:

- **Permanency:** The GTF is now permanent in federal legislation. The Municipal Funding Agreement (MFA) is now 10 years.
- **New categories of infrastructure:** Municipalities can now invest in 17 eligible categories.
- **More flexibility:** Category restrictions have been removed. Municipalities can "bank" or carry over funding for up to five years. Outcomes are now focused on community benefits and not just environmental outputs.
- **Allocations:** Allocations for 2014-2018 are based on population data from the 2011 Census. Allocations for 2019-2023 will be based on the 2016 Census.
- **Partial indexation:** Municipal allocations will increase in 2016 and in 2018. This is because the GTF will grow nationally at 2% per year in \$100 million increments.
- **Streamlined administration:** The GTF model has proven to be transparent and accountable. Municipalities now have less reporting and audit requirements.
- **Communications:** More emphasis has been placed on communications. For planning purposes, municipalities will have to load new/planned projects into the online system ahead of time.
- **Ineligible expenses:** Municipal administration costs are ineligible. Health care infrastructure such as public health facilities and long-term care homes are also ineligible. Leasing of equipment (including for construction) is an 'own source' expense and will need prior approval.

## What types of infrastructure are eligible?

As of April 1, 2014, municipal infrastructure projects may fall within the following 17 categories: local roads and bridges (including active transportation), short-sea shipping, short-line rail, regional and local airports, broadband connectivity, public transit, drinking water, wastewater, solid waste, community energy systems, brownfield redevelopment, sport, recreation, culture, tourism, disaster mitigation and capacity building.

For costs incurred before April 1, 2014, municipalities are restricted to seven eligible categories: local roads and bridges, public transit, water, wastewater, solid waste, community energy systems and capacity building.

**Note that Schedule B of the Municipal Funding Agreement only provides examples of eligible projects.**

Municipalities must clearly demonstrate that projects are prioritized based on an Asset Management framework, and that total Gas Tax funding is incremental.

## What is incrementality?

As we all know there is a significant need for infrastructure investments in Ontario's municipalities. As a result, municipalities are agreeing not to displace their own capital investments or use the Gas Tax to reduce municipal taxes. Gas Tax must result in increased investment in municipal infrastructure equal to the amount received.

AMO will demonstrate incrementality on an aggregate basis for all municipalities in Ontario. Using the Financial Information Returns, AMO will calculate the base amount, (i.e., the total municipally funded capital spending on municipal infrastructure) for the January 1, 2000 to December 31, 2004 period, and ensure that the base amount is maintained over the life of the new GTF Agreement (2014-2023).

In order for AMO to meet this goal, each municipality will also have to make sure their investments meet their own base amount. In other words, municipalities will have to make sure that infrastructure investments from 2014-2023 are greater, on average, than in 2000-2004 (inclusive). This can be calculated on an average basis each year to ensure compliance.

## How do allocations and payments work?

Allocations for 2014-2018 are based on population data from the 2011 Census. Allocations for 2019-2023 will be based on the 2016 Census.

Municipalities receive two equal payments a year, depending on when the federal government transfers funds to AMO. Typically, this occurs in July and November however it can change from year to year.

To receive payment, municipalities must be in compliance with the agreement and must complete reporting in a timely manner.

You can receive Gas Tax Funds via Electronic Funds Transfer (EFT), Cheque, or AMO can invest them on your behalf in the One Investment Program.

## What is the One Investment Program and why should I invest Gas Tax Funds?

The One Investment Program is a co-investment program jointly operated by LAS and CHUMS (subsidiaries of AMO and the Municipal Finance Officers Association of Ontario, respectively). The Program is designed specifically to maximize investment returns for municipalities while meeting the regulations outlined in the *Municipal Act, 2001*.

Under the new Agreement, Gas Tax Funds can be carried over for up to five years. Using the expertise of the One Investment Program, AMO has developed a set of five investment options (1-5 years) that provide municipalities the opportunity to earn interest and grow investments so that there is more money to allocate to infrastructure projects in the future.

When it's time for a Gas Tax payment, you can decide to receive the money as usual or automatically invest it in the One Investment Program for a one, two, three, four or five year term.

Investments will be locked-in to guarantee an optimal mix of investments that will create competitive returns and mitigate risk.

Taking advantage of the One Investment Program provides access to professional portfolio management and municipal oversight.

For more information visit: [www.amo.on.ca/invest](http://www.amo.on.ca/invest).



## How do I sign up to automatically invest my Gas Tax Funds in the One Investment Program?

**Step 1:** When you execute your new Gas Tax Municipal Funding Agreement, include the One Investment Program clauses in your by-law. A template is provided in Appendix B.

**Step 2:** Add the One Investment Program to your municipality's investment policy to allow for investment in fixed income and bond instruments.

**Step 3:** Submit a Treasurer's Authorization form to enable AMO to act as the municipality's delegate for this investment. A template is provided in Appendix C.

By completing these three steps, your municipality will have the opportunity to invest Gas Tax Funds directly into the One Investment Program with AMO acting as your investment delegate. The three step process does not bind or force you to invest – it simply provides the option to easily invest any Gas Tax payments if you wish to do so.

Once you have opted-in, your municipality will be able to automatically invest Gas Tax Funds into the One Investment Program at the time of a Gas Tax payment (usually in July and November). You choose the investment horizon and the amount of time that your money is locked in. Upon investment maturity, you can re-invest these funds or you can ask AMO to transfer funds to you (much like a Gas Tax payment).

*Need a sample investment policy? Visit [www.amo.on.ca/invest](http://www.amo.on.ca/invest)*

## How has reporting and administration been streamlined?

The two big changes are:

- **No Schedule Cs:** Municipalities no longer have to submit Schedule Cs when investing in local roads and bridges.
- **No annual audits or Treasurer's Certificates:** Municipalities no longer have to complete an annual audit or submit a Treasurer's Certificate. Instead, AMO will increase its random audits of municipalities.

Both of these will reduce staff time and direct costs of administering the Agreement.

## How will the new audit framework work?

Municipalities will not have to complete audits. Instead the program has moved to a risk based approach that recognizes municipalities as a mature and accountable order of government. As a result, municipalities will save more money that can be invested in infrastructure.

Under this approach, municipalities will see three changes:

- 1) Municipalities will have to fill out a risk assessment survey during their 2014 reporting. This one-time requirement will help AMO determine the policies and procedures in place within municipalities to ensure compliance.  
The information will help AMO develop a risk management framework that will guide our random audits.
- 2) To mitigate risk, the Gas Tax Contact designation (the person that we communicate within the municipality about the Gas Tax Fund) will default to the Treasurer, no exceptions.
- 3) More municipalities will be randomly audited by AMO. Approximately 10% of municipalities will be audited by AMO's auditors each year.

AMO will work with municipalities to develop the risk based approach in 2014, and details will be provided as they become available.

## What is required of municipalities?

There are a number of requirements both now and over the life of the Agreement. This includes annual reporting, outcomes reporting, a new communications protocol, and demonstrating progress on Asset Management. A checklist is provided at the end of this Guide for ease of reference.

The first requirement is a signed Municipal Funding Agreement (MFA) with AMO. Please have the appropriate signing officers sign a copy of the MFA. Submit this with the by-law authorizing the corporation to enter into the MFA, electronically to AMO at [gastax@amo.on.ca](mailto:gastax@amo.on.ca). See Appendix B for a sample by-law.

Appendix D cross-references the MFA with the Canada-Ontario-AMO-Toronto Agreement.



## Why is Asset Management a part of this Agreement?

Canada has stated that municipalities will have to show progress and outcomes of Asset Management planning over the life of the new Agreement. This requirement was harmonized with the work already underway in Ontario's municipalities.

This ensures that municipalities can build on the work to date and that they are not overburdened with new requirements.

Effective Asset Management ensures that councils have the best available information to make infrastructure and financing decisions.

## Do I still have to report on outcomes?

Yes, however the program has been broadened to focus on community benefits and not just environmental outcomes.

On a project level, environmental indicators are no longer applicable. Instead, municipalities will now report on:

- a) Beneficial impacts on communities of completed Eligible Projects, and
- b) Enhanced impact of the GTF as a predictable source of funding, including incrementality.

On a broader note, municipalities will also have to demonstrate that Asset Management Plans are being used to guide infrastructure planning and investment decisions, and how GTF is being used to address priority projects.

More details are in Schedule D of the MFA.

In 2014, AMO will work with key municipal staff associations and the Oversight Committee to develop outcome and output indicators to fulfill these objectives.

AMO will also be collecting information on Asset Management to demonstrate that municipalities have met the Fund's requirements.



## What does the new Communications Protocol mean for me?

There is an increased focus on communications. Municipalities need to share more stories on how the Fund is helping to improve their communities.

To help this occur, there are two big changes:

- **Advanced project notification:** Municipalities now have to notify AMO and Canada about new/planned GTF projects ahead of time.
- **Construction Signage:** Municipalities have to report on construction signage installations.

New/planned projects have to be loaded into the online reporting system by March 31st of each year. This allows municipalities to input new projects into the system at the same time as they report on last year's projects and spending.

Construction signage reporting is required in an ongoing manner. Permanent signage is no longer a requirement.

The information will help improve communications planning and increase visibility of the Fund. More details are in Schedule E of the MFA .

## What types of expenditures are eligible?

### Eligible Expenditures

Eligible Expenditures of Municipalities will be limited to the following:

- a) the expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by Generally Accepted Accounting Principles (GAAP), and any related debt financing charges specifically identified with that asset;
- b) for the capacity building category only, the expenditures related to strengthening the ability of Municipalities to improve local and regional planning including capital investment plans, integrated community sustainability plans, life-cycle cost assessments, and Asset Management Plans. The expenditures could include developing and implementing:
  - i. studies, strategies, or systems related to asset management, which may include software acquisition and implementation;
  - ii. training directly related to asset management planning; and,
  - iii. long-term infrastructure plans.
- c) the expenditures directly associated with joint federal communication activities and with federal project signage.

Employee and Equipment Costs: The incremental costs of the Municipality's employees or leasing of equipment may be included as Eligible Expenditures under the following conditions:

- a) the Municipality is able to demonstrate that it is not economically feasible to tender a contract;
- b) the employee or equipment is engaged directly in respect of the work that would have been the subject of the contract; and
- c) the arrangement is approved in advance and in writing by the Oversight Committee.



## Ineligible Expenditures

- a) project expenditures incurred before April 1, 2005;
- b) project expenditures incurred before April 1, 2014 for the following investment categories:
  - i. regional and local airports;
  - ii. short-line rail;
  - iii. short-sea shipping;
  - iv. disaster mitigation;
  - v. broadband connectivity;
  - vi. brownfield redevelopment;
  - vii. cultural infrastructure;
  - viii. tourism infrastructure;
  - ix. sport infrastructure; and
  - x. recreational infrastructure.
- c) the cost of leasing of equipment by the Municipality, any Municipal overhead costs, including salaries and other employment benefits of any employees, its direct or indirect operating or administrative costs, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Expenditures above;
- d) taxes for which the Municipality is eligible for a tax rebate and all other costs eligible for rebates;
- e) purchase of land or any interest therein, and related costs;
- f) legal fees; and
- g) routine repair and maintenance costs.

## When does the money have to be spent?

Municipalities now have up to five years after the year the money was received to spend the funds on an eligible municipal infrastructure project.

During this time, municipalities can invest Funds so that they have more for infrastructure later. Learn more at [www.amo.on.ca/invest](http://www.amo.on.ca/invest).

## What about the municipal share of a project that will receive funding from other federal grant programs?

Municipalities can continue to fund 100% of total project costs with GTF dollars. The GTF is considered federal funds when it comes to other funding programs. In other words, if other federal infrastructure programs have restrictions on the use of federal funds, they must be adhered to.

If you are using multiple sources of federal funding, the project also has to be eligible under the terms and conditions of these multiple programs.

## What if our municipality wants to partner with another entity on a project?

The GTF Agreement encourages collaboration, building of partnerships and strategic alliances when working on eligible projects.

If a municipality is transferring funds to another municipality, it must be done via by-law. The municipality transferring funds is responsible for reporting on the transfer in annual reporting. The municipality receiving Gas Tax Funds is responsible for reporting that the Funds were received and is responsible for all other reporting requirements, including project details and spending.

If a municipality is transferring funds to a non-municipal entity, such as a not-for-profit, council will have to endorse the project via by-law. Under this situation, municipalities are still responsible for meeting all the requirements of the Agreement related to the use of the transferred Gas Tax Funds, including all reporting.

## Can we sell the asset?

Assets purchased or constructed using Gas Tax Funds must be for public use and benefit. If a municipality wishes to dispose of the asset within five years the funds will have to be reinvested in another eligible infrastructure project. This must be reported to AMO.

## What is the Oversight Committee?

This is the committee of representatives from Canada, Ontario, AMO and Toronto tasked with administering the terms and conditions of the GTF Agreement.

## Contact Us

### Association of Municipalities of Ontario

200 University Ave, Suite 801, Toronto ON M5H 3C6

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 [@GasTaxInOntario](https://twitter.com/GasTaxInOntario)



## Municipal Checklist

Immediate Action	When
Pass Municipal By-Law authorizing MFA	As soon as possible
Sign MFA and electronically submit to AMO (gastax@amo.on.ca) along with: <ul style="list-style-type: none"> <li>• Authorizing By-law</li> <li>• Treasurer's Authorization (if applicable, see below)</li> </ul>	As soon as possible
Sign and return Treasurer's Authorization	As soon as possible if opting in to the One Investment Program initiative
Update Investment Policy	As soon as possible if opting in to the One Investment Program initiative
Longer Term Action	When
Advanced project notification for communications purposes	March 31st of every year
Annual Report & Project Outcomes Reports	March 31st of every year
Construction signage reporting	Ongoing
Submit banking confirmation form (outlines how funds will be transferred or invested)	Typically May & September
Receipt/automatic investment of federal Gas Tax Fund Payments	Typically July & November
Complete Asset Management Plans	December 31, 2016
Asset Management Outcomes Reports (The Oversight Committee will be providing guidance on aspects of this activity in 2014)	TBD

## Appendix A

### Changes to the Municipal Funding Agreement (MFA)

	Old MFA	New MFA
<b>Eligible Categories</b>	7 Categories	17 Categories Health infrastructure, such as long-term care homes, are not eligible (including energy retrofits to these facilities).
<b>Allocation</b>	2006 Census	2011 Census Partial indexation means allocations will grow in 2016 and then again in 2018.
<b>Banking Limit</b>	3 years	5 years
<b>Eligible Costs</b>	Municipal employees and equipment only eligible with prior approval of oversight committee. A municipality must have been "remote."	Municipal employees and equipment only eligible with prior approval of Oversight Committee. "Remote" is no longer a condition. Cost of leasing equipment is now an 'own source' expense and will need prior approval. Municipal administration costs, such as staff time to file annual reporting, are no longer eligible.
<b>Gas Tax Contact</b>	Any designated member of staff in a municipality	Must be the Treasurer
<b>Reporting</b>	Schedule C Annual Report Outcomes Reports	Annual Report Outcomes Report Advanced notification of projects for communications purposes.
<b>Audit</b>	Audit or Treasurer's Certificate required on an annual basis.	No municipal audit or Treasurer's Certificate required.
<b>Communications</b>	Construction Signage Permanent Signage Events & News Releases	Construction Signage Events & News Releases Advanced project notification

## Appendix B

### Sample Municipal By-Law

WHEREAS the Municipality wishes to enter into an Agreement in order to participate in the federal Gas Tax Fund;

AND WHEREAS the Municipality acknowledges that Funds received through the Agreement may be invested in an interest bearing reserve account for a maximum of five (5) years;

AND WHEREAS section 23.1 of the *Municipal Act, 2001* authorizes a municipality to delegate its powers and duties under the *Municipal Act, 2001*, including those related to investments;

AND WHEREAS the One Investment Program provides Ontario municipalities an opportunity for competitive investment returns and diversification of investments,

AND WHEREAS the Association of Municipalities of Ontario has worked with the One Investment Program to develop specific investment options for a municipality's Gas Tax Funds,

AND WHEREAS the Treasurer confirms that the One Investment Program complies with the Corporation's investment policies and goals;

Now THEREFORE, the Council of the [MUNICIPAL NAME], a municipal corporation pursuant to the *Municipal Act, 2001*.

#### ENACTS AS FOLLOWS

The Mayor/Reeve/Regional Chair/Warden and [SIGNING AUTHORITY, i.e. Clerk] are hereby authorized to execute this Municipal Funding Agreement for the transfer of federal Gas Tax Funds between the Association of Municipalities of Ontario and [MUNICIPAL NAME] as in Schedule A attached hereto.

And that the Corporation authorizes the appointment of the Association of Municipalities of Ontario, as the Municipality's delegate for the investment of the municipality's Gas Tax Funds in the specific Gas Tax investment options offered through the One Investment Program.

Schedule A shall form part of this by-law.

## Appendix C

### Treasurer's Authorization Template for the One Investment Program

To: The One Investment Program  
c/o Local Authority Services and Chums Financing Corp.

I, \_\_\_\_\_, Treasurer of \_\_\_\_\_,  
a corporation pursuant to the *Municipal Act, 2001* ("the Municipality")

#### CERTIFIES THAT:

- 1) Council has passed By-law Number \_\_\_\_\_ (the "By-law"), dated \_\_\_\_\_, 20\_\_\_\_, related to the execution of the Municipal Funding Agreement for the transfer of federal Gas Tax Funds ("the Agreement"). No application has been made, or action brought to quash, set aside or revoke the By-law, or to have the By-law declared invalid, nor has the By-law been in any way repealed, altered or amended. The By-law is now enforceable and is in full force and effect.
- 2) The By-law authorizes the Association of Municipalities of Ontario ("AMO") to act as the Municipality's delegate for the investment of Gas Tax Funds ("Funds") pursuant to the Agreement.
- 3) I am authorized to provide instructions to AMO related to the investment of Funds into the specific Gas Tax investment options available to the Municipality through the One Investment Program.
- 4) AMO is authorized to execute an Agency Agreement with LAS and CHUMS as operators of the One Investment Program, as the municipality's delegate, and to set up investment account(s) for the investment of the Municipality's Funds.
- 5) AMO may deliver instructions in respect of day-to-day matters related to the Municipality's investment account(s) related to the Funds.
- 6) I confirm that the One Investment Program complies with the Corporation's investment policies and goals
- 7) This authorization shall remain in force and be binding upon the Municipality until a letter repealing or replacing this certificate has been received by the One Investment Program.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
*Signature of Treasurer*





## Appendix D

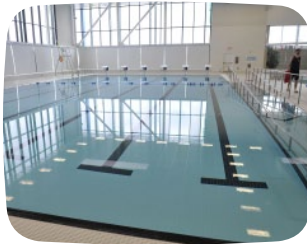
### Cross-Reference Table Between Municipal Funding Agreement and Canada-Ontario-AMO-Toronto Administrative Agreement

Municipal Funding Agreement (MFA) Provision	Canada-Ontario-AMO-Toronto Administrative Agreement Provision
<b>Section 1 Definitions and Interpretations</b>	
Section 1.1	Section 2 Interpretations
Section 1.2	AMO Provision for MFA
<b>Section 2 Term of Agreement</b>	
Section 2.1 Term	10.1 (Duration, Termination, Review & Amendment)
Section 2.2 Review	10.2 (Duration, Termination, Review & Amendment)
Section 2.3 Amendment	10.3 (Duration, Termination, Review & Amendment)
Section 2.3 Notice	10.5 (Duration, Termination, Review & Amendment)
<b>Section 3 Recipient Requirements</b>	
Section 3.1 Communications	8.2c (Dispute Resolution) / Annex B, Section 9 (Terms and Conditions) / Schedule A, Item 2 (Ultimate Recipient Requirements) / Schedule E (Communications Protocol)
Section 3.2 Incrementality	Annex B, Section 4 (Terms and Conditions)
Section 3.3 Contracts	Schedule A, Item 6 (Ultimate Recipient Requirements)
<b>Section 4 Eligible Projects</b>	
Section 4.1 Eligible Project Categories	Annex B, Section 6 (Terms and Conditions) / Schedule A, Item 1 (Ultimate Recipient Requirements) / Schedule B (Eligible Project Categories)
Section 4.2 Recipient Fully Responsible	Schedule A, Item 1 (Ultimate Recipient Requirements)
<b>Section 5 Eligible Expenditures</b>	
Section 5.1 Eligible Expenditures	Annex B, Section 7 (Terms and Conditions) / Schedule A, Item 1 (Ultimate Recipient Requirements) / Schedule C (Eligible and Ineligible Expenditures)
Section 5.2 Discretion of Canada	8.4 (Dispute Resolution)
Section 5.3 Unspent Funds	6.2 (Federal Gas Tax Fund)
Section 5.4 Reasonable Access	9.1 (Audits & Evaluation) / Schedule A, Items 8 and 9 (Ultimate Recipient Requirements) / Schedule D, Section 1.2 (Reporting)
Section 5.5 Retention of Receipts	Schedule A, Item 9 (Ultimate Recipient Requirements) / Schedule D, Section 1.2 (Reporting)

<b>Municipal Funding Agreement (MFA) Provision</b>		<b>Canada-Ontario-AMO-Toronto Administrative Agreement Provision</b>
<b>Section 6 Funds</b>		
Section 6.1	Allocation of Funds	Annex B, Sections 1.1 and 1.3 (Terms and Conditions)
Section 6.2	Transfer of Funds to another Municipality	Annex A, "Ultimate Recipient" (Definitions)
Section 6.3	Transfer of Funds to a non-municipal entity	Annex A, "Ultimate Recipient" (Definitions)
Section 6.4	Use of Funds	Schedule A, Item 1 (Ultimate Recipient Requirements)
Section 6.5	Schedule of payout of Funds	Annex B, Sections 1.1 and 2.1 (Terms and Conditions)
Section 6.6	Use of Funds	Schedule A, Item 5 (Ultimate Recipient Requirements)
Section 6.7	Funds Advanced	Schedule A, Item 5 (Ultimate Recipient Requirements)
Section 6.8	Expenditure of Funds	Schedule A, Item 5 (Ultimate Recipient Requirements)
Section 6.9	GST & HST	Schedule C, Section 2d (Eligible and Ineligible Expenditures)
Section 6.10	Limit on Canada's Financial Commitments	AMO Provision (provided for clarity since this is related to the next two sections)
Section 6.11	Federal Funds	Schedule A, Item 15 (Ultimate Recipient Requirements)
Section 6.12	Stacking	Schedule A, Item 15 (Ultimate Recipient Requirements)
Section 6.13	Withholding Payment	AMO Provision
Section 6.14	Insufficient funds provided by Canada	AMO Provision
<b>Section 7 – Reporting Requirements</b>		
Section 7.1	Annual Report	Annex B, Section 8 (Terms and Conditions) / Schedule D, Sections 1.1 and 1.3 (Reporting)
Section 7.2	Outcomes Report	Annex B, Section 8 (Terms and Conditions) / Schedule D, Sections 2a and 2b (Reporting)
<b>Section 8 Asset Management</b>		
Section 8.1	Asset Management Plan	Schedule A, Item 3 (Ultimate Recipient Requirements)
Section 8.2	Outcomes	Schedule A, Item 4 (Ultimate Recipient Requirements) / Schedule D, Section 2c (Reporting)
<b>Section 9 Records and Audit</b>		
Section 9.1	Accounting Principles	AMO Provision
Section 9.2	Separate Records	Schedule A, Items 8 and 9 (Ultimate Recipient Requirements) / Schedule D, Section 1.2 (Reporting)
Section 9.3	External Auditor	Schedule A, Item 8 (Ultimate Recipient Requirements) / Schedule D, Section 1.2 (Reporting)
<b>Section 10 Insurance and Indemnity</b>		
Section 10.1	Insurance	AMO Provision
Section 10.2	Certificates of Insurance	AMO Provision
Section 10.3	AMO not liable	AMO Provision
Section 10.4	Recipient to Compensate Canada	Schedule A, Item 13 (Ultimate Recipient Requirements)
Section 10.5	Recipient to Indemnify AMO	Schedule A, Item 13 (Ultimate Recipient Requirements)

<b>Municipal Funding Agreement (MFA) Provision</b>	<b>Canada-Ontario-AMO-Toronto Administrative Agreement Provision</b>
<b>Section 11 Transfer and Operation of Municipal Infrastructure</b>	
Section 11.1 Reinvestment	Schedule A, Item 7 (Ultimate Recipient Requirements)
Section 11.2 Notice	AMO Provision
Section 11.3 Public Use	Annex A, "Infrastructure" (Definitions)
<b>Section 12 Default and Termination</b>	
Section 12.1 Event of Default	Section 8.2 (Dispute Resolution) / Schedule A (Ultimate Recipient Requirements)
Section 12.2 Waiver	Section 8.2 (Dispute Resolution) / Schedule A (Ultimate Recipient Requirements)
Section 12.3 Remedies on Default	AMO Provision
Section 12.4 Repayment of Funds	AMO Provision
<b>Section 13 Conflict of Interest</b>	
Section 13.1 No Conflict of Interest	Schedule A, Item 12 (Ultimate Recipient Requirements)
<b>Section 14 Notice</b>	
Section 14.1 Notice	Section 14 (Correspondence)
Section 14.2 Representatives	Section 14 (Correspondence)
Section 14.3 Addresses for Notice	Section 14 (Correspondence)
<b>Section 15 Miscellaneous</b>	
Section 15.1 Counterpart Signature	Section 11 (Counterpart Signature)
Section 15.2 Severability	Section 12 (Severability)
Section 15.3 Waiver	Section 13 (Waiver)
Section 15.4 Governing Law	Standard Provision
Section 15.5 Survival	9.4 (Audits and Evaluation) / Schedule A, Item 14 (Ultimate Recipient Requirements)
Section 15.6 AMO, Canada and Recipient Independent	Schedule A, Item 10 (Ultimate Recipient Requirements)
Section 15.7 No Authority to Represent	Schedule A, Item 11 (Ultimate Recipient Requirements)
Section 15.8 Debts Due to AMO	AMO Provision
Section 15.9 Priority	Standard Provision
<b>Section 16 Schedules</b>	Standard Provision
<b>Section 17 Signatures</b>	Standard Provision

Municipal Funding Agreement (MFA) Provision	Canada-Ontario-AMO-Toronto Administrative Agreement Provision
<b>Schedule A Schedule of Fund Payments</b>	Annex B, Sections 1.1 and 1.3 (Terms and Conditions)
<b>Schedule B Eligible Project Categories</b>	Annex B, Section 6 (Terms and Conditions) / Schedule A, Item 1 (Ultimate Recipient Requirements) / Schedule B (Eligible Project Categories)
<b>Schedule C Eligible and Ineligible Expenditures</b>	Annex B, Section 7 (Terms and Conditions) / Schedule A, Item 1 (Ultimate Recipient Requirements) / Schedule C (Eligible and Ineligible Expenditures)
<b>Schedule D Reporting</b>	Annex B, Section 8 (Terms and Conditions) / Schedule D (Reporting)
<b>Schedule E Communications</b>	Schedule A, Item 2 (Ultimate Recipient Requirements) / Schedule E (Communications Protocol)



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