

## Employment and Social Development Canada

### Delegation of Spending and Financial Authorities – Supplementary Notes

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#### **1.05 Hospitality**

This is the authority to initiate and approve hospitality expenditures for activities that are not considered an event, i.e. activities that are in direct link to the core mandate of the department.

Hospitality consists of the provision of meals, beverages or refreshments to non-federal governmental persons at activities which are necessary for the effective conduct of government business and for courtesy, diplomacy or protocol purposes. In some circumstances and within restrictions, hospitality can also be provided to federal government persons (any person who is currently paid a salary or remunerated from the CRF which includes consultants, temporary help and casuals).

Hospitality expenditures are perceived as sensitive expenses by the authorities and the public therefore, all public servants are responsible for exercising rigorous management of hospitality, including taking measures to reduce, minimize and/or avoid costs.

#### **Expenditure Initiation Authority (Pre-Approval)**

Refer to [Table 2 \(Financial Delegations for Hospitality\)](#) for specific delegations and restrictions.

All hospitality expenditures must be pre-approved. The level of pre-approval required is based on the total cost of the hospitality activity, attendees (federal or non-federal government persons), the form of hospitality provided and other characteristics of the hospitality activity. Financial limits include taxes, service charges (gratuities), a provision for contingency and any additional fees.

With the exception of the Minister, an individual cannot pre-approve a hospitality activity whereby he or she is one of the participants. In such circumstances, pre-approval is required from a higher authority. The only exception is that the CFO will pre-approve the DM's hospitality activities whereby the DM is one of the participants, at the DM's authority limit (applies even if the CFO also participates in the activity).

The Minister approval is required in the following situations when:

- i) Total hospitality costs exceed \$5,000;
- ii) The serving of alcoholic beverages;
- iii) Food and beverage costs exceed the maximum or standard cost per person;
- iv) Entertainment: including but is not limited to tickets to musical, theatre, sporting or similar events, tours of local or other places of interest, and other similar activities for the reason of courtesy, diplomacy and protocol;
- v) Hospitality or entertainment to a spouse or to a person accompanying an event participant;
- vi) Hospitality extended at the residence of a federal employee or in other similar informal settings. (Government-owned facilities should be used when they are appropriate and available.)

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Section 34 of the FAA may be certified by the appropriate RCM. However, if the RCM participated in the hospitality activity, section 34 certification must be performed by a higher position level that has not benefited from the hospitality activity.

The RCM can exercise certification authority (section 34 of the FAA) only if the proper pre-approval has been obtained.

#### **Table 2 - Hospitality Restrictions (column 1.05)**

Ministerial approval is required when the following hospitality components are present.

- (a) Total hospitality costs associated with an event exceed \$5,000;
- (b) The serving of alcoholic beverages;
- (c) Food and beverage costs exceed the maximum or standard cost per person;
- (d) Entertainment: including but is not limited to tickets to musical, theatre, sporting or similar events, tours of local or other places of interest, and other similar activities for the reason of courtesy, diplomacy and protocol;
- (e) Hospitality or entertainment to a spouse or to a person accompanying an event participant;
- (f) Hospitality extended at the residence of a federal employee or in other similar informal settings. (Government-owned facilities should be used when they are appropriate and available.)

#### **Hospitality Restrictions (column 1.05)**

Level of Authority	Minister of ESDC	Deputy Minister of ESDC	Senior Associate DM	Director General and equivalents
	Minister of Labour	Deputy Minister of Labour	Associate DM	
	Ministers of State	Chief Operating Officer for Service Canada	ADMs and equivalents	
Total Planned Costs (a)	Full	Up to \$5,000	Up to \$1,500	Up to \$1,500
Alcoholic Beverage (b)	Full	-	-	-
Food and beverage costs in excess of maximum cost (c)	Full	-	-	-
Entertainment (d)	Full	-	-	-
Provided to spouse or accompanying person (e)	Full	-	-	-
Residence of employee (f)	Full	-	-	-