

DEPARTMENTAL MEMBERSHIPS POLICY

For questions or comments, please contact us:

NC-CFOB-Financial Policy Questions Politique Financière-GD

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1. Policy Objective

The objective of this policy is to specify the circumstances under which membership fees may be paid or reimbursed.

2. Policy Statement

It is Departmental policy to pay or reimburse membership fees only when:

- i) The membership is stipulated in an employee's Collective Agreement (CA);
- ii) The membership is a federal statutory requirement for individual employees to carry out the functions of their position; or
- iii) The membership is deemed necessary to achieve Departmental or Branch mandate.

3. Application

This policy will apply to Employment and Social Development Canada which includes Service Canada and Labour (hereinafter referred to as ESDC, the "Department" or "Departmental").

The policy must be read in conjunction with the [Departmental Financial Delegation Instrument](#) , the [Collective Agreements for public service](#) and [Treasury Board Guide to Travel, Hospitality, Conference and Event Expenditures \(THCEE\)](#).

4. Policy Requirements

4.1 General

- 4.1.1 For the purpose of this policy, memberships can be Corporate or Individual and must be in the name of the Department whenever possible.
- 4.1.2 All benefits associated to corporate memberships, whether they are held in the name of the Department or an employee, accrue to the Department.
- 4.1.3 Membership in any organization for which there is no federal statutory requirement, must be limited to the minimum necessary to achieve Departmental or Branch mandate.
- 4.1.4 Membership fees in excess of \$5,000 must always be supported by a Membership Strategy. See Appendix A for guidance on membership strategy requirements.
- 4.1.5 Written justification must be retained on file for all membership approvals.

4.2 Membership Covered by Collective Agreements

- 4.2.1 The Department will reimburse professional association membership fees in accordance with the terms of an employee's Collective Agreement or Memorandum of Settlement.
- 4.2.2 Employees must provide their delegated manager with proof of payment to the professional association to obtain reimbursement.
- 4.2.3 Memberships and registration fees shall not be reimbursed for associations to which employees may belong in order to become eligible for appointment to a position.

4.3 Membership Required by Federal Statute

- 4.3.1 Professional association fees may be reimbursed when membership is a federal statutory requirement for an individual employee to carry out the functions of his or her position.

4.4 Private Club Membership

- 4.4.1 Purchase of private club memberships is prohibited unless expressly permitted under legislation, regulations, orders-in-council, National Joint Council directives or other Treasury Board approved instruments or in exceptional circumstances.
- 4.4.2 This restriction applies to:
 - i) Memberships in private clubs for the purpose of engaging with stakeholders or conducting the organization's business with members of the club; and
 - ii) Memberships in organizations that are primarily social, recreational or fraternal.

4.5 Other Expenses

- 4.5.1 Other expenses charged over and above the membership fees (e.g. conference or seminar fees, the cost of meals or a training session, etc.) are treated in accordance with applicable Departmental and TB policy instruments, not as membership fees.
- 4.5.2 Penalties, reinstatement, arrears and late payment fees are neither payable nor reimbursable under this policy.

5. Roles and Responsibilities

5.1 Deputy Head

The Deputy Head (DH) is responsible for the oversight of public resources and establishing a sound financial management governance structure in accordance with the mandate of the Department.

5.2 Chief Financial Officer

The Chief Financial Officer is responsible for:

- 5.2.1 Establishing and conducting ongoing monitoring activities to assess compliance with the policy and taking corrective measures where appropriate.
- 5.2.2 Performing quality assurance on all membership requiring senior management approval.

5.3 Delegated Managers

Delegated Managers are responsible within their areas of responsibility for ensuring that:

- 5.3.1 Recurrent memberships are assessed annually to ensure relevance, value for money based on past performance, efficient and economical use of resources.
- 5.3.2 All expenditures of public funds charged against their budget are approved in accordance with the Financial Delegation Instrument.
- 5.3.3 Benefits associated with corporate memberships (either in the name of the Department or an individual) accrue to the Department.

5.4 Human Resources Services Branch

The Human Resources Services Branch is responsible for determining the eligibility for reimbursement of all membership fees in accordance with collective agreements.

6. Delegation of Authority

6.1 General

Expenditure initiation approval for memberships may be based on estimates. Any major amendments must be resubmitted for approval. For the purposes of this Policy, major amendments are defined as:

- a. Greater than 25% increase in the total estimated cost.
- b. Any other aspect that could reasonably be assumed to be of interest to the individual who originally provided approval.

6.2 Corporate Memberships

Corporate memberships must be approved by the appropriate delegated authority and respect monetary limits in accordance with the [Financial Delegation Instrument](#).

6.3 Multiple Memberships

Multiple memberships in any organization for which there is no federal statutory requirement and are not covered by a collective agreement must be approved by the DH.

6.4 Individual Membership

All membership fees in the name of an individual must be approved by the DH excluding those covered by collective agreements.

6.5 Membership Covered by Collective Agreement

Professional memberships in accordance with the terms of an employee's collective agreement must be certified under Expenditure initiation, section 32 and Section 34 of the *Financial Administration Act* by the Delegated Manager prior to pay submission.

6.6 Private Club Memberships

Private club membership fees are not permitted unless exceptionally approved by the DH.

7. Monitoring and Compliance

Departmental Managers must retain the following information on a fiscal year basis for monitoring or audit purposes:

- i) The total amount spent on all memberships.
- ii) The number of memberships held and the general purpose of each membership.

8. Definitions

Corporate membership (CM): A membership in an organization other than a professional body. CM should be held in the name of the Department, where possible. Exceptionally, it can be held in the name of an individual or position title, when it is not possible to be held in the name of the Department or is not cost effective.

Deputy Head: For the purpose of this policy Deputy Heads include Deputy Minister (DM) of ESDC, DM of Labour, Chief Operating Officer for Service Canada and Senior Associate DM and Associate DM of ESDC.

Individual Membership: Membership in the name of an employee. This type of membership should never be preferred to a Corporate Membership as by nature it is not transferable. In situations where the Department reimburses membership fees to the employee, there may be a taxable or pensionable impact to the employee. Canada Revenue Agency must be consulted for additional information. This type of membership must be initially paid by the employee and when eligible will be reimbursed. Individual memberships include:

(A) Membership Covered by Collective Agreement:

A reimbursement of membership, registration, trade certification or licensing fee in a professional association, paid only as specified by the terms and conditions of the Collective Agreement.

(B) Membership required by federal statute - Statutory

The only instances in which it is absolutely necessary for a federal employee to be licensed or registered are those in which the requirement is established by federal statute such as, the *Food and Drug Act*. This applies only to those individuals actively practicing their respective professions in those occupational groups. This type of membership must be initially paid by the employee and when eligible be reimbursed.

(C) Professional association memberships (PAM)

PAM are memberships in professional organizations that are not required by federal statute but are considered necessary by the employer for the employee to fulfill the duties of the position. When membership is not a condition of employment, the requester is responsible to provide justification for determining the primary beneficiary.

(D) Membership for personal or career development

A membership in an organization related to an employee's personal development and is not a requirement to fulfill the employee's current duties.

Personal development, the attainment of career expectations and keeping up-to-date on developments in job-related fields is the responsibility of employees. Consequently, whether or not ancillary benefits accrue to the Department, reimbursement for this type of membership by the Department is highly exceptional.

Membership fees: Membership fees include payments made to an accredited board, an association, a society or similar organization where Departmental memberships are in direct support of a government program, or, where membership is a federal statutory requirement for individual employees to carry out the functions of their positions, or, covered by a Collective Agreement.

1. Assessed contributions memberships (quote-part) to international organizations such as OECD membership are not considered to be memberships under this policy but transfer payment to fund Canada's assessed share of the costs of operations of an international organization of which Canada is a member.
2. Subscriptions are not considered memberships and are not covered under this policy. Subscriptions consist of periodicals such as newspapers, magazines and access to electronic media for a specific period of time.
3. Sponsorships are not considered memberships under this policy and, must not be accounted for as such.
4. Training memberships are not considered memberships. Where the main purpose is the direct delivery of training and development in accordance with [Learning Investment Fund \(LIF\) guidelines](#), and where cost savings can be demonstrated, they should be treated as training and coded accordingly. These are not membership fees but rather training and development fees.

9. References

- [Financial Delegations Instrument - Section 1.08](#)
- [Delegations of Authority Manual Operations and Maintenance \(O&M\) Restrictions - Membership Fees](#)
- [TBS 2013 Membership fees provisions of Collective Agreements information Notices](#)
- [Treasury Board \(TB\) Collective Agreements](#)
- [Values and Ethics Code for the Public Service](#)
- [Policy on the Duty to Accommodate Persons with Disabilities in the Federal Public Service](#)
- [TB Guide to Travel, Hospitality, Conference and Event Expenditures](#)
- Library and Archives Canada (LAC) [Generic Valuation Tool \(GVT\)](#) (file retention)
- [TB Directive on Transfer Payments](#) Appendix J on International organizations

Appendix A: Additional Information on the Membership Strategy

Membership fees in excess of \$5,000 per year to one organization should be supported by a membership strategy:

1. This strategy must demonstrate that membership in the organization directly supports the Departmental strategic objectives outlined in the Estimates or Report on Plans and Priorities.
2. Further, it must explain the actual tangible benefits to the Crown and whether the membership fee provides good value for money to the Department.

Other value-for-money considerations that should be addressed in the strategy with respect to assessing the appropriateness of the membership in the organization include:

3. Whether the Department holds a position on the board of directors or similar governing body of the recipient organization, particularly if the Department is a sustaining member;
4. Whether membership offers a strategic advantage to the Department;
5. The capacity of the recipient organization to contribute to Departmental program goals;
6. Whether the Department will or not provide the public (Canadians) with the information provided by the entity;
7. The Department's capacity to utilize the benefits of the membership; and
8. When Recurrent membership, it has been assessed to ensure relevance, value for money based on past performance, efficient and economical use of resources.