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# Directive on Accounting Standards: GC 3390 Contractual Obligations

## Note to reader

This document is part of the Appendix A of the [Directive on Accounting Standards](#).

## A. Primary PSAS references

PS 3390 Contractual obligations

## B. Effective date

April 1, 2017

## C. Government of Canada Consolidated Financial Statements

1. While PS 3390 defines contractual obligations within the Government, it is further clarified that a “subject to funding” clause does not exclude a contractual obligation from being reported. Contracts with subject to funding clauses (i.e. funding by

government appropriations) are considered irrevocable contractual obligations, as all contractual obligations of the Government are subject to funding, according to the Financial Administration Act, Section 40(1).

## D. Departmental Financial Statements

2. Departments and agencies should provide details of significant contractual obligations in their departmental financial statements. Significance is assessed based on the departmental materiality policy without consideration for Public Accounts materiality levels.

## E. Other related references

Receiver General Manual - Public Accounts of Canada Instructions (formerly chapter 15).

Financial Administration Act, Section 40

GC 4500 Departmental Financial Statements

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