

## **TABLE OF CONTENTS**

1.	Effective Date .....	3
2.	Application .....	3
3.	Context .....	3
4.	Objectives and Expected Results .....	4
5.	Requirements .....	4
	Planning for Hospitality .....	4
	Restrictions and Limitations on Types of Hospitality .....	6
	Examples When Hospitality Can/Cannot Be Provided .....	10
	Expenditures Not Qualifying as Hospitality .....	10
	Hospitality Approval Authority .....	12
	Requests for Hospitality Approval .....	15
	Hospitality Outside of Canada .....	18
	Recording Hospitality Expenditures .....	19
	Proactive Disclosure of Hospitality Expenses and Annual Reporting .....	19
6.	Roles and Responsibilities .....	19
	Minister of National Defence .....	19
	Deputy Minister .....	19
	Vice Chief of the Defence Staff .....	20
	Assistant Deputy Minister (Finance)/Chief Financial Officer .....	20
	Level One Advisors .....	20
	Director General, Strategic Financial Governance .....	21
	Director General, Financial Operations and Services .....	21
	Corporate Departmental Accounting Office .....	22
	Director, Financial Policy .....	22
	Level One Comptrollers .....	22
	Regional Departmental Accounting Office Comptrollers .....	22
	Corporate Secretary .....	22
	Responsibility Centre Managers .....	23
7.	Consequences of Non-Compliance .....	23
8.	References .....	24
9.	Enquiries .....	25
	Appendix A – Definitions and Acronyms .....	25
	Appendix B – Examples When Hospitality Can/Cannot Be Provided .....	28

Appendix C – List of Previous Policy Instruments Being Replaced by This Policy.....	31
Appendix D – Non-Public Servant Travel Authorized as Hospitality .....	32

## **1. Effective Date**

- 1.1 This policy is effective on **3 July 2019**.
- 1.2 This policy replaces the previous Department of National Defence (DND)/Canadian Armed Forces (CAF) financial management (FM) policy instruments related to hospitality listed in [Appendix C](#).
- 1.3 The policy was approved by the Assistant Deputy Minister, Finance (ADM(Fin)) on **3 July 2019**.

## **2. Application**

- 2.1 This policy applies to all hospitality expenditures paid for or reimbursed using DND public funds.
- 2.2 This includes hospitality:
- Paid for using DND funds, including when the expense is reimbursed to DND; and
  - Provided at activities and events hosted by DND/CAF as well as hospitality provided when DND employees/CAF members are participating at activities or events hosted or organized by another government department (OGD) or external entity and DND is contributing funds.

## **3. Context**

- 3.1 Hospitality expenditures incurred by federal government departments and agencies using public funds are sensitive in nature, and therefore subject to public scrutiny and regular ongoing public disclosure requirements.
- 3.2 Due to the nature and complexity of its programs, the DND and the CAF are faced with unique situations including foreign diplomacy and protocol that may not be addressed or fully articulated under the Treasury Board (TB) Directive on Travel, Hospitality, Conference and Event Expenditures (THCEE) and the TB Guide to THCEE. This policy is required to outline and explain the DND/CAF hospitality policies and practices in these circumstances and internal policy restrictions for higher risk areas. It generally does not repeat any of the information in the TB Directive on THCEE or TB Guide to THCEE.
- 3.3 Accordingly, this policy must be applied in conjunction with and after reading the following:
- TB Directive on THCEE; and
  - TB Guide to THCEE.

In accordance with Section B.2.2.6 of the TB Directive on THCEE, the Minister of National Defence (MND) delegated all of the components of hospitality authorization listed in Sections B.2.2.6.1 - B.2.2.6.7 of the TB Directive on THCEE to the Deputy

Minister (DM), resulting in an increased dollar threshold for approval of hospitality expenditures.

3.4 This policy must also be applied and read in conjunction with:

- The DND and CAF Code of Values and Ethics; and
- DAOD 7023-0, Defence Ethics.

3.5 All financial documentation supporting the transactions must be retained for six years from the end of the fiscal year in which the transaction takes place. When an Accounts Receivable is created, all documentation is retained until the account is cleared. When a criminal, disciplinary or recovery action is taken, all documentation must be retained and protected for six fiscal years after the process is completed.

3.6 See [Appendix A](#) for the definitions applicable to this policy and a list of acronyms used.

## **4. Objectives and Expected Results**

4.1 The objectives of this policy are to:

- Identify the DND/CAF key stakeholders involved with hospitality expenditures and outline their roles and responsibilities; and
- State and explain the DND/CAF Financial Management (FM) policies for hospitality expenditures that are not addressed in the TB Directive on THCEE or TB Guide to THCEE.

4.2 The expected results of implementing this policy are:

- Effective governance, oversight, and internal controls over hospitality expenditures;
- Key DND/CAF stakeholders are aware of and understand their roles and responsibilities with respect to hospitality expenditures; and
- Hospitality expenditures are managed in accordance with the DND/CAF's implementation of the TB Directive on THCEE or TB Guide to THCEE.

## **5. Requirements**

### **Planning for Hospitality**

#### **Planning Considerations for Hospitality**

5.1 All hospitality activities and events must be planned in advance and the following factors considered:

- A determination that the hospitality activity or event is required and can be justified;
- The planned timing of the hospitality activity or event;

- The frequency of the hospitality activity or event. If the hospitality activity or event is continuous or repetitive, the planning and approval can be streamlined using a Blanket Hospitality Authority (BHA) request when appropriate (See [paragraphs 5.61 to 5.68](#), under Requests for Blanket Hospitality Authority);
- The planned length of the hospitality activity or event;
- The number and status and/or rank of [non-public servants](#) planned to attend;
- The number of public servants required to attend;
- The nature of activities and hospitality components to be included;
- The choice of location;
- The reduction of the unnecessary use of [single-use plastic](#) products and packaging materials that are intended to be used only once before they are thrown away or recycled;
- The total cost of the hospitality and a breakdown of the cost per person per type of expense; and
- The timeframe for obtaining the necessary hospitality, event and other applicable approvals (including for [exceptional hospitality](#) that requires DM or MND approval) and any contracting required to support the hospitality activity or event.

- 5.2 When planning hospitality involving non-public servants, Responsibility Centre (RC) Managers must restrict participation to those deemed essential and keep the number of public servants lower than the number of non-public servants whenever possible. Written justification must be provided as part of the hospitality approval request for those circumstances where this is not possible.
- 5.3 As part of planning, any proposed expenditures involving additional risk should be disclosed in detail to a more senior (i.e. higher) approval authority as appropriate in the circumstances.
- 5.4 As detailed in the TBS Centre for Greening Government's Guidance for the reduction of plastic waste in meetings and events, all federal departments are required to work towards increasing their plastic waste diversion, avoiding the unnecessary use of single-use items and promoting the responsible use of plastics in their meetings and events.
- 5.5 Due to the risk involved in circumstances where DND is paying for some hospitality expenditures at an event or activity where alcohol is served and paid for entirely by an external entity or person, disclosure to the DM or MND is required as per [paragraph 5.52](#), under Hospitality Shared Between DND/CAF and Other Government Departments or External Entity/Entities, of this policy.

### **Hospitality Ceilings**

- 5.6 The annual hospitality ceilings determined as part of the business planning process must be respected. Increases to the Level One organizations' hospitality ceiling must be approved by the Investment and Resource Management Committee (IRMC). A request can be made to increase hospitality ceilings only after it was determined that internal reprioritization of hospitality is not possible.

### **Restrictions and Limitations on Types of Hospitality**

- 5.7 Hospitality may be provided at an activity or event as specified in this policy. The restrictions and limitations on the types of hospitality that may be provided by departments and agencies are set out in the TB Directive on THCEE and TB Guide to THCEE. The following sections explain the additional restrictions and limitations that apply for the DND and the CAF.

#### **Alcoholic Beverages**

- 5.8 Alcoholic beverages cannot be provided using public funds when only public servants are attending the activity.
- 5.9 The provision of alcoholic beverages is permitted when non-public servants are attending but is exceptional hospitality that requires approval by the DM or MND. The cost of the beverages must remain within the DND/CAF dollar threshold of \$15 Canadian per person including taxes and gratuities, and must respect any other DND/CAF restrictions in effect. Alcoholic beverages are currently limited for the most part to dinners and evening receptions hosted by senior personnel. When alcoholic beverages are provided, the cost of hospitality should remain within the standard cost per person limit for the provision of food and beverages at the dinner or reception.
- 5.10 The provision of spirits (e.g. rum)/alcoholic beverages at public expense in accordance with the Personnel Support Program Policy Manual, Chapter 9-3 is considered to be hospitality and is subject to the approval requirements and limitations for alcoholic beverages.

#### **Entertainment**

- 5.11 Entertainment can only be provided when non-public servants are attending.
- 5.12 In all cases where hospitality includes entertainment, this is exceptional hospitality that requires approval by the DM or MND. When as part of the entertainment, there are cultural activities such as tours and museum visits for non-public servant guests, these should remain within the local area to the extent possible, i.e. within a 100 km radius from the location of the main hospitality activity or event.

Note:

- Tours/museum visits can only exceed the 100 km radius in limited circumstances as explained in [paragraph 5.16](#).

- 5.13 Entertainment in the form of tickets to the theatre, hockey games or other sporting events is not permitted in the DND/CAF.
- 5.14 A gala dinner with entertainment or performances is considered to be exceptional hospitality and therefore requires approval by the DM or MND.

**Other Exceptional Hospitality Expenditures including Non-Local Transportation and Hotel Accommodations**

- 5.15 [Local transportation](#) for non-public servant guests to and from an activity or event is permitted as part of the hospitality.
- 5.16 Non-local transportation (travel >100 km of the activity or event) and accommodations for non-public servant guests are not normally permitted as hospitality. However, these costs are allowed as exceptional hospitality for non-public servant guests limited to visiting foreign military representatives, dignitaries or other officials when justified for reasons of protocol. These expenses provided as exceptional hospitality require approval by the DM or MND. When this non-local transportation is provided, the variable operating costs of using DND transportation assets (e.g. Challenger aircraft, DND vehicles, etc.) must be included in the hospitality costs used to determine the appropriate approval authority level for the hospitality. The only exception is when the use of the DND aircraft is within the Yearly Flying Rate program. If this is the case, then the aircraft fuel costs can be excluded from the costs submitted for hospitality approval but must be disclosed in the approval request file/package for information purposes.
- 5.17 To avoid situations where DND/CAF is expected to provide visiting dignitaries or other officials' reciprocal non-local transportation or hotel accommodations, RC Managers should avoid accepting payment of these expenses by their host when visiting other countries.
- 5.18 For assistance in determining the protocol for a specific circumstance or visit, contact the Directorate of Foreign Liaison 3 (DFL 3) within the Vice Chief of the Defence Staff (VCDS) organization.
- 5.19 For activities that involve non-public servants, the DM or MND may, at their discretion, authorize other forms of hospitality that are considered exceptional due to unusual circumstances and that are not specifically covered in this policy. These other forms of exceptional hospitality must be justified for reasons of courtesy, diplomacy or protocol or to facilitate the achievement of DND/CAF business, and the justification must be included in the hospitality approval request.

**Food and Beverage Costs**

- 5.20 The cost limits for food and [beverages](#) set out in Section B.2.2.2 of the TB Directive on THCEE must be respected. These limits reflect the per person hospitality costs provided per [meal](#) type over the course of a single day and per serving for refreshments.
- 5.21 When a meal is provided to DND employees and/or CAF members for an activity that extends past normal working hours, RC Managers must be familiar with the meal entitlements of the Collective Agreements for employees and/or the Queen's Regulations and Orders (QR&O) and Compensation and Benefit Instructions (CBI) for CAF members. This is to ensure DND employees/CAF members do not receive both hospitality and a reimbursement of expenses or an allowance for the same meal.

- 5.22 Breakfast can be provided at activities involving non-public servants when official business takes place during the meal. However, breakfast provided at a hospitality activity or event involving only public servants is permitted only when the requirements of Section B.2.2.3 of the TB Directive on THCEE are met and the hospitality activity or event spans more than two days with discussions/official business taking place during the meal.

#### **Change of Command Ceremonies**

- 5.23 Hospitality at Change of Command ceremonies can only be provided for a commanding officer position of a unit at the rank of Lieutenant Colonel/Commander and above for which a Canadian Forces Organizational Order has been issued creating the unit (e.g. positions of commanders of operational headquarters, formation commanders, base/wing/ship/unit commanders/commanding officers and commandants of military or staff colleges). Hospitality may also be provided for Change of Command ceremonies for Deployed Task Force Commanders outside Canada when required as a matter of official protocol and when the participation of foreign dignitaries is anticipated. Hospitality requests of this nature shall be staffed to the appropriate authority within Canadian Joint Operations Command Headquarters.
- 5.24 Hospitality can only be provided at the ceremony and is restricted to the external guests such as mayors, the President of the Chamber of Commerce and other external stakeholders in attendance. As Change of Command ceremonies require event approval, the hospitality approval provided is conditional upon event approval.

#### **Facilities Rental and Associated Items**

- 5.25 Government-owned facilities must be used as a first choice when they are appropriate and available.
- 5.26 Hospitality activities involving only public servants cannot be held at a restaurant.
- 5.27 Rental of a boardroom, reception room or similar facilities and associated costs are considered as hospitality only when:
- The costs are incurred exclusively for holding a hospitality function; and
  - Both non-public servants and public servants are attending.

#### **Note:**

- Rental of a room or associated costs are not included in the calculation of the standard cost limits per person but they are included for hospitality approval limits.
- 5.28 Examples of associated costs include costs for audio/video equipment and technical support or translation services, costs for security, music, incidentals such as flowers or candles on tables, rentals of linen or cutlery, and clean-up costs or similar expenses incurred directly and inherently for hospitality purposes. The costs of facilities rental and associated items considered as hospitality in [paragraph 5.27](#) are no longer considered to be exceptional hospitality requiring approval by the DM or



MND. However, due diligence must be exercised when considering these types of expenses due to the additional risk involved. RC Managers considering these types of expenditures must ensure the decisions made and rationale applied are properly documented in order to withstand any possible audit.

- 5.29 Hospitality provided to public servants at awards ceremonies held under the department's Official Awards and Recognition Program, or activities organized in support of government-wide recognition programs and National Public Service Week may be provided in less formal or recreational settings on an exceptional basis when there is appropriate justification and approval from the appropriate approving authority is obtained. Additional guidance for facility rental and associated costs incurred exclusively for providing food and beverages at activities when only public servants attend, as well as for circumstances when the facilities and associated costs are not incurred exclusively for holding a hospitality function, is provided at [paragraph 5.38](#), under Expenditures Not Qualifying as Hospitality.

#### **Frequency of Providing Hospitality**

- 5.30 Subject to [paragraph 5.31](#), hospitality should not be provided on a recurring basis at activities where only public servants are attending (i.e. those held more frequently than quarterly).
- 5.31 In those limited situations where hospitality is to be provided at activities involving only public servants that are held more frequently than quarterly, justification for providing the hospitality (as required under Section B.2.2.3 of the TB Directive on THCEE) as well as justification for the frequency, must be included in the hospitality approval request. Approval by the Level One ([L1](#)) Advisor or higher level is required.
- 5.32 All recurring hospitality expenditures must be periodically reviewed and assessed.

#### **Hospitality for Spouses/Persons Accompanying a Participant**

- 5.33 Hospitality including entertainment may be provided to a spouse or other person accompanying a participant to an event or other activity (including a spouse or other person accompanying a non-public servant guest) when deemed necessary for conducting DND/CAF business. When DND is paying for or reimbursing hospitality costs for a spouse/accompanying person, including local transportation, this is exceptional hospitality that requires approval by the DM or MND.
- 5.34 Non-local travel expenses for spouses or other persons accompanying a public servant to a hospitality activity or event is not permitted as hospitality.
- 5.35 Hospitality expenditures paid or reimbursed for spouses or other persons accompanying a DND employee or CAF member are generally considered a taxable benefit to the DND employee/CAF member. However, if the spouse or accompanying person was requested to attend by the DND/CAF in order to conduct business on behalf of the DND/CAF, the amount paid or reimbursed would not be considered a taxable benefit. In addition, the business reason for attendance must be documented as part of the documentation for approval of the expenditures. For further information, consult the FAM Chapter 1024-9, Taxable Benefits and Allowances.

- 5.36 Expenses related to a [spousal program](#) may be considered as hospitality when these facilitate the conduct of DND/CAF business, are necessary for courtesy, diplomacy or protocol and meet DND/CAF program objectives. Planned activities may include but are not limited to providing a meal or a tour of the local area. These activities must be eligible hospitality as per this policy, should highlight Canadian culture/content and must be DND/CAF activities/events (i.e. with DND/CAF representation). Written documentation/justification must be kept on file to support how the spousal program activity meets the requirements of this policy. For assistance in determining what is considered appropriate for reasons of protocol, contact the DFL 3 within the VCDS group.

### **Examples When Hospitality Can/Cannot Be Provided**

- 5.37 Examples when hospitality can/cannot be provided are listed and explained in [Appendix B](#).

### **Expenditures Not Qualifying as Hospitality**

- 5.38 The following types of expenditures do not qualify as hospitality expenditures and are therefore not subject to this policy:

#### Personal/Social

- Expenditures for activities of a personal social nature (i.e. office parties, birthdays, the birth or adoption of a child, weddings, promotions or retirements etc.) that must not be paid for using public funds;

#### Promotional Items, Official Mementos, Gifts

- Expenditures for promotional items provided such as pens, magnets etc. Promotional items are included in Advertising Services and Public Relations Services expenditures for the purposes of financial coding. For assistance in determining eligible promotional expenditures and when these can be provided, contact ADM (Public Affairs);
- Expenditures for official mementos in accordance with FAM Chapter 1017-6, Official Mementos;
- Expenditures for [gifts](#) of any kind, as these cannot be paid for using public funds (except for those gifts purchased by the Minister's Office in accordance with the Policies for Ministers Offices);

#### Bottled Water, Non-Discretionary Meals and Unit Festive Meals, Alcohol for Meal Preparation/Medical Reasons

- Expenditures for bottled water or the provision of water coolers to public servants on an on-going basis (i.e. beyond an event or other activity). These can be paid for from public funds when the water is undrinkable due to health or safety reasons, and these limited circumstances are not considered to be hospitality;

- Expenditures for meals provided to public servants in the course of their duties when there is no discretion in their provision such as those:
  - Provided in support of DND/CAF operations such as military exercises, deployments, etc.; or
  - Stipulated under a Collective Agreement for DND employees and/or the QR&O for CAF members;
- Unit festive meal expenditures where mainly CAF members and DND employees attend. For assistance on CAF members' entitlement to rations for these special occasions, please contact the Directorate of Compensation and Benefits Administration within the Military Personnel Command;
- Expenditures to provide alcohol for medical reasons or meal preparation.

Note:

- Alcohol for medical reasons must be accounted for and controlled as medical supplies, and written support from a medical officer must be provided with the financial transaction for audit purposes;

Travel

- Expenditures for public servants travelling on government business and that are subject to the National Joint Council (NJC) Travel Directive or Canadian Forces Temporary Duty Travel Instructions. These expenditures require travel approval and exclude the cost of any meals provided as hospitality during an event or other activity taking place during the trip;
- Local transportation (within 100 km radius) expenditures to and from hospitality activities or events for public servants (these expenditures require travel approval). However, local transportation expenditures for non-public servant guests qualifies as hospitality as indicated in [paragraph 5.15](#), under Other Exceptional Hospitality Expenditures including Non-Local Transportation and Hotel Accommodations, of this policy;
- Non-local transportation and accommodations for non-public servant guests (including spouses or other persons accompanying a public servant to a hospitality activity or event). Only non-local transportation and accommodations for guests that are visiting foreign military representatives, dignitaries or other officials for reasons of protocol are considered exceptional hospitality as per [paragraph 5.16](#) of this policy;

Note:

- Non-local travel costs for non-public servants can be paid from public funds only where there is a valid underlying authority in place. Hospitality authority applies only in the limited circumstances explained in [paragraphs 5.16 to 5.17](#) of this policy and as further indicated in [Appendix D](#).

#### Facilities Rental and Associated Costs

- Facilities rental or associated costs not exclusively incurred for hospitality purposes (e.g. rental of a room used for both a meeting and hosting a lunch). Although not considered hospitality, these costs must be included in the total incremental costs submitted for event approval (when applicable); and
- Facilities rental or associated costs exclusively incurred to provide food and beverages when only public servants attend. This is permitted only in those very limited circumstances when there is no facility available to accommodate both the event/activity and the provision of food and beverages. Although not considered hospitality, in addition to being included in the total incremental costs submitted for event approval (when applicable), the nature and justification for the facility rental must be disclosed to the event approval authority.

#### **Hospitality Approval Authority**

##### Authority to Approve Hospitality

5.39 The main factors that determine the appropriate approval authority for hospitality are:

- The host or Office of Primary Interest (OPI) for the activity;
- The total DND/CAF hospitality cost of the activity; and
- The type or nature of the planned hospitality (e.g. whether the exceptional components are included).

Although the host or OPI is often the organization or unit that funds and/or organizes the activity, the nature and purpose of the hospitality activity are the decisive factors for determining the host/OPI.

5.40 Approval for hospitality must be obtained from the appropriate approval authority prior to initiating expenditures and entering into financial obligations (e.g. a contract) for the hospitality. The authority to approve hospitality is delegated to positions in the Delegation of Authorities for Financial Administration for the DND and the CAF document. Incumbents of these positions require a valid Delegation of Authorities form in order to exercise this authority.

Note:

- The authorities to approve THCEE are also summarized in the THCEE Approval Matrix posted on the ADM(Fin) web site.

5.41 To maximize efficiencies, the approvals for the event and its components (such as travel, conference and hospitality) should be coordinated and can be combined into a single approval request package to the most senior approval authority. Hospitality approval is conditional upon event approval when event approval is applicable.

5.42 When the host/OPI is attending the planned activity and/or does not have sufficient delegated authority to approve the activity, the hospitality approval must be sought

from the host's/OPI's immediate superior or other higher position within their financial chain of command that:

- Has the required approval authority for the hospitality; and
- Is not attending the activity/event.

- 5.43 Only L1 Advisors and superior can approve offering hospitality that is limited to light refreshments at activities they are attending and would normally approve, provided that on the hospitality approval request, the L1 Advisor or superior attests to the fact that they will not be consuming any. Note that light refreshments provided at activities where only public servants are attending must meet the requirements of [paragraph 5.31](#), under Frequency of Providing Hospitality.
- 5.44 When the Chief of the Defence Staff (CDS) or Ombudsman is attending a hospitality activity that they would normally approve, approval must be sought from either the DM or the MND (following routing through the DM's office).
- 5.45 As per Section B.2.2.9 of the TB Directive on THCEE, only the MND can approve hospitality for an activity or event that the MND is attending and would normally approve. Note that the MND is not the host or OPI for DND/CAF hospitality activities (i.e. the departmental ones) including those that the MND attends. As a result, the MND will only approve DND/CAF hospitality activities that exceed the DM's approval authority level (i.e. the increased dollar threshold of \$50,000 delegated from the MND as permitted under Section B.2.2.6 of the TB Directive on THCEE).
- 5.46 When the DM is attending a hospitality activity that the DM would normally approve, the ADM(Fin)/Chief Financial Officer (ADM(Fin)/CFO) must provide the hospitality approval. The ADM(Fin)/CFO can approve this hospitality up to the limits delegated to the DM, including the higher hospitality approval threshold and other exceptional hospitality components that were delegated from the MND to the DM. This also applies when the MND and/or ADM(Fin)/CFO is also attending the same hospitality activity. The DM can still provide the event approval (if applicable) if it falls within the DM's event approval threshold.

#### **Hospitality Shared by Multiple RC Managers or DND/CAF Organizations**

- 5.47 When there are multiple RC Managers or DND/CAF organizations participating in the hospitality activity and contributing funds, a single OPI must be agreed upon based on the nature/primary purpose of the activity. The OPI must prepare the consolidated hospitality approval request for the total hospitality costs on behalf of all DND/CAF representatives/organizations.

#### **Hospitality Shared Between DND/CAF and Other Government Departments or External Entity/Entities**

- 5.48 When hospitality costs for an activity or event will be shared between DND/CAF and an OGD or external entity/person and DND/CAF is the primary host or OPI and paying for all the hospitality expenditures up front, the total hospitality costs must be approved in accordance with this policy.

- 5.49 When an OGD or external entity/person (or combination thereof) is paying for all of hospitality expenditures up front, the planned transfer of funds to the other entity for DND/CAF's share of the hospitality costs must be approved in accordance with this policy.
- 5.50 When each government department or external entity/person is paying for their respective portion of the costs directly, as specified in an agreement/contract, DND/CAF's portion of the hospitality expenditures must be approved in accordance with this policy.
- 5.51 In the circumstances described in [paragraph 5.49](#) and [paragraph 5.50](#), the estimated costs to be incurred by the external entity/person must be disclosed in order to provide transparency and visibility to the approval authority.
- 5.52 To mitigate the risk of negative public perception when an external entity is funding alcoholic beverages or other types of exceptional hospitality, it must be disclosed to the DM or MND for information.

#### **Hospitality That Involves Multiple Activities**

- 5.53 When hospitality involves multiple activities, the determination of whether a single approval for the multiple activities versus distinct approvals for each individual activity is required depends on the situation. The determination should be aligned with how these activities are being treated from an event approval perspective, when applicable (i.e. whether they constitute one event vs. multiple events for event approval purposes).
- 5.54 The use of hospitality splitting to avoid seeking higher approval levels is not permitted. For example, the provision of hospitality in the form of a meet and greet reception and daily lunch and dinner, all served to non-public servants and public servants attending a DND/CAF conference require a single hospitality approval based on the combined cost of the meet and greet reception and the daily lunches and dinners provided for the duration of the conference (i.e. distinct hospitality approvals for the meet and greet vs. the daily meals provided must not be sought when these form part of the same overall conference).
- 5.55 The following factors must be considered in making a determination for multiple activities:
- Timing (i.e. whether the activities occur on consecutive days or whether there is a break in between activities);
  - Purpose/objective of the activities (i.e. whether discussing the same or similar topics at the activities);
  - Participants involved (i.e. whether it is the same or similar group of participants at the activities); and
  - Location (i.e. whether the activities take place in the same location).



Notes:

- When multiple related hospitality activities are included in the same trip itinerary and take place in the same location, or with the same or a similar group of participants and with a similar purpose or objective, these are considered a single activity for the purposes of determining the appropriate hospitality (and event if applicable) approval level. In this case, the combined cost of all hospitality activities is used to determine the appropriate approval authority.
- When multiple activities are for unrelated purposes and with different participants, these are considered separate or distinct activities for the purposes of determining hospitality (and event if applicable) approval levels.

- 5.56 If there is reasonable doubt as to whether distinct approval for individual activities is appropriate, a single hospitality (and event where applicable) approval request must be made.
- 5.57 When distinct hospitality approval requests are deemed necessary for the multiple activities, a [bulk hospitality request](#) can be used to streamline these hospitality approvals. See [paragraphs 5.69 to 5.72](#), under Requests for Bulk Hospitality Approval.

### **Requests for Hospitality Approval**

#### **Event/Hospitality Approval Request Form and Requirement for Audit Trail**

- 5.58 When requesting approval for a single hospitality activity or event, the DND/CAF Event/Hospitality Request form and other supporting templates/documents (available on the ADM(Fin) website) should be used as it contains the required level of detail. The use of this form is mandatory.
- 5.59 Appropriate and adequate supporting documentation must be submitted along with the Request form and subsequently maintained for audit trail purposes.
- 5.60 Email approval for BHA or for bulk hospitality approval requests is not permitted in DND/CAF.

#### **Requests for [Blanket Hospitality Authority](#)**

- 5.61 BHAs can be used for continuous or repetitive hospitality within a particular fiscal year when the total cost of hospitality for each distinct activity is less than \$10,000 and the hospitality does not involve any of the other exceptional hospitality components.
- 5.62 Requests for BHA are limited to L1 Advisors and above and restricted to hospitality within the parameters of [paragraph 5.61](#) above that are subject to proactive disclosure. This includes all of the L1 Advisor's hospitality whether or not the L1 Advisor will attend.

- 5.63 Hospitality costs covered under a BHA are subject to event approval when applicable and must be considered when calculating the total event costs for event approval.
- 5.64 Requests for BHA must be approved by the DM (or MND following routing through the DM's Office). With the exception of the MND, an appropriate alternative approval authority must be obtained when the individual who would normally approve the hospitality is attending.
- 5.65 When BHA has been approved, the L1 Advisor or above must ensure that planned and actual BHA expenditures are reported on a quarterly basis for onward submission to the ADM(Fin)/CFO. The actual BHA expenditures for the L1 Advisor also form part of the proactive disclosure reporting.
- 5.66 BHA can be used for hospitality activities where costs are shared with other DND/CAF organizations if the BHA includes all of the DND/CAF costs for the hospitality activity. In this case, to request BHA, the host or OPI must prepare the consolidated BHA request seeking approval for the total hospitality costs on behalf of all DND/CAF representatives/organizations.
- 5.67 After BHA has been approved, any planned hospitality activity outside of the BHA parameters included on the BHA form (i.e. maximum total cost for the BHA, maximum cost per activity, maximum number of attendees per activity etc.) requires individual or separate approval.
- 5.68 See the Guide for Blanket Hospitality Authority for guidance and additional information.

#### **Requests for Bulk Hospitality Approval**

- 5.69 Bulk (or 'bundled') hospitality approval requests must contain sufficient details for the approving authority to make an informed decision.
- 5.70 The approval authority for the bulk hospitality approval request is the highest approval level required from amongst all of the individual hospitality activities included in the request.
- 5.71 Hospitality costs approved using a bulk hospitality approval request are subject to event approval when applicable.
- 5.72 If bulk hospitality approval has been given and the planned hospitality exceeds the parameters of what was originally approved, an amended bulk hospitality approval may be required (See [paragraph 5.77](#), under Requirement for Amended Hospitality Approval (Re-Approval), for the circumstances when an amended bulk hospitality approval is required).

#### **Provincial Sales Tax**

- 5.73 In accordance with the guidance in Appendix E of the TB Guide to THCEE, RC Managers are reminded that an exemption from Provincial Sales Tax (PST) must be claimed when applicable in accordance with the DND/CAF policy guidance provided



for PST. When an exemption from PST cannot be claimed (e.g. use of an Individual Designated Travel Card), the costs in the hospitality approval request must include the applicable PST.

#### **Requests for Hospitality Approval for Future Fiscal Years**

- 5.74 Unless hospitality approval is obtained during the latter part of the fiscal year for an activity/event taking place early in the upcoming fiscal year, hospitality approval requests generally cannot be made for activities that take place in a year other than the current fiscal year. This is because of the risks associated with a premature approval of costing information, funding availability and the continued relevance of the activity that far in advance.
- 5.75 When hospitality approval is obtained during the latter part of the fiscal year and the activity/event is not planned to take place until the upcoming fiscal year, a commitment under Section 32 of the *Financial Administration Act* (FAA) must be made in the upcoming fiscal year only.
- 5.76 In unusual circumstances, if an appropriate justification for seeking future hospitality approval exists (e.g. there is a requirement to contract for facilities a year or more in advance as per industry practice) and there is a sufficient level of detail about the activity and reasonable expectation of funding availability, hospitality approval can be sought in advance for future fiscal year activities.

#### **Requirement for Amended Hospitality Approval (Re-Approval)**

- 5.77 Subject to [paragraph 5.78](#), an amended hospitality approval request ('re-approval') must be made when:
- The nature of the hospitality to be provided differs from what was originally approved (e.g. a different type of hospitality is being planned);
  - The hospitality no longer falls within the original approving authority's hospitality approval authority limits;
  - There is a date change for the activity that is not within a reasonable timeframe of the originally scheduled/approved date (see Notes);
  - There are omissions in the originally approved cost estimate; and/or
  - There are significant changes in the forecasted costs for the planned hospitality.

#### **Notes:**

- Re-approval is required when the delay is 9 months or more from the originally planned date and the delay results in the planned activity being deferred to the next fiscal year.
- Re-approval may be required when the delay is less than 9 months when circumstances dictate, regardless of whether the delay results in the planned activity being deferred to the next fiscal year.
- In all cases when the delay results in the planned activity being deferred to the next fiscal year (i.e. whether or not re-approval is required), Section 32 FAA needs to be exercised in the new fiscal year (i.e. the funds need to be committed in the new fiscal year).

5.78 An amended hospitality approval request is not required when the difference in the revised estimated hospitality cost is within the lower of \$1,000 or 10% of the originally approved amount, provided that there are no other changes as listed in [paragraph 5.77](#) that require an amended hospitality approval request.

5.79 Re-approval must be provided prior to initiating the hospitality expenditures.

**When Hospitality Approval or Re-Approval Has Not Been Obtained Prior to Initiating Hospitality Expenditures**

5.80 Obtaining hospitality approval or re-approval after initiating or incurring hospitality expenditures is not permitted. For those exceptional situations when hospitality approval or re-approval authority has not been obtained prior to initiating hospitality expenditures, a Briefing Note (BN) must be submitted to the person who would have been the approval/re-approval authority. The BN is for disclosure purposes and must explain why the proper approval was not obtained in advance and the corrective actions taken to prevent recurrence.

5.81 When the hospitality re-approval required a higher authority level, the BN referred to in [paragraph 5.80](#) must be routed through the original approving authority for their awareness. If the hospitality was initially approved as a single approval event package as per [paragraph 5.41](#), under Hospitality Approval Authority, the BN must be submitted to the person who approved the event package and the person that would have been the re-approval authority for the hospitality component if it required a higher authority level. When both hospitality and event re-approval were not obtained prior to initiating expenditures, the BN must be submitted to the person who approved the event package and the person who would have been the re-approval authority for the event package if it required a higher authority level (i.e. the most senior authority for the event and THCEE component re-approvals).

**Hospitality Outside of Canada**

5.82 The provision of hospitality outside of Canada is subject to the provisions of this policy unless otherwise stated. There is a requirement for hosting more hospitality functions when Canadian representatives are fulfilling their mandate outside Canada. DND employees/CF members must demonstrate probity and discernment in order to comply with this policy given the protocol and circumstances. Foreign representatives must follow this policy while striving to be consistent with the general standard of hospitality offered locally by the representatives of other countries and shall be based on the:

- status or rank of the guest(s);
- number of persons attending; and
- specific circumstances.

5.83 The allowances that are used for calculating the food and beverage cost limits under Section B.2.2.2 of the TB Directive on THCEE are provided in the NJC Travel Directive (Appendix C for U.S.A locations and Appendix D for international locations).

- 5.84 For purposes of determining the approval level required, all costs of the hospitality activity or event, including the food and beverage costs, must be calculated by converting the foreign currency amounts into Canadian dollars.

### **Recording Hospitality Expenditures**

- 5.85 All costs considered as hospitality in accordance with this policy (including travel expenditures that are permitted as hospitality) must be coded to these hospitality GL codes in the departmental financial system.

### **Proactive Disclosure of Hospitality Expenses and Annual Reporting**

- 5.86 In accordance with Section 4.1.2 of the TB Directive on THCEE, hospitality expenses for senior level employees at the DM, Associate DM, ADM and equivalent levels must be disclosed on a monthly basis on the department's external website or on Open.Canada.ca within thirty days of the end of the month in which the expenses were reimbursed. This requirement also applies to individuals that act in these positions. See the departmental guidance on proactive disclosure for additional information.
- 5.87 The DND/CAF's total hospitality expenditures must be disclosed in the departmental Annual Report on Travel, Hospitality and Conference Expenditures which must be posted on the department's external website or on Open.Canada.ca. This disclosure is to coincide with the tabling of the Departmental Results Report (DRR).

## **6. Roles and Responsibilities**

### **Minister of National Defence**

- 6.1 For purposes of this policy, the Minister of National Defence (MND) is responsible for:
- Approving hospitality requests that exceed the delegated authority of the DM;
  - Approving hospitality requests (following routing through the DM's office) when the CDS or Ombudsman is attending a hospitality activity/event that the CDS/Ombudsman would normally approve (unless the DM's approval has been requested); and
  - Delegating the approval of exceptional hospitality authorities (normally exercised by MND) to the DM as deemed necessary to meet operational requirements.

### **Deputy Minister**

- 6.2 For purposes of this policy, the Deputy Minister (DM) is responsible for:
- Reviewing all hospitality approval requests requiring MND approval and providing a recommendation to the MND regarding their approval;
  - Approving hospitality requests when the CDS or Ombudsman is attending a hospitality activity/event that the CDS/Ombudsman would normally approve (unless the MND's approval has been requested); and

- Approving hospitality approval requests in accordance with the DM's delegated authorities.

### **Vice Chief of the Defence Staff**

6.3 In addition to the responsibilities of L1 Advisors listed below, the Vice Chief of the Defence Staff (VCDS) is responsible for:

- Providing independent and objective advice and recommendations on all hospitality approval requests from military L1 organizations that require DM or MND approval.

### **Assistant Deputy Minister (Finance)/Chief Financial Officer**

6.4 As the department's Chief Financial Officer (CFO), the Assistant Deputy Minister, (Finance) (ADM(Fin)/CFO) is responsible for:

- The responsibilities of the CFO outlined in Section 4.1 of the TB Directive on THCEE with the exception of Section 4.1.1 as the annual hospitality ceilings are currently approved through IRMC chaired by the DM;
- Approving hospitality for a single activity/event up to \$3,000 where the exceptional hospitality components are not present and the ADM(Fin)/CFO is not in attendance;
- Approving hospitality for a single activity/event that the DM would normally approve in situations where the DM is in attendance, up to the DM's hospitality approval limits (including the higher hospitality approval threshold of \$50,000 and the other exceptional hospitality components that were delegated by the MND to the DM). This also applies when the ADM(Fin)/CFO is also attending the same hospitality activity/event;
- Approving a BHA request that the DM would normally approve in those situations when both the L1 Advisor and the DM are attending, including when the ADM(Fin)/CFO is also attending, and with the authority limits up to the DM's hospitality authority limit of \$50,000;
- Reviewing all hospitality approval requests requiring DM/MND approval and providing a recommendation to the DM/MND regarding their approval;
- Ensuring that the ADM(Fin)/CFO's hospitality expenses are submitted for posting in accordance with the departmental guidance for proactive disclosure; and
- Ensuring that corrective actions are taken to address instances of non-compliance with this policy by a civilian, or in the case of a CAF member, notifying the military chain of command that corrective actions must be taken.

### **Level One Advisors**

6.5 Level One (L1) Advisors are included in '[Senior Departmental Managers](#)' as defined by TB. L1 Advisors are responsible for:

- The responsibilities of senior departmental managers with respect to hospitality expenditures outlined in Section 4.2 of the TB Directive on THCEE;

- Reviewing and recommending for approval the L1 organization's hospitality requests that require the approval of the DM or MND and routing these to the ADM(Fin)/CFO;
- Approving hospitality provided to public servants at activities/events that are held more frequently than on a quarterly basis;
- Ensuring that the L1 Advisor's hospitality expenditures are submitted for posting in accordance with the departmental guidance on proactive disclosure;
- Ensuring that within their organization:
  - On a periodic basis, hospitality expenditures are monitored throughout the fiscal year and recurring expenses assessed to ensure their continued relevance and requirement;
  - The approval of BHA is appropriately documented and the documentation retained for audit purposes;
  - Quarterly reporting of planned and actual BHA expenditures is prepared for onward submission to the ADM(Fin)/CFO; and
  - When applicable, identifying the need for an increase to the L1 hospitality ceiling as part of the Quarterly Financial Review submission.

### **Director General, Strategic Financial Governance**

6.6 The Director General Strategic Financial Governance (DGSFG) is responsible for:

- Ensuring that this policy takes into consideration the unique situations and circumstances of the DND/CAF where hospitality expenditures need to be incurred that are not addressed in the TB Directive on THCEE or TB Guide to THCEE; and
- Ensuring that the departmental financial systems adequately support the management of hospitality expenditures, including forecasting and financial reporting.

### **Director General, Financial Operations and Services**

6.7 The Director General Financial Operations and Services (DGFOS) is responsible for:

- Ensuring that departmental compliance with this policy is monitored;
- Consolidating the L1 quarterly reports of planned and actual BHA expenditures for onward submission to the ADM(Fin)/CFO;
- Ensuring that procedures including forms are developed and updated to support this policy;
- Providing advisory support to the MND, DM, ADM(Fin)/CFO, L1 organizations for hospitality that requires DM or MND approval;
- Reviewing hospitality approval requests that require DM or MND approval for accuracy, completeness and compliance with this policy; and
- Compiling the departmental Annual Report on Travel, Hospitality and Conference Expenditures for posting on the department's external website or on Open.Canada.ca. This disclosure is to coincide with the tabling of the DRR.

### **Corporate Departmental Accounting Office**

- 6.8 The Corporate Departmental Accounting Office (CDAO) is responsible for:
- Determining the information content required in the email when hospitality is approved by email and communicating the standard to the Regional Departmental Accounting Offices (RDAO); and
  - Monitoring RDAO compliance with this policy.

### **Director, Financial Policy**

- 6.9 The Director Financial Policy (DFP) is responsible for:
- Defining and developing departmental FM policy for hospitality; and
  - Providing policy interpretation assistance on complex hospitality policy matters.

### **Level One Comptrollers**

- 6.10 Level One (L1) Comptrollers are responsible for:
- Reviewing and recommending for approval all hospitality requests from the L1 organization that require the approval of the L1 Advisor, DM or MND;
  - Submitting the quarterly reporting of planned and actual BHA expenditures to DGFOs for onward submission to the ADM(Fin)/CFO;
  - Ensuring that effective processes and controls are in place within their L1 organization to ensure compliance with this policy;
  - Ensuring that compliance with this policy is monitored within the L1 organization; and
  - Monitoring the L1 organization's hospitality expenditures in order to ensure that the L1 ceiling is not exceeded.

### **Regional Departmental Accounting Office Comptrollers**

- 6.11 Regional Departmental Accounting Office (RDAO) Comptrollers are responsible for:
- Ensuring that compliance with this policy is monitored within the geographic area covered by the RDAO; and
  - Ensuring that all hospitality payments greater than \$500 are subject to pre-payment verification before payment authority is exercised under Section 33 of the FAA.

### **Corporate Secretary**

- 6.12 The Corporate Secretary (Corp Sec) is responsible for:

- Providing departmental direction and oversight for all proactive publishing requirements under the *Access to Information Act*.

## **Responsibility Centre Managers**

6.13 Responsibility Centre (RC) Managers are responsible for:

- The responsibilities of delegated managers with respect to hospitality expenditures outlined in Section 4.2 of the TB Directive on THCEE;
- Ensuring that the RC Manager's planned hospitality meets the provisions of this policy;
- Ensuring that hospitality approval or amended approval (including event approval when applicable) is obtained from the appropriate approval authority prior to initiating hospitality expenditures and before contracting or procurement activities take place. Consult the Procurement Administration Manual for assistance with contracting/procurement;
- Approving a hospitality request in accordance with the position's delegated authorities for hospitality;
- Ensuring that the RC Manager's hospitality approval requests are supported by appropriate supporting documentation that is retained for audit purposes after approval has been given;
- Ensuring reasonable and accurate preliminary costs are included in the hospitality approval request;
- Ensuring that all hospitality activities and events reduce plastic waste by avoiding the unnecessary use of single-use plastics (including items such as utensils, straws, packaging wrap, containers, bottles and cups);
- Monitoring planned vs actual hospitality expenditures to determine if an amended hospitality approval is required, and if so, ensuring the amended approval is obtained;
- Ensuring that when DND employees/CAF members are provided a meal for activities that extend past normal working hours or while on travel status, they do not receive both hospitality and a reimbursement of travel expenses/allowance for the same meal;
- Consulting with other organizations, subject OPIs or VCDS staff responsible for taskings as required to determine the host or OPI for activities where multiple organizations are participating in and/or contributing funds; and
- On a periodic basis, monitoring hospitality expenditures throughout the fiscal year and assessing recurring hospitality expenditures to ensure continued relevance and requirement.

## **7. Consequences of Non-Compliance**

7.1 Under the TB Policy on Financial Management, the DM is responsible for investigating and acting when significant issues regarding policy compliance arise, and ensuring that appropriate remedial action is taken to address such issues within the DND/CAF. The TB Framework for the Management of Compliance provides

guidance on the considerations for determining the possible mix of consequences, which include the impact of the non-compliance, whether there has been a history of non-compliance, was there intent and other circumstances.

- 7.2 To support the DM's responsibility under the TB Policy on Financial Management, the ADM(Fin)/CFO or in the case of a member of the CAF, the military chain of command at the ADM(Fin)/CFO's direction, must ensure corrective actions are taken to address instances of non-compliance with this policy. Corrective actions can include a requirement for additional training, changes to procedures or systems, removal or suspension of delegated financial authorities on a temporary or permanent basis, disciplinary action or other measures as appropriate.

## **8. References**

### **8.1 Legislation**

[Financial Administration Act](#)

### **8.2 Treasury Board, National Joint Council and Central Agency FM Policy Instruments**

[TB Policy on Financial Management](#)  
[TB Directive on Travel, Hospitality, Conference and Event Expenditures](#)  
[TB Guide to Travel, Hospitality, Conference and Event Expenditures](#)  
[TB Framework for the Management of Compliance](#)  
[TBS Centre for Greening Government's Guidance for the reduction of plastic waste in meetings and events](#)  
[TB Policies for Ministers' Offices](#)  
[NJC Travel Directive](#)

### **8.3 DND/CAF FM Policies**

[Delegation of Authorities for Financial Administration for the DND and the CAF document](#)  
[Delegation of Authorities for Financial Administration Matrix](#)  
[THCEE Approval Matrix](#)  
[FAM Chapter 1017-6, Official Mementos](#)  
[FAM Chapter 1024-9, Taxable Benefits and Allowances](#)  
[FAM Chapter 1017-2, Event and Conference Expenditures \(under development\)](#)  
[FAM Chapter 1017-3, Travel Expenditures \(under development\)](#)  
[Policy Memo on Non-Public Servant Travel Authorities \(under development\)](#)  
[The DND and CAF Code of Values and Ethics](#)  
[DAOD 7021-0, Conflict of Interest & Post Employment](#)  
[DAOD 7023-0, Defence Ethics](#)  
[Procurement Administration Manual](#)

### **8.4 DND/CAF FM Guides, Forms and Other Tools**

[Guide for Blanket Hospitality Authority](#)  
[Blanket Hospitality Authority Form \(available in the Defence Forms Catalogue\)](#)



[Event/Hospitality Request form \(March 2014\)](#)  
[Bulk Hospitality Form \(not yet available\)](#)  
[Decision Trees for Event, Travel and Hospitality Approval](#)  
[GL codes for hospitality](#)  
[Hospitality and Events page on ADM\(Fin\) web site](#)

## 9. Enquiries

- 9.1 Enquiries on this policy are to be directed to the appropriate L1 Comptroller.
- 9.2 If the L1 Comptroller needs guidance on the matter(s) raised, the L1 Comptroller may contact DGFOS.
- 9.3 If DGFOS requires interpretation or clarification on the matter(s) raised, DGFOS may contact DFP.

## Appendix A – Definitions and Acronyms

### Definitions

**Authority to approve hospitality (Pouvoir d'approuver les activités d'accueil)** means expenditure initiation authority for the planned hospitality expenditures. This is a separate authority from commitment authority (Section 32 FAA), contracting authority and other required financial authorities. It is also a separate authority from event approval. The authority to approve hospitality is delegated by the DM and MND to DND/CAF positions specified in the Delegation of Authorities for Financial Administration for the DND and the CAF document.

**Beverages (Boissons)** are non-alcoholic beverages (e.g. coffee, tea, juice) unless otherwise specified.

**Blanket hospitality authority (Autorisation générale pour l'accueil)** is a tool used to provide pre-approval for multiple hospitality activities within the fiscal year that are continuous or repetitive in nature and where it is not practical or administratively efficient to obtain prior approval for each individual occurrence/activity.

**Bulk hospitality approval (Approbation d'activités d'accueil en bloc)** is an effective method of reducing the administrative burden and streamlining the approval of multiple distinct hospitality activities.

**Exceptional hospitality (Activité d'accueil exceptionnelle)** is hospitality that is considered exceptional due to unusual circumstances and is deemed necessary for reasons of courtesy, diplomacy or protocol, or to facilitate the achievement of DND/CAF business. Exceptional hospitality requires approval by the DM or MND (as per note (7) of DoA matrix) and is limited to the following:

- Total hospitality costs for an event or activity exceeding \$10,000;
- Alcoholic beverages provided;

- Food and beverage costs exceeding the standard cost per person (including where these costs exceed the maximum cost per person);
- Entertainment provided;
- Hospitality or entertainment provided to a person accompanying an event participant;
- Hospitality provided at the residence of a public servant (including military quarters); and
- Other exceptional hospitality expenditures which are over and above the exceptional hospitality components listed in Section B.2.2.6 of the TB Directive on THCEE. An example of “other exceptional hospitality” is non-local transportation and accommodations in limited circumstances in accordance with [paragraph 5.16](#), under Other Exceptional Hospitality Expenditures including Non-Local Transportation and Hotel Accommodations, of this policy.

**Gifts (Cadeaux)** are items given willingly to someone without payment (i.e. a present).

**Local transportation/travel (Transport/déplacement local)** for purposes of this policy means transportation/travel within a 100 km radius of the activity or event.

**L1 Advisor (Conseiller de N1)** for purposes of this policy means a civilian L1 Advisor (ADM) or a military L1 Advisor and positions that are equivalent to L1 Advisors as per the Delegation of Authorities for Financial Administration for the DND and the CAF document.

**Meal (Repas)** is the provision of food and accompanying beverages in the form of breakfast, lunch or dinner.

**Non-public servants (Non-fonctionnaires)** for purposes of this policy include but are not limited to persons other than public servants such as foreign military representatives or other officials, Non-Public Property employees, contractors, veterans, volunteers, spouses/accompanying persons, Interchange Canada/Exchange Officers, cadets and the Minister’s exempt staff.

**Protocol (Protocole)** is the official formality and etiquette observed on state occasions according to the documented current practices in the country of a foreign dignitary, representative or official.

**Public servants (Fonctionnaires)** for purposes of this policy include DND employees, CAF members and OGD employees.

**Senior departmental managers (Cadres supérieurs)** for purposes of this policy and to interpret the TB Directive on THCEE and TB Guide to THCEE include all L1 Advisors.

**Single-use plastics (Plastique à usage unique)** are products and packaging that contain plastic materials that are intended to be disposable and generally used only once before they are thrown away or recycled.

***Spousal program (Programme des conjoints)*** is an activity that takes place in Canada involving both the spouses or accompanying persons of public servants and those spouses/accompanying persons of non-public servants (guests of the DND/CAF) participating at a hospitality activity/event.

### **Acronyms**

ADM – Assistant Deputy Minister

ADM(Fin)/CFO – Assistant Deputy Minister (Finance)/Chief Financial Officer

BHA – Blanket Hospitality Authority

CAF – Canadian Armed Forces

CBI – Compensation and Benefits Instructions

CDS – Chief of the Defence Staff

CFO – Chief Financial Officer

Corp Sec – Corporate Secretary

DAOD – Defence Administrative Orders and Directives

DFL 3 – Directorate of Foreign Liaison 3

DFO – Director, Financial Operations

DFP – Director, Financial Policy

DGFOS – Director General, Financial Operations and Services

DGSFG – Director General, Strategic Financial Governance

DM – Deputy Minister

DND – Department of National Defence

DRR – Departmental Results Report

FAA – *Financial Administration Act*

FAM – Financial Administration Manual

FM – Financial Management

GL – General Ledger

IRMC – Investment and Resource Management Committee

L1 – Level One

MND – Minister of National Defence

NJC – National Joint Council

OGD – Other Government Department

OPI – Office of Primary Interest

QR&O – Queen’s Regulations and Orders

RC – Responsibility Centre

RDAO – Regional Departmental Accounting Office

TB – Treasury Board

THCEE – Travel, Hospitality, Conference and Event Expenditures

VCDS – Vice Chief of the Defence Staff

## **Appendix B – Examples When Hospitality Can/Cannot Be Provided**

#	Example	Can Hospitality Be Provided?
1	Alcoholic beverages to public servants	<p>Yes – But limited to when <u>all</u> of the following apply:</p> <ul style="list-style-type: none"> <li>• Non-public servants are attending and providing the alcohol is justified for reasons of courtesy, diplomacy or protocol;</li> <li>• The number of public servants attending is minimized to the extent possible;</li> <li>• Must respect the \$15 Canadian limit per person including gratuities and taxes; and</li> <li>• Limited for the most part to dinners and evening receptions hosted by senior personnel.</li> </ul> <p><u>Note:</u> This is exceptional hospitality that requires DM or MND approval.</p>
2	Entertainment to public servants	<p>Yes – But limited to when <u>all</u> of the following apply:</p> <ul style="list-style-type: none"> <li>• Non-public servants are attending and entertainment is justified for reasons of courtesy, diplomacy or protocol;</li> <li>• The number of public servants attending is minimized to the extent possible; and</li> </ul>

**National Defence – Assistant Deputy Minister (Finance)**  
**Financial Administration Manual (FAM) - Chapter 1017-1 Hospitality Expenditures**

#	Example	Can Hospitality Be Provided?
		<ul style="list-style-type: none"> <li>Tours of the local area provided for non-public servants should remain within a 100 km radius.</li> </ul> <p><u>Note:</u> This is exceptional hospitality that requires DM or MND approval.</p>
3	Local transportation for non-public servant	<p>Yes – See <a href="#">Appendix D</a>.</p> <p><u>Note:</u> Does not require DM or MND approval as exceptional hospitality except when provided to a spouse or other person accompanying a participant to an event/activity.</p>
4	Costs for facilities rental and associated items	<p>Yes – But only when non-public servants are attending and costs are incurred exclusively for holding a hospitality activity.</p> <p><u>Note:</u> Does not require DM or MND approval as exceptional hospitality; however, due diligence must be exercised and the rationale applied must be documented as per <a href="#">paragraph 5.27</a>, under Facilities Rental and Associated Items. See guidance in <a href="#">paragraph 5.38</a>, under Expenditures Not Qualifying as Hospitality, of this policy for circumstances that do not fall under hospitality.</p>
5	Non-local transportation and accommodation for non-public servants	<p>Yes – But only on a limited basis as indicated in <a href="#">Appendix D</a> and <a href="#">paragraph 5.16</a>, under Other Exceptional Hospitality Expenditures including Non-Local Transportation and Hotel Accommodations.</p> <p><u>Note:</u> Requires DM or MND approval as exceptional hospitality.</p>
6	Other exceptional hospitality	<p>Yes – For <u>unusual</u> circumstances that are not specifically covered in this policy. Must be justified for reasons of courtesy, diplomacy or protocol or to facilitate the achievement of DND/CAF business.</p> <p><u>Note:</u> Requires DM or MND approval.</p>
7	Tips and gratuities when meals are provided at a restaurant	<p>Yes – If non-public servants are attending, the provision of the meal meets the criteria for hospitality, and:</p> <ul style="list-style-type: none"> <li>There is no pre-established contract; or</li> <li>There is a contract in place which provides for a tip or gratuity. If so, it must be paid in accordance with the terms and conditions in the contract (i.e., payment of a tip/gratuity as a % of the total amount or a fixed amount).</li> </ul>
8	Meal provided to public servants when the	<p>Yes – But only when:</p>

**National Defence – Assistant Deputy Minister (Finance)**  
**Financial Administration Manual (FAM) - Chapter 1017-1 Hospitality Expenditures**

#	Example	Can Hospitality Be Provided?
	activity extends past normal working hours	<ul style="list-style-type: none"> <li>Only public servants are attending and the requirements in Section B.2.2.3 of the TB Directive on THCEE are met; <u>or</u></li> <li>Non-public servants are attending and providing the meal is considered necessary to facilitate the conduct of DND/CAF business, is necessary for courtesy, diplomacy or protocol and meets DND/CAF program objectives.</li> </ul> <p><u>Note:</u> Claims for reimbursement or allowance under either an employee's Collective Agreement or for a CAF member, the QR&amp;O or CBI, are not considered hospitality. Employees/CAF members cannot receive both hospitality and a reimbursement of meal expenses or allowance for the same meal.</p>
9	Breakfast to non-public servants	Yes – But only when official business takes place during the meal.
10	Breakfast to public servants	<p>Yes – But only when:</p> <ul style="list-style-type: none"> <li>Non-public servants are attending and official business is taking place during the meal; <u>or</u></li> <li>Only public servants are attending and, in addition to the requirements in Section B.2.2.3 of the TB Directive on THCEE, the activity/event spans more than two days with discussions/official business taking place during the meal.</li> </ul>
11	Hospitality at Change of Command ceremonies	<p>Yes – But only when <u>all</u> of the following conditions are met:</p> <ul style="list-style-type: none"> <li>The hospitality is for a commanding officer position of a unit at the rank of Lieutenant Colonel/Commander and above for which a Canadian Forces Organizational Order has been issued creating the unit (e.g. Positions of commanders of operational headquarters, formation commanders, base/wing/ship/unit commanders/commanding officers and commandants of military or staff colleges) or for Deployed Task Force Commanders Outside Canada when required as a matter of official protocol and when the participation of foreign dignitaries is planned;</li> <li>The hospitality is provided at the ceremony itself (i.e. excludes any activities before or immediately after the ceremony); and</li> <li>The hospitality is provided to external guests only, such as mayors, President of the Chamber of Commerce and other external stakeholders in attendance.</li> </ul> <p><u>Note:</u> Change of Command ceremonies require event approval, and hospitality approval is conditional upon event approval.</p>

**National Defence – Assistant Deputy Minister (Finance)**  
**Financial Administration Manual (FAM) - Chapter 1017-1 Hospitality Expenditures**

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#	Example	Can Hospitality Be Provided?
12	Hospitality to public servants at awards ceremonies	Yes – But only when under the DND/CAF's Official Awards and Recognition Program or for activities organized in support of government-wide recognition programs and National Public Service Week.  <u>Note:</u> Awards ceremonies require event approval, and hospitality approval is conditional upon event approval.
13	Hospitality to public servants at meetings held more frequently than quarterly where only public servants are attending	Yes – But only when it meets the requirements of providing hospitality when only public servants are attending in Section B.2.2.3 of the TB Directive on THCEE and there is justification provided for the frequency.  <u>Note:</u> These requests must be approved by the <u>L1 Advisor</u> or a higher level.
14	Hospitality to public servants at meetings held less frequently than quarterly where only public servants are attending	Yes – But only when it meets the requirements of providing hospitality when only public servants are attending in Section B.2.2.3 of the TB Directive on THCEE, is justified and approved by the appropriate approval authority for the hospitality provided.
15	Hospitality for spouse/person accompanying a participant	Yes – But only when it facilitates the conduct of DND/CAF business, is necessary for courtesy, diplomacy or protocol and meets DND/CAF program objectives.  <u>Note:</u> Requires DM or MND approval as exceptional hospitality. See <a href="#">paragraphs 5.33 to 5.36</a> , under Hospitality for Spouses/Persons Accompanying a Participant, for further guidance.

## **Appendix C – List of Previous Policy Instruments Being Replaced by This Policy**

FAM Chapter 1017-1, Management of Hospitality Expenditures dated June 2011

DAOD 1017-0, Hospitality in Canada dated January 30, 1998

DFP Memorandum (7356-7-22), Policy Guidance - Hospitality Approval in Arrears dated September 2012

DFP Memorandum (7356-0), Treasury Board (TB) Directive on Travel, Hospitality, Conference and Event Expenditures - Delegation of Authorities dated April 15, 2015, paragraphs 9-11

DFP Memorandum (7356-0), Revisions to the TB Directive on Travel, Hospitality, Conference and Event Expenditures dated August 18, 2017, Annex B paragraphs 3-7 and Annex C Section II

DFP Memorandum (7356-0), Revisions to the TB Guide to Travel, Hospitality, Conference and Event Expenditures dated February 7, 2018, paragraph 8

## **Appendix D – Non-Public Servant Travel Authorized as Hospitality**

Type of Traveller and Purpose of Travel	Type of Travel		Authority to Reimburse
	Local	Non-Local	
<b>SPOUSE/OTHER ACCOMPANYING PERSON AND FAMILY OF DND EMPLOYEE/CAF MEMBER</b>			
Travel to attend a hospitality activity or event as a guest (including awards and recognition ceremony)	Local		Exceptional Hospitality – TB Directive on THCEE Sections B.2.2.5.3 and B.2.2.6.6
<b>FOREIGN DIGNITARIES/MILITARY REPRESENTATIVES AND OTHER OFFICIALS</b>			
Travel to attend a hospitality activity or event as a guest	Local		Hospitality – TB Directive on THCEE Section B.2.2.5.3
	Non-Local		Exceptional Hospitality – TB Guide to THCEE Section B.5.5
<b>OTHER NON-PUBLIC SERVANTS NOT INCLUDED ABOVE</b>			
Travel to attend a hospitality activity or event as a guest	Local		Hospitality – TB Directive on THCEE Section B.2.2.5.3

### **Notes:**

- Hospitality authority can be used when there is no specific authority already in place (e.g. CBI, Vote 10 Transfer Payment program authority, QR&O, etc.) for the proposed travel. In these circumstances, the applicable GL code and other requirements for hospitality that are stated in this policy apply.
- When hospitality authority cannot be used and there is no existing authority for the proposed travel, an underlying authority must be sought. A contract/volunteer agreement can provide this authority but is limited to circumstances when the non-public servant is performing government business. For significant/major activities, an Order in Council from the Governor in Council must be sought using a TB submission. The use of the Minister's Ex Gratia authority can be considered only in very limited circumstances and for non-recurring activities. Some or all of the THCEE requirements for travel



expenditures will apply, depending on the specifics of the underlying authority used for the travel.