



Hospitality and Conference Policy	
Effective Date	April 1, 2015
Purpose	That hospitality and conference expenditures are managed with prudence and probity and represent the most economical and efficient use of funds given the nature of the activity in relation to the achievement of the Canada Council for the Arts core mandate.
Scope	Canada Council for the Arts (Council)
Responsibility	Employees of the Canada Council for the Arts
Accountability	Director, Finance and Administration/Chief Financial Officer (CFO)
Documentum File No	
Approval	
Related Canada Council Policies	Travel Policy, Performance Ticket Reimbursement Policy, Values and Ethics

1. OBJECTIVE

That hospitality and conferences expenditures are managed with prudence and probity and represent the most economic and efficient use of funds given the nature of the activity in relation to the achievement of Council's core mandate.

2. DEFINITIONS

Business meetings: meetings conducted to advance Council's objectives, including internal working sessions and meetings with stakeholders, work planning meetings, advisory and corporate management committees, consultation meeting and staff retreats. Typically, meetings that take place as part of sound management and governance, including meetings of Board of Directors Committees, are considered business meetings.

Conferences: refers to a congress, convention, seminar, symposium, forum, summit or other formal gathering, which are usually organized by a third party external to government, where participants debate or are informed of the status of a discipline (e.g. Arts, Culture, economics, technology, management). Guest speakers are often part of such conferences that involve employees and/or non-employees. It should be noted that training seminars or courses that provide training are not considered as conferences.

Events: include business meetings and corporate management meetings, conferences as well as any other formal gathering of employees or non-employees invited to participate in these activities including prestigious ceremonies, awards and recognition ceremonies. An event may be but is not limited to an official launch or announcement, an annual general public meeting, an arts conference and a forum.

It should be noted that the delegation of authority limits related to events are not applicable to meetings or activities whose sole purpose is the direct delivery of core Council mandates, including examples such as peer assessment meetings and prize ceremonies organized by the Council.

Hospitality: consists of the provision of meals, beverages or refreshments to non-employees in events which are necessary for the effective conduct of Council business and for courtesy, diplomacy or protocol purposes. In some circumstances and within restrictions defined in this directive, hospitality can also be provided to employees. Exceptionally, in situations involving non-employees, it may also include entertainment, local transportation to and from events as well as other reasonable measures deemed appropriate for reasons of courtesy, diplomacy or protocol.

Employee - a person who is employed by the Council and includes:

- a. Regular full-time – a permanent employee who regularly works 37.5 hours per week on average.
- b. Regular part-time – a permanent employee who regularly works less than 37.5 hours per week.
- c. Term – an employee hired for a defined period of at least six (6) months.

- d. Casual—an employee who is hired for a defined period of less than six (6) months, or is assigned work on an intermittent basis.

Non-employee: is any person who is not currently paid a salary by the Council.

Reception: an extended period between when attendees arrive and when the meal is served, these might also serve the purpose of sustaining attendees during the wait before a meal. Reception food may also be served with no main meal afterward if circumstances dictate.

Refreshments: include beverages or food (e.g. light snacks) or both, that do not constitute a normal meal but are served between meals.

Significant variance: variance of more than 10%.

3. ADMINISTRATIVE RESPONSIBILITY

3.1 The **Audit & Finance Committee** of the Board of Directors is responsible for:

3.1.1 Approving the total annual budgets for hospitality and conference.

3.1.2 Approving Council delegation of authority matrix relative to Hospitality.

3.1.3 Reviewing on a quarterly basis the hospitality and conference expense claims of the Director and Board members.

3.1.4 Reviewing on an annual basis the total hospitality and conference expenses for the Council.

3.2 The **Director and CEO** is responsible for:

3.2.1 Recommending the Council total annual budgets for hospitality and conferences and approves the divisional related budgets.

3.2.2 Ensuring that effective oversight and control mechanisms are in place so:

- a. An accountability framework, decision support and reporting system is in place to manage approval processes;
- b. Means to avoid or minimize hospitality and conference costs have been considered in the approval process; ensuring the most economical means considering the location and the scale of activities or events; the minimum number of appropriate attendees are selected;
- c. Individual proposals for hospitality and conferences are reasonable and appropriate, and support the Council's mandate, objectives and priorities;
- d. Expenditures with respect to the annual budgets for hospitality and conferences are periodically reviewed during the year and managers with financial authorities have access to timely reporting to support effective monitoring and fiscally prudent decisions; and

- e. The requirements for hospitality and conferences authorization set out in appendix 1 are applied.

3.2.3 Under the authority of the Audit and Finance Committee of the Board of Directors, approving Council delegation of authority matrices relative to hospitality and conferences.

3.2.4 Disclosing the total annual expenditures for hospitality and conferences for the Council, to the Audit and Finance Committee of the Board of Directors, including a brief description of the significant variances from the previous year's actual expenditures and budget. The timing of this disclosure is to coincide with the presentation and endorsement of the Annual Financial Statements.

3.3 The Director of Finance and Administration, **Chief Financial Officer (CFO)** is responsible for:

3.3.1 Providing the Director and CEO with independent and objective advice and recommendations on the annual budgets and proposals, priorities and expenditures pertaining to the management of hospitality and conferences expenditures.

3.3.2 Supporting the Director and CEO and other Executive Management Group members in establishing sustainable and robust plans, policies, financial management systems, decision support information, monitoring and reporting necessary to meet the requirements of this policy.

3.3.3 Reviewing the Director and CEO hospitality and conference expenses prior to recommendation of approval to the Audit and Finance Committee.

3.3.4 Supporting quarterly reviews of expenditures necessary to meet the requirements of this policy.

3.3.5 Ensuring that delegated financial authorities and associated responsibilities relative to hospitality and conferences are clearly communicated, and adhered to by managers.

3.4 **Managers with delegated financial authorities** are responsible for:

3.4.1 Ensuring that within their areas of responsibility:

- a. Means to avoid or minimize hospitality and conference costs have been considered in the approval process, ensuring the most economical means considering the location and the scale of activities or events; and only the minimum number of appropriate attendees are selected;
- b. Individual proposals and expenditure decisions for hospitality and conferences demonstrate that they are necessary to achieve Council's core mandates, objectives or priorities while demonstrating value for money;
- c. Expenditures with respect to hospitality and conferences are monitored throughout the year and, are reviewed and assessed on a quarterly basis to ensure continued relevance.

3.5 The **Head of Finance** is responsible for the interpretation and administration of this policy and the Director, Finance and Administration CFO, has the final authority for this policy and its subsequent changes.

3.6 All **employees** receiving hospitality are responsible for ensuring that they do not seek reimbursement for equivalent meals or refreshments as a part of a travel claim or other expense claim.

4. **POLICY, STANDARDS AND PROCEDURES**

Council must at all times maintain effective oversight mechanisms, accountabilities and controls in place for hospitality and conferences to ensure:

- a. expenditures incurred are focused on achieving the Council's core mandate;
- b. expenditures are minimized and where they are necessary are managed in an effective, efficient and economical manner.

4.1 Hospitality

4.1.1 The provision of food and beverages is acceptable in accordance with the standard and maximum per person cost limits below. These limits are based on the effective allowances set out by the Government of Canada through Treasury Board Secretariat and reflect the eligible amount per person for various hospitality costs.

- a. The Standard Cost per Person is the expected meal cost per person to be applied in normal circumstances, particularly for events involving Council and other federal government persons only, and are approved by the appropriate delegated authority (appendix 1);

Table 1: Standard Food and beverage Cost Per Person Per Day	
Food and beverages	Standard Cost per Person
Breakfast	1.5x Breakfast Allowance
Refreshment	0.5x Breakfast Allowance
Lunch	2.0x Lunch Allowance
Reception	2.0x Breakfast Allowance
Dinner	1.75x Dinner Allowance

Meal allowances above refer to guidance as referred to on the Treasury Board Secretariat website: <http://www.njc-cnm.gc.ca/directive/travel-voyage/s-td-dv-a3-eng.php>

4.1.2 When the standard cost per person is exceeded, the maximum shall not be more than 1.5x Standard Cost per person (refer to Table 1). A cost per person

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exceeding the Standard Cost and up to the Maximum Cost per person is to be applied only in exceptional circumstances, justified by the type of event, the status and nature of participants and for reasons of courtesy, diplomacy and/or protocol. The Director and CEO is the approval authority for these proposed hospitality costs.

4.1.3 The standard for hospitality is the provision of non-alcoholic beverages. The provision of alcoholic beverages is only permitted in special circumstances where it is a matter of courtesy, diplomacy or protocol involving external stakeholders. Alcoholic beverages will not be provided as hospitality at events involving only Council employees.

4.1.4 Council's employees can be provided hospitality only in situations where:

- a. employees are required to participate in operations, business meetings, training or events that extend beyond normal working hours. This includes situations where employees are required to work through normal break and meal periods. It may include situations where there are no nearby or appropriate facilities to obtain refreshments or meals and/or where staff dispersal is not effective or efficient;
- b. employees are required to be part of an event, or to participate in a Council's hosted celebratory event or conference, which includes participants that are not employees of the Government of Canada and for whom hospitality will be provided as a matter of courtesy, diplomacy or protocol.

4.1.5 Council may provide hospitality in events where it is a matter of courtesy, diplomacy or protocol or is necessary to facilitate the achievement of the Council's business.

- a. Council may provide peer assessors or board members with hospitality for efficiency purposes given that no related meal allowance will be provided. The employees directly supporting the jury members during the assessment process and employees participating in the Board of Directors meetings may also be provided with hospitality if required to partially work through normal break or meal period.

4.2 Conference

4.2.1 The objective of attending a conference will be principally to support the delivery of the core mandate of the Council and should be specified in the applicable conference pre-approval document. Where travel is involved the travel authorization elements of the travel policy and directives will apply.

4.2.2 The number of employees attending a conference will be the minimum necessary to achieve the Council objective.

4.2.3 When Council is organizing a conference or event, it will consider the availability and appropriateness of virtual presence or other remote meeting solutions to minimize costs for participating organizations and participants, and will use available Council facilities as a first choice.

4.3 Hospitality and conference authorization

4.3.1 Director and CEO approval is required when any of the following situations apply:

- a. Total hospitality costs associated with an event exceed \$5,000; or
- b. Alcoholic beverages will be provided; or
- c. Food and beverage costs exceed the standard cost per person (Table 1); or
- d. Hospitality will be provided to a spouse or to a person accompanying an event participant; or
- e. Hospitality paid by the Council will be extended at the residence of an employee.

4.3.2 CFO approval of hospitality is required when the total hospitality costs exceed \$1,500 but are \$5,000 or less and none of the situations listed in 4.3.1 are applicable.

4.3.3 Members of the Executive Management Group may approve hospitality costs that are \$1,500 or less, and none of the situations listed in 4.3.1 are applicable.

4.3.4 With the exception of the Director and CEO, an individual who is a participant at a hospitality event or conference may not approve the related costs. In such circumstances, the approval of higher authority is to be obtained.

4.3.4 Head of Sections and Office/Special Events Coordinators may approve hospitality for peer assessment committee, advisory committee and prize ceremony if less than \$1,500 and none of the situations listed at 4.3.1 are applicable.

4.3.5 Director and CEO has authority to provide for awards to employees and may approve hospitality as part of a related recognition ceremony consistent with this Policy.

4.3.6 When more than three employees will be attending the same conference or forum which constitutes an event, the total planned conference or events costs will be provided for pre-approval to the appropriate approval authority as defined under Appendix 1.

4.4 Source of funds

4.4.1 Council will seek to fund hospitality expenses via sponsorship or private donation when possible.

4.5 Reporting and Control

4.5.1 Council shall maintain appropriate internal controls and an associated monitoring system in place to support periodic reviews of hospitality and conference expenditures.

4.5.2 Council shall proactively disclose, on a quarterly basis, all hospitality expenses for selected senior officials on its website

4.5.3 Any exception to this policy must have the prior written approval of the Director and CEO.

4.5.4 The CFO is responsible for supporting the Director and CEO by overseeing the implementation and monitoring of this Policy; bringing to the Director and CEO's attention any significant difficulties, gaps in performance or compliance issues and developing proposals to address them; and reporting significant performance or compliance issues to the Audit and Finance Committee of the Board of Directors.

5. CONSEQUENCES

5.1 In instances of non-compliance, Director and CEO is responsible for taking corrective measures with those responsible for implementing the requirements of this Policy.

5.2 In support of the responsibility of Director and CEO, CFO is to ensure corrective actions are taken to address instances of non-compliance with the requirements of this Policy. Corrective actions can include: requiring additional training, changes to procedures and systems, the suspension or removal of delegated authority, disciplinary action and other measures as appropriate.

Appendix 1 Authority for Pre-approval

Type of hospitality:	Director and CEO	CFO	Divisional Directors	Heads and Office/Special Event Coordinators
Hospitality for a single function over \$5,000	X			
Hospitality for single function up to \$5,000	X	X		
Hospitality for single function up to \$1,500	X	X	X	
Hospitality for peer committees, advisory committees and prize related ceremonies up to \$1,500	X	X	X	X
Alcoholic beverages	X			
Hospitality at private residence	X			
Exceeding Standard limit of cost per person	X			
Inclusion of spouse	X			
Exceptions	X			

	Director and CEO	CFO	Divisional Directors
Events with more than 3 employees from Council AND costs in excess of \$1,500*	X	X	X
Events with more than 10 employees from Council OR costs in excess of \$5,000*	X	X	
Events with more than 15 employees OR costs in excess of \$25,000*	X		

*For the calculation of the total Council's costs for a single event in order to determine the required approval authority, total costs are to include items such as conferences fees, professional services charges, hospitality, accommodation, transportation, meals, taxes, gratuities and service charges, costs. These costs exclude salary costs and other Council fixed operating costs as part of the on-going operations.