

The Service Charge Feasibility Study is examining these issues which require much analysis and an extensive consultation process.

Q. Does cost-sharing mean that the post must cover part of the cost of providing the service?

A. No. For the purpose of these guidelines, the post does not have to cover any of the costs associated with the delivery of an additional service. Cost-sharing is a Treasury Board term which was typically used to share the costs of providing certain services among several Canadian clients (i.e. participation in a mission) but it can equally apply to one client.

Q. How do I go about cost-sharing?

A. Once you have determined that you would like to enter into a cost-sharing agreement to cover the costs of hiring an outside contractor on behalf of a client to provide the requested additional service (i.e. program of appointments and meetings), you must follow the three steps to cost-sharing:

1. Prepare a Cost-Sharing Agreement;
2. Assign a project number and inform key parties; and
3. Charge expenses to a Specified Purpose Account.

Q. Can we include overtime incurred by CBS and LES in a cost-sharing agreement?

A. No. Posts cannot include the time of CBS and LES to arrange for the delivery of additional services. Those services (e.g. a program of appointments and meetings) will be provided by an outside party and the Post acts as an intermediary.

Q. Can a Post hire a qualified local contact to provide the required additional services?

A. Yes. Once the Post has determined that the required additional services cannot or will not be referred, a qualified local contact can be hired and a cost-sharing arrangement can be set up. If, for some unlikely reason, the Post pays that person from its operating budget, it will be necessary to do a journal voucher to credit the operating budget and charge the Specified Purpose Account.

Q. What happens if the funds received in advance by the Post are not spent by the end of the FY?

A. The funds in a Specified Purpose Account are automatically carried over into the next fiscal year with no penalty and used to deliver the services as specified in the cost-sharing Agreement.

Q. Does cost-sharing apply to business clients and institutional clients alike?

A. Yes. The principle is the same but the mechanism differs slightly depending on the type of institutional client. In the case of Other Government Departments (OGDs), funds must be deposited into their existing Suspense Accounts with DFAIT. In the case of other institutional clients the same procedure applies as with Canadian business clients.

Q. Does cost-sharing apply to Trade Fairs and Missions activities?

A. No. Since 1996 the Department uses net voting to spend funds received during the FY from Trade Fairs and Missions activities. Prior to that, since 1991 the Department used cost-sharing.

Separate guidelines and another template agreement are being developed for trade and investment missions. We are currently investigating this matter to ensure the most efficient mechanism is followed. In the meantime, you may contact the Post Support Unit.

Q. Can a Post include rental of office or display space in a cost-sharing agreement?

A. Yes, if it involves space outside the Post. But... no, a Post cannot lease out its own space. However it could include the set-up and clean-up costs associated with making the space available to the client. We are currently seeking further clarification on this matter from the Physical Resources Bureau (SRD) which is a Special Operating Agency within DFAIT with net