



National Defence

Défense nationale

National Defence Headquarters
Ottawa, Ontario
K1A 0K2

Quartier général de la Défense nationale
Ottawa (Ontario)
K1A 0K2

MAR 23 2007

COS VCDS / CEM VCEMD

CR

DMCS NO 71688

SCANNED INTO DMCS

29 MAR 2007

FILE NO. 7331-1

Computer PA Actioned

JB 29 Mar 07
(init) (Date)

MORALE AND WELFARE PROGRAMS IN THE CANADIAN FORCES – PUBLIC SUPPORT TO MORALE AND WELFARE PROGRAMS AND NON-PUBLIC PROPERTY MANUAL

PROGRAMME DE BIEN-ÊTRE ET DE MAINTIEN DU MORAL DANS LES FORCES CANADIENNES – MANUEL SUR L'APPUI DU PUBLIC AUX PROGRAMMES DE BIEN-ÊTRE ET DE MAINTIEN DU MORAL ET SUR LES BIENS NON PUBLICS

1. The enclosed policy manual, A-PS-110-001/AG-002 Morale and Welfare Programs in the Canadian Forces – Public Support to Morale and Welfare Programs and Non-Public Property, Volume 1, is the authority for Public support to Canadian Forces Morale and Welfare (MW) programs administered by the Canadian Forces Personnel Support Agency (CFPSA) and Non-Public Property (NPP). This new manual replaces any previous editions on Public support to MW programs administered by CFPSA and NPP.

1. Le manuel des politiques ci-joint (A-PS-110-001/AG-002, Programmes de Bien-être et de maintien du moral dans les Forces canadiennes – Soutien public aux programmes de bien-être et de maintien du moral et des biens non publics), Volume 1, fait autorité en ce qui a trait à l'appui du public envers les programmes de bien-être et de maintien du moral (BEMM) gérés par l'Agence de soutien du personnel des Forces canadiennes (ASPFC) et pour les biens non publics (BNP). Ce nouveau manuel remplace toute édition précédente sur l'appui du public aux programmes de BEMM gérés par l'ASPFC et les BNP.

2. This new manual contains all the Public and NPP statutory, financial and regulatory authorities regarding MW and NPP. Where a contradiction may exist between this manual and any other policy dealing with MW programs administered by CFPSA or the Public support to these programs, the policies in this manual shall take precedence.

2. Le nouveau manuel contient toutes les autorisations légales, financières et réglementaires à l'égard du BEMM et des BNP. Quand il existe une contradiction entre le présent manuel et toute autre politique portant sur les programmes de BEMM gérés par l'ASPFC ou le soutien public à ces programmes, les politiques du présent manuel prévalent.

3. It also reflects changes in bases, wings and formations that

3. Il rend compte des changements qui sont survenus dans les bases, les

1/2

Canada

have occurred over the past 20 years, identifies the significant role played by CFPSA since 1996, and includes recently-approved MW programs. It recognizes that MW programs have transitioned to operating budgets and business plans in the same manner as have all other aspects of the Defence Services Program. In this context, the manual provides the maximum levels of Public support that may be authorized by the approving authority in support of MW programs and NPP, and recognizes that the maximum level of Public support is not an entitlement. The manual confirms that Personnel Support Programs are an integral part of the departmental-approved program, and that NPP programs and activities continue to be authorized Public support as the department continues to fulfill some of its good employer responsibilities through NPP.

4. The VCDS is issuing this policy on our instructions. This new policy manual will provide the staffs at unit, base/wing, formation and NDHQ levels with long-awaited confirmation of departmental policy on Public support for MW programs administered by CFPSA and for NPP.

Le Sous-ministre,

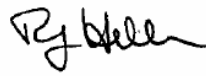

W.P.D. Elcock
Deputy Minister

2/2

escadres et les formations au cours des 20 dernières années, détermine le rôle important joué par l'ASPFC depuis 1996 et comprend les programmes de BEMM qui ont été approuvés récemment. Il reconnaît que les programmes de BEMM sont passés dans les budgets de fonctionnement et les plans d'activités de la même manière que tous les autres aspects du Programme des services de la Défense. Dans ce contexte, le manuel offre les niveaux maximaux d'appui public qui peuvent être autorisés par l'autorité approbatrice en appui aux programmes de BEMM et des BNP et reconnaît que le niveau maximal d'appui public n'est pas un droit. Le manuel confirme que les programmes de soutien du personnel sont une partie intégrale des programmes approuvés par le Ministère et que les programmes et les activités BNP continuent d'être un appui public autorisé. Le Ministère continue de remplir certaines de ses responsabilités de bon employeur grâce aux BNP.

4. Le VCEMD émet cette politique selon nos recommandations. Ce nouveau manuel de politique offrira au personnel des unités, des bases/escadres, des formations et des niveaux au QGDN une confirmation sur l'appui public envers les BNP et les programmes BEMM gérés par l'ASPFC.

Le Chef d'état-major de la Défense,


Le Général R.J. Hillier
General
Chief of the Defence Staff

A-PS-110-001/AG-002
Morale and Welfare Programs in the Canadian Forces

Volume 1
Public Support for
Morale and Welfare Programs and
Non Public Property

23 March 2007

Morale and Welfare Programs in the Canadian Forces

Volume 1 Public Support for Morale and Welfare Programs and Non-Public Property

Table of Contents

| | |
|--|----------|
| Chapter 1- Canadian Forces Morale and Welfare (MW) Programs | 1 |
| Section 1 - General | 1 |
| Scope and Application..... | 1 |
| Authority and Precedence | 1 |
| Words and Phrases | 1 |
| Amendment..... | 2 |
| Related References | 2 |
| Section 2 - MW Programs Overview..... | 4 |
| MW Programs Defined..... | 4 |
| Evolution MW Program Delivery Model..... | 4 |
| Categories of MW Programs for Funding Purposes | 7 |
| TB Authority for Public Support to NPP MW Programs..... | 8 |
| Recovery from NPP | 8 |
| Section 3 – Principles for Public Support to MW Programs | 10 |
| General..... | 10 |
| Section 4 - Access Policy for MW Programs | 12 |
| Overview | 12 |
| Access to MW Programs..... | 12 |
| Chapter 2 – Non-Public Property (NPP)..... | 1 |
| Section 1 - General | 1 |
| Role of NPP | 1 |
| Nature of NPP | 1 |
| Staff of the Non-Public Funds, Canadian Forces | 4 |
| Unregulated Activities..... | 5 |
| Section 2 - NPP Use of Federal Real Property..... | 6 |
| Aim | 6 |
| Cost Recovery for NPP use of Federal Real Property..... | 7 |
| Third Party use for NPP Purposes | 7 |
| Nationally Branded Services..... | 7 |
| Market Value..... | 7 |
| Collection and Distribution of Revenue | 8 |
| Section 3 – Transfer of NPP Goods from CANEX to the Public | 9 |

| | |
|---|----------|
| Authority | 9 |
| Limitations..... | 9 |
| Transfer Process..... | 9 |
| Audit and review | 10 |
| Section 4 – Canadian Forces Museums | 11 |
| Role and Status | 11 |
| Public Support | 11 |
| Section 5 – Ships NPP Resale Operations | 12 |
| Chapter 3 – CFPSA Administration of MW Programs and Activities | 1 |
| Section 1 – CFPSA..... | 1 |
| DND/CF Support | 1 |
| CFPSA Mission, Role and Objectives..... | 1 |
| Organization..... | 1 |
| CFPSA Leadership | 1 |
| Section 2 – Personnel Support Programs..... | 3 |
| General..... | 3 |
| Messes and Service Clubs | 3 |
| Military Fitness and Sports..... | 5 |
| Military Family Services Program | 5 |
| Health Promotion Program..... | 7 |
| Deployed Operations..... | 8 |
| Community Recreation Programs | 9 |
| Specialty Interest Activities | 10 |
| Section 3 - CANEX..... | 11 |
| General..... | 11 |
| Organization..... | 11 |
| CANEX Resale Operations | 11 |
| Section 4 – SISIP Financial Services (SISIP FS) | 14 |
| General..... | 14 |
| Organization..... | 14 |
| Insurance Services Division..... | 14 |
| Financial Planning Division..... | 14 |
| Section 5 – Finance and Informatics..... | 17 |
| Finance | 17 |
| Chief Financial Officer | 17 |
| NPF Accounting..... | 17 |
| Informatics..... | 17 |
| Section 6 – Human Resources..... | 18 |
| Responsibilities of the CDS and COs for NPF Staff..... | 18 |
| Responsibilities of HR Division | 18 |
| Organization of HR Support | 19 |
| Section 7 - Internal Audit and Review | 20 |
| General..... | 20 |
| Chapter 4 – Cost Elements of Public Support | 1 |
| Section 1 – General | 1 |
| Designation of Specific Units in Canada | 1 |

| | |
|--|----------|
| CF Ships and Units Outside Canada | 2 |
| Section 2 – Cost Elements..... | 3 |
| Cost Elements..... | 3 |
| Personnel..... | 3 |
| Facilities..... | 7 |
| Maintenance, Utilities, Basic Services and Cleaning..... | 10 |
| Equipment and Furnishings | 11 |
| Supplies..... | 13 |
| Transportation | 14 |
| Communications Equipment and Services..... | 16 |
| Chapter 5 – Public Support to MW Programs | 1 |
| Section 1 – General | 1 |
| Level of Public Support | 1 |
| Support for CFPSA HQ and Regional Offices | 1 |
| Section 2 – Messes and Service Clubs | 2 |
| General..... | 2 |
| Mess Manager | 2 |
| Furnishings | 2 |
| Support for Mess Dinners or Mess Ceremonial Events..... | 2 |
| Section 3 – Military Fitness and Sports Program | 4 |
| General..... | 4 |
| Rental of Facilities..... | 4 |
| CFPSA Training Centre..... | 4 |
| Royal Military College (RMC)..... | 4 |
| CF National Sports | 5 |
| International Military Sports Council (CISM) | 5 |
| Physical Fitness Maintenance Grant (PFMG)..... | 5 |
| Section 4 – Military Family Services Program | 6 |
| General..... | 6 |
| Accommodations..... | 6 |
| Section 5 - Health Promotion Program (HPP) | 8 |
| Section 6 – Community Recreation Programs | 9 |
| Section 7 – Specialty Interest Activities..... | 11 |
| Section 8 - CANEX | 12 |
| General..... | 12 |
| CANEX Operated Cafeterias and Snack Bars..... | 12 |
| CANEX Operated TB Supported Eating Establishments | 12 |
| Section 9 – SISIP FS..... | 15 |
| Section 10 – Finance and Informatics | 16 |
| Section 11 – Human Resources (HR) | 17 |
| Section 12 – Internal Audit and Review | 18 |
| General..... | 18 |
| Additional Public Support | 18 |
| Acronyms | 1 |
| Terms and Definitions..... | 1 |

CHAPTER 1- CANADIAN FORCES MORALE AND WELFARE (MW) PROGRAMS

SECTION 1 - GENERAL

SCOPE AND APPLICATION

1. This manual provides:
 - a. policies for the organization, control and administration of morale and welfare (MW) programs within the Canadian Forces (CF) that are administered by the Canadian Forces Personnel Support Agency (CFPSA);
 - b. authority for Public funding of MW programs; and
 - c. policies for the governance and use of Non-Public Property (NPP) in support of MW programs.
2. This manual applies to CF members, DND Public Service employees and employees of the Staff of the Non-Public Funds, Canadian Forces, who are responsible for MW programs or NPP. This manual replaces A-PS-110-001/AG-002 - Policy Governing Operation of Personnel Support Programs in the Canadian Forces, Volume 1.

AUTHORITY AND PRECEDENCE

3. This is a Vice Chief of the Defence Staff (VCDS) policy. Where a contradiction exists between this manual and any other policy dealing with MW programs or Public support to these programs, the policies in this manual shall take precedence.

WORDS AND PHRASES

4. Words and phrases used in this policy have the common approved meaning given in the Concise Oxford Dictionary if in English, or in Le Petit Robert if in French, except that:
 - a. technical words and phrases, and words that have acquired a special meaning within the CF shall have that special meaning; and
 - b. words and phrases that are defined within Queen's Regulations and Orders (QR&O) or within the *Interpretation Act*, or the *National Defence Act* (NDA) shall have that meaning.
5. Unless the contrary intention appears, words in the singular include the plural and words in the plural include the singular.
6. In this policy:
 - a. "may" is permissive and "shall" is imperative;
 - b. "should" is informative only;
 - c. "practicable" means "physically possible";
 - d. "practical" means "reasonable in the circumstances", and
 - e. "public" with an upper case "P" refers to the Crown in right of Canada.

7. In this policy, the term “unit” is interpreted to include a CF base, wing, garrison, station, support unit, or Her Majesty’s Canadian Ship (HMCS) .
8. The term “Commanding Officer” (CO), except when the Chief of the Defence Staff (CDS) otherwise directs, shall mean an officer in command of a base, wing, garrison, station, support unit, or other element of the CF.
9. A list of terms and definitions relevant to this policy is provided at the end of this manual.

AMENDMENT

10. Requests for amendment to this policy and requests for special rulings shall be forwarded via the chain of command to:
 - a. VCDS for issues related to Public support for MW programs;
 - b. Chief of Military Personnel (CMP) for issues related to the administration of MW programs;
 - c. ADM(Fin CS) for issues related to the Public financial management control framework;
 - d. ADM(IE) for issues related to Federal Real Property; and
 - e. CEO CFPSA for issues related to the administration of NPP, including those requiring CDS approval.
11. CFPSA shall issue all NPP policy clarifications, policy changes and new policies.

RELATED REFERENCES

12. This manual provides information required for Public support to MW programs administered through CFPSA and NPP governance. Policy direction in the following documents has been incorporated in this manual:
 - a. Treasury Board Minute Number 689194 (TB minute 689194), 20 Jun 69;
 - b. NDHQ Action Directive D8/89, 18 Oct 89;
 - c. VCDS Instruction 3/96, 18 Jul 96;
 - d. CDS Direction on Unregulated Activities and Internal Competition on Bases and Wings, 19 Jan 98;
 - e. CDS Guidance Canadian Forces Morale and Welfare Programs, 26 Jan 04;
 - f. CDS Direction Canadian Forces Personnel Support Agency, 15 Dec 04;
 - g. Current Service Level Agreement (SLA) between CFPSA and Commander Canadian Expeditionary Force Command.
13. Information on the administration of MW programs is contained in:
 - a. DAOD 9003-1, Non-Public Property Governance Framework, Chief of Military Personnel and the Non-Public Property Board;
 - b. A-AD-262-000/AG-000, Mess Administration;

- c. A-PS-191-004/FP-001, Policy governing the operation of the Canadian Forces Exchange System;
 - d. A-FN-105-001/AG-001, Policy and Procedures for Non-Public Property Accounting;
 - e. A-FN-110-001/AG-E01, The Naval Non-Public Funds Manual;
 - f. Human Resources Policy for Staff of the Non-Public Funds, Canadian Forces Manual; and
 - g. Military Family Services Program: Parameters for Practice.
14. The following amplify specific MW issues:
- a. Orders, instructions, or directives applicable to Command operations; and
 - b. Financial Administration Manual Chapter 1019-8, Reporting and Recovery of Public Support to Shared Activities of Personnel Support Programs.
15. The Provision of Services to Non-Defence Agencies policy does not apply to any aspect of MW programs and NPP. Public support to MW programs and NPP described in this manual is part of the Defence Services Program (DSP).

SECTION 2 - MW PROGRAMS OVERVIEW

MW PROGRAMS DEFINED

16. The MW programs described in this policy are those administered by CFPSA using a combination of Public and NPP resources. MW programs are a chain of command responsibility, an essential component of the operational readiness and effectiveness of the CF, and contribute to the well being of CF members and their families.

17. While there are other CF activities, such as social work and chaplain programs that contribute to the well being of CF members and their families, CFPSA does not administer these activities, and, for the purpose of this policy, they are not considered MW programs.

EVOLUTION MW PROGRAM DELIVERY MODEL

FROM 1968 TO 1996

18. The provision of MW programs through a combination of Public and NPP resources is a long-standing, accepted and effective practice that is consistent with the underlying statutory and legal framework of NPP.

19. Prior to Unification of the CF, virtually all NPP activities were controlled and managed at the local level. A study by Rear Admiral C.J. Dillon in 1966 made far-reaching recommendations for a common system of NPP control and administration. In 1969, TB minute 689194 introduced the concept of delivering MW programs through a combination of Public and NPP resources. The implementation of Rear Admiral Dillon's report and approval of TB minute 689194 shaped the conduct of MW program delivery in the CF for the next thirty years.

20. Immediately upon Unification in 1968, the Director General Personnel Services (DGPS) was created, reporting to the Chief of Personnel. DGPS was responsible for NPP operations and Publicly funded fitness training and sports programs. At the same time, most resale activities were consolidated under the newly created CANEX.

21. In 1969, NPP funds held independently by units of the three services were consolidated into the Canadian Forces Central Fund (CFCF). The CFCF committee was created to provide guidance for NPP and Messes of Regular Force units. Service Income Security Insurance Plan (SISIP) was created as an organization within Director General Compensation and Benefits (DGCB) to provide insurance services, and the Canadian Forces Personnel Assistance Fund (CFPAF) was created to provide financial assistance for CF members.

22. In 1971, the CDS created the Non-Public Fund Board of Directors (NPF BOD) to assist him in administering NPP. In 1974, TB approved A-PS-110-001/AG-002 and DND/CF issued this policy manual under authority of the CDS. This served as the principle authority for the provision of Public support to MW programs until 2007.

23. The NPF BOD assumed direct oversight for NPP activities, including the CFCF in 1974, the CFPAF in 1991, and SISIP and CANEX in 1996. Independent boards or committees had controlled these NPP activities previously.

CREATION OF THE CANADIAN FORCES PERSONNEL SUPPORT AGENCY (CFPSA)¹

24. In 1996, the Defence Management Committee introduced a new “MW” concept that was implemented in the CF through VCDS Instruction 3/96. This instruction marked three significant milestones in the delivery of MW programs:

- a. DGPS was reorganized as CFPSA, a NPP organization. DGPS became the President and CEO CFPSA, a civilian appointment, responsible to ADM(HR-Mil)² and responsive to the NPF BOD;
- b. all elements of Public and NPP MW programs delivery were consolidated under a single NPP organization, CFPSA; and
- c. specific Public MW programs were delivered through the NPP organization administered by CFPSA, with the cost of implementation reimbursed by the Public to NPP.

25. To deliver Public MW programs through NPP, in 1996 CFPSA was funded for 427 NPF Staff who replaced 499 military positions. The number of Publicly Reimbursed NPF Staff has increased since that time as the number of Public MW programs delivered through CFPSA has grown.

26. In 2002, the CDS replaced the term “Personnel Support Programs (PSP)” with “Morale and Welfare (MW) Programs”. With this change, the term PSP refers to only the sub-set of MW programs delivered by the Executive Vice President Personnel Support Programs.

27. In 2003, the publication of DAOD 9003-1, Governance Framework for NPP BOD and CFPSA, changed the name of the “NPF BOD” to “NPP BOD” to reflect correctly the use of the term “NPP” as used in the *National Defence Act*.

28. In 2004, the CDS issued the CDS Guidance Canadian Forces Morale and Welfare Programs to serve as the foundation for the revision of MW policies. The CEO CFPSA position was assigned to a CF member. The CDS Direction Canadian Forces Personnel Support Agency refined the responsibilities and reporting relationships of the CEO CFPSA.

29. In 2006, a revised DAOD 9003-1 renamed the “NPP BOD” to the “NPP Board” (NPPB) and appointed the Chief of Military Personnel as the Chair.

30. Table 1-2-1 below identifies responsibility for the control and administration of MW programs and NPP.

¹ Although the word “agency” is part of the title, CFPSA is neither a non-defence agency, a special operating agency, nor a separate statutory agency. CFPSA is an administrative construct of the CDS established to assist the CDS in his statutory responsibilities for NPP. The term “agency” has no special significance.

² This position became the Chief of Military Personnel (CMP) effective 1 Apr 06.

Table 1-2-1
Responsibilities for MW Programs and NPP³

| Position | Responsibility (with reference to NDA where applicable) |
|---|---|
| Minister of National Defence (MND) | <ul style="list-style-type: none"> • Other than the authority to alienate NPP, the authority of the CDS to administer NPP is subject to direction by the MND (s 41(1)). • May direct audits of NPP (s 41(3)). • Responsible for the Staff of the Non-Public Funds, Canadian Forces (NPF Staff), a “separate agency” within the meaning of the Public Service Labour Relations Act, and has the power to make appointments to and establish the policies and procedures with respect to personnel management. |
| Chief of the Defence on Staff (CDS) | <ul style="list-style-type: none"> • Overall responsibility for administration and control of NPP including NPP of disbanded units, units in altered circumstances, and NPP acquired by contribution (s 39(1)). • Responsible to administer the liability for loss or damage of NPP as prescribed by the MND (s 40)). • The delegated authority with respect to NPF Staff. |
| Vice-Chief of the Defence Staff (VCDS) | <ul style="list-style-type: none"> • Designates MW programs and services that may be supported with Public resources and defines the levels of Public spending authority. • Responsible for the arrangements through which CFPSA receives Public funds to deliver MW programs. |
| Chief of Military Personnel (CMP) | <ul style="list-style-type: none"> • Overall responsibility for policies and programs for the physical fitness, morale and quality of life of CF members. • Chair of Non Public Property Board. • Provides direction to CEO CFPSA on behalf of the CDS. • The sub delegated authority with respect to senior executive appointments within NPF Staff. |
| Assistant Deputy Minister (Finance and Corporate Services) (ADM (Fin CS)) | <ul style="list-style-type: none"> • Functional authority for Public funding issues and the Public financial management framework. • Assists CMP to ensure appropriate policies in place to manage, monitor, report, and recover, where appropriate, Public funds used in support of MW programs. |
| Chief Executive Officer (CEO) CFPSA | <ul style="list-style-type: none"> • Responsible to CMP for implementation of NPP and Public programs, services and activities. • Responsible to CDS, through CMP, for administration of all NPP. • Managing director of NPP. • The sub delegated authority for NPF Staff. |
| Commanding Officers (COs) | <ul style="list-style-type: none"> • Accountable through chain of command for MW of their personnel and, where applicable, their families. • May liaise directly with CFPSA on MW administrative issues. • Report through chain of command for MW policy issues. • Certain administrative responsibilities with respect to local NPF Staff. |
| Non Public Property Board (NPPB) | <ul style="list-style-type: none"> • Advises the CDS on NPP matters. |

³ The effective NPP chain of command is the CDS through CMP/CFPSA to COs.

CATEGORIES OF MW PROGRAMS FOR FUNDING PURPOSES

31. DND, the CF and the Canadian Forces Personnel Support Agency (CFPSA) support MW programs using a combination of Public and NPP resources. MW programs fall in one of two categories as follows:

- a. **Public MW Programs** – MW programs which are Public programs and 100% funded by the Public; or
- b. **NPP MW Programs** – MW programs that may have a Public component and receive a level of Public support less than 100%. All MW programs that are not Public MW programs as identified in this policy, are NPP MW programs.

PUBLIC MW PROGRAMS

32. Public MW programs are an integral component of the DSP. These include:

- a. Messes and Service Clubs (less bar operations and entertainment);
- b. Military Fitness and Sports Program;
- c. Military Family Services Program (MFSP);
- d. Health Promotion Program (HPP);
- e. Support to Deployed Operations; and
- f. SISIP Financial Services (SISIP FS) (Financial Counselling and Financial Education programs).

33. Funding for Public MW programs is subject to approval in the annual departmental business planning process both centrally and locally as appropriate. Public MW programs are funded and delivered in one of four ways:

- a. directly through DND/CF resources (e.g. military stewards serving as Mess managers);
- b. through CFPSA using NPP resources including NPF Staff whose salaries and overhead costs are reimbursed by the Public (e.g. fitness instructors and PSP managers);
- c. through non-defence organizations (e.g. MFRCs); and
- d. on a fee-for-service basis (e.g. SISIP FS Financial Counselling and Financial Education programs).

34. Although the CDS may approve, on occasion, NPP funding support for a Public MW program, the program shall remain a Public MW program and responsibility.

NPP MW PROGRAMS

35. In recognition of its duty as an employer, the Public provides a specific level of support to NPP MW programs to ensure CF members and their families have access to amenities similar to those provided in municipalities.

36. The level of Public support provided to NPP MW Programs may vary over time and between locations depending on resources available and the CO's assessment of NPP

MW needs against other priorities. The actual level of Public support to these programs is subject to approval in the annual departmental business planning process both centrally and locally as appropriate.

37. Public support, to the specified levels described in this policy, may be authorized for the following NPP MW Programs:

- a. Community recreation programs;
- b. CANEX operations;
- c. Specialty Interest Activities; and
- d. SISIP FS (Long Term Disability,⁴ Spousal Disability Life Insurance, Term Life Insurance, Financial Planning and CFPAF).

38. In addition to NPP MW Programs identified in paragraph 37 above, Public support is provided to CFPSA for NPP accounting, NPP human resource services, information management and information technology (IM/IT), NPP internal audit and review and other support that may be approved in the departmental business planning process.

TB AUTHORITY FOR PUBLIC SUPPORT TO NPP MW PROGRAMS

39. TB authority for Public support to NPP MW Programs, and the delivery of NPP MW programs through NPP, is provided in TB minute 689194, Guiding Principles for the Provision of Services and Recreational Facilities at CF Establishments and the Provision of Support to CANEX and Associated Non-Public Fund Organizations. The following policies established by TB minute 689194 are fundamental to NPP MW Programs:

- a. a reasonable level of goods, services and recreational facilities should be available to CF members in their area of service. Where those levels are inadequate, the department's responsibility as an employer to ensure their availability, where practicable and desirable, may be discharged through a system of NPP organizations;
- b. the operation of CANEX and the associated NPP organizations, may be supported from within departmental resources of personnel and property, including accommodation, and by the provision of transportation, communications, and other services; and
- c. a portion of the revenues generated by the system may be applied to provide a reasonable level of community and recreation services.

RECOVERY FROM NPP

40. The Public shall recover from NPP the cost of Public support provided to NPP MW Programs in excess of the levels authorized in this policy. This recovery, based on either the actual or the estimated cost of Public support, shall be made annually on or before 31 May for the previous fiscal year in accordance with Financial Administration

⁴ Premiums funded 85% by the Public through TB and 15% by the CF member.

Manual (FAM) Chapter 1019-8, Reporting and Recovery of Public Support to Shared Activities of Personnel Support Programs.

41. For the purpose of calculating and recovering Public support in excess of levels authorized in this policy, CANEX concessions are considered NPP MW activities.
42. Where recovery from NPP is required, the cost of utilities shall be the actual cost to DND/CF, and shall not include administrative costs or amortized capital costs. The cost of utilities that are not metered shall be estimated.
43. Occasional Use⁵ of a Public facility for an NPP MW program may be authorized when the facility is not required on a full-time basis by the Public. The cost of maintenance and utilities is a Public responsibility for Occasional Use facilities. The Public shall recover the cost of additional cleaning or security services resulting from NPP MW use.

⁵ Refer to Chapter 2 Section 2, NPP Use of Federal Real Property.

SECTION 3 – PRINCIPLES FOR PUBLIC SUPPORT TO MW PROGRAMS

GENERAL

44. MW programs contribute both directly and indirectly to operational readiness and effectiveness. The CF has a commitment to ensure that, wherever they serve, CF members and their families have access to a reasonable level of MW programs and facilities. The demands of military life create personal hardships and disruption that can disadvantage CF members and their families in comparison to others within Canadian society. Effective MW programs promote high standards of fitness and morale, encourage the retention of trained members, and attract new recruits.

45. The CDS Guidance Canadian Forces Morale and Welfare Programs recognizes that ensuring access to an appropriate range of MW programs enhances the well-being of CF members and their families and contributes to military operational effectiveness and readiness. Additionally, the CDS Guidance acknowledges that not all MW programs will receive equal support across the CF.

46. The department's Public responsibility for MW is met in a variety of ways, including direct Public funding, use of Public resources, and arrangements for use of civilian facilities.

47. Table 1-3-1 below describes the principles expressed in the CDS Guidance related to support to MW programs.

Table 1-3-1
CDS Guidance CF Morale and Welfare Programs

| Item | CDS Guidance |
|-----------------------------|---|
| Commanding Officers (COs) | <ul style="list-style-type: none"> COs of static and deployed units, under the guidance of the chain of command, are responsible for the MW of CF members within their units and, where applicable, their families. |
| Public Resources | <ul style="list-style-type: none"> The VCDS designates MW programs that may be supported with Public resources, defines the level of spending authority, and formalizes arrangements through which CFPSA receives Public funds to provide MW programs. |
| Level of Service | <ul style="list-style-type: none"> Wherever required to serve, CF members and their families should have access to a reasonable level of goods, services, facilities and programs that contribute to their financial, physical, emotional and spiritual well-being. MW programs should be adapted to the specific needs of each military community. Therefore, not all programs are offered in all military communities. A CO need not provide a program to which members and families have access through the local community. In terms of range and availability, MW programs should, wherever practicable, be comparable to those for a progressive Canadian community. |
| Recipients | <ul style="list-style-type: none"> MW programs are intended to benefit CF members and, where applicable, their families and former members and their families. The needs, conditions and impacts of service vary between Regular Force and Reserve Force members, and among members of the three subcomponents of the Reserve Force (Primary Reserve, Canadian Rangers and the Cadet Instructor Cadre). Therefore, not all MW programs will necessarily apply or be applied equally to all CF members and their families. |
| Funding | <ul style="list-style-type: none"> COs may support MW programs using Public funds, NPP or a combination of the two, subject to limitations imposed by the VCDS for Public funds, or CMP for NPP. The amount and composition of funding for MW programs may vary over time and between locations depending on the resources available and the CO's assessment of MW needs in the context of other priorities. |
| Management of NPP | <ul style="list-style-type: none"> The primary objective of NPP resale activities is to provide a service to members and the secondary objective is to generate revenue for other MW programs. |
| Cost to Recipients | <ul style="list-style-type: none"> COs may charge fees for users of NPP MW programs such as community recreation programs and Specialty Interest Activities, subject to applicable law, government policy and CMP guidance. The fees charged should not exceed those in comparable programs in a progressive Canadian community. COs may not charge CF members a fee to offset Public costs for Public MW Programs. |
| Approval of New MW Programs | <ul style="list-style-type: none"> On behalf of DND and the CF, CFPSA may administer other MW programs for which the Public is responsible, subject to applicable law and government policy, and CMP approval. |

SECTION 4 - ACCESS POLICY FOR MW PROGRAMS

OVERVIEW

48. Only CF members and other authorized patrons as described in this policy may use MW programs. COs may exercise discretion to limit or prohibit the access of any person to MW programs.

49. COs may delegate their authority to approve access to MW programs to the PSP manager or Base/Wing Services Officer when there is no membership committee, PMC or CANEX manager as applicable. Outside Canada, access to MW programs by authorized visitors may be limited pursuant to agreements between Canada and the host state and other international agreements and arrangements.

ACCESS TO MW PROGRAMS

GENERAL

50. Table 1-4-1 below indicates the authorized users of MW programs.

Table 1-4-1
Access to MW Programs

| MW Program | Reference |
|--|--|
| Messes and Service Clubs | CFAO 27-1. |
| Military Fitness and Sports | CF members. |
| Health Promotion | ADM(HR-Mil) Instruction 04/05. |
| Military Family Services Program | The Military Family Services Program: Parameters for Practice. |
| Community and Recreation, and Specialty Interest | CFAO 50-20. |
| CANEX | See paragraphs 51, 52 and 53 below. |
| SISIP FS | All current and former members of the CF. |

CANEX – AUTHORIZED PATRONS

51. The following are authorized CANEX patrons:
- a. members of the Regular Force and their families;
 - b. former members in receipt of an annuity under the *Canadian Forces Superannuation Act* (CFSA), *Defence Services Pension Continuance Act* (DSPCA), or a pension under the *Pension Act* or *War Veterans Allowance Act*, and their families and survivors;
 - c. former members of the CF who served on active service in the naval, army, or air forces raised in Canada during time of war;
 - d. members of the Reserve Force;

- e. families of Reserve Force members on Class C service or Class B service over 180 days;
- f. members of the RCMP and their families;
- g. DND Public Service employees and their families, including casual employees and civilian employees under full time contract to DND, who are resident or employed on a unit or other element of DND;
- h. former DND Public Service employees receiving a pension for DND service, and their families;
- i. foreign military personnel on duty in Canada, and their families;
- j. members of the Canadian Corps of Commissionaires, or other security force when residing or employed on a unit, and their families;
- k. NPF Staff and their families;
- l. former NPF Staff receiving a pension for NPP service, and their families; and
- m. C/MFRC employees and their families.

CANEX - EXCHANGE PRIVILEGES

52. Only CANEX patrons as identified in paragraph 51 above shall be authorized Exchange privileges. All purchases from an Exchange shall be for the use of the patrons or as a bona fide gift.

CANEX – FOOD SERVICE OUTLETS

53. The use of CANEX food service outlets may also be authorized by a CO for:
- a. members of recognized welfare organizations working within a defence establishment;
 - b. employees of civilian contracting firms while employed on DND contracts within a defence establishment; and
 - c. visitors.

CHAPTER 2 – NON-PUBLIC PROPERTY (NPP)

SECTION 1 - GENERAL

ROLE OF NPP

1. NPP is an important asset used by the CDS and COs to build and maintain the MW of CF members. Clear and effective military management at all levels of the NPP accountability framework is essential.

NATURE OF NPP

RELATIONSHIP BETWEEN PUBLIC AND NPP

2. Section 2 and sections 38 to 41 of the NDA create NPP as a legally distinct form of Crown property. Public property and NPP are two distinct types of Crown property, which are vested in, and administered by, agents of the Crown. Although both Public and NPP may be vested in the same individual, each retains its distinct legal identity and remains subject to a separate accountability framework.

3. The NPP accountability framework, established pursuant to the NDA, is distinct from the Public accountability framework and unique to NPP. The allocation and expenditure of NPP is subject to the direction of the MND and CDS.

4. Under NDA section 41(3), the *Financial Administration Act* (FAA) does not apply to NPP. NPP is a category of Crown property that is not subject to the rules and regulations for the administration of Public property. Because NPP is not subject to the FAA, it is also not subject to the regulations made pursuant to the FAA, such as the Government Contracts Regulations (GCR). The CEO CFPSA, as approved by CMP, establishes the policies and procedures governing contracting for NPP purposes.

5. Notwithstanding, as a matter of policy, the CDS has directed that the management of NPP be aligned closely with the Public accountability framework. An example of this is the Delegation of Signing Authorities for NPP, which is consistent with the separation of the responsibilities contained in the FAA.

COMPOSITION OF NPP

6. Section 2 of the NDA states that NPP includes:
- a. all money and property, other than issues of materiel, received for or administered by or through messes, institutes, or canteens of the CF;
 - b. all money and property contributed to or by officers, non-commissioned members, units or other elements of the CF for the collective benefit and welfare of those officers, non-commissioned members, units, or other elements;
 - c. by-products and refuse and the proceeds of the sale thereof to the extent prescribed under Section 39(2) of the NDA; and
 - d. all money and property derived from, purchased out of the proceeds of the sale of, or received in exchange for, money and property described in subparagraphs a to c above.

CFCF

7. The CFCF means the aggregate of all Non-Public moneys that are on deposit at the credit of NPP organizations and from which all NPP disbursements are made. NPP includes both real property (interest in land) and personal property (interest in any property other than land). The money component of NPP, referred to as Non-Public Funds (NPF), includes funds from:

- a. revenues from NPP programs, services and activities, including resale activities;
 - b. sale of NPP;
 - c. fees, charges or bar activities of NPP organizations;
 - d. rental of NPP-financed community recreation program facilities or equipment;
 - e. donations or contributions to NPP organizations;
 - f. investment of NPF through the CFCF; and
 - g. the Public as reimbursement for Public MW Programs delivered using NPP resources.
8. The CFCF may provide:
- a. recurring operating grants, approved by the CDS, to bases, wings, support units, stations, ships and other units of the CF to assist them in local NPP operations, programs and activities. These operating grants may be used to repay (service) outstanding CFCF loans;
 - b. subsidies to the delivery of NPP services and operations (e.g. NPF accounting, NPP human resource services, IM/IT, and the operation of the CFPSA) as approved by the CDS;
 - c. grants to major capital projects, including national NPP and shared funding Public and NPP infrastructure programs, approved by the CDS;
 - d. interest free loans to provide start up capital for NPP operations, programs and activities for newly established units and for Deployed Operations;
 - e. write-offs, approved by the CDS, or, by the CEO of CFPSA within the delegated capital approval limit, of outstanding CFCF loans;
 - f. interest bearing loans to support NPP capital projects; and
 - g. any other purpose approved by the CDS.

LEGAL LIABILITY FOR NPP

9. The legal liability of the CDS or a CO, when acting within the scope of their duties in their NPP capacity under the NDA, is not a personal liability, but is a liability only in their capacity as CDS or CO. The Crown indemnifies them when they are acting within their NPP capacity. In effect, the liability of the CDS or a CO is similar to that of a corporation president or a trustee when acting within the scope of their duties. A

personal liability may occur, however, in case of gross negligence, wilful misconduct, or a violation of certain legislation such as the *Environmental Protection Act*.

10. Pursuant to section 40 of the NDA, the conditions under which and the extent to which an officer or non-commissioned member is liable to make restitution in respect of loss or damage to non-public property resulting from the negligence or misconduct of that officer or non-commissioned member shall be as prescribed by the Minister.

NPP VESTED IN CDS AND COs

11. The NDA “vests” NPP in the CDS and COs while they act in their official capacities. All NPP that is not vested in COs is vested in the CDS. The CDS and COs administer NPP for the benefit of CF members and their families or for any other purpose approved by the CDS. Officers in whom NPP is vested hold that property for and on behalf, or as the agents or representatives of, the Crown. The NDA allows the MND to provide direction to the CDS regarding the exercise of certain authority regarding NPP.

USE OF NPP

12. The NDA provides that NPP shall be used for the benefit of CF members, former members, their dependants, or for any other purpose approved by the CDS. Section 39 (3) of the Act also provides that, except as authorized by the CDS, “no gift, sale or other alienation or attempted alienation of non-public property” is effectual to pass the property therein. Specific limitations on the use of NPP are provided in paragraphs 13 to 15 below.

NPP GIFTS OR OTHER DONATIONS

13. Pursuant to the authority under section 39 (3) cited above, the CDS has directed that NPP shall not be alienated:

- a. by gifts to private or public institutions;
- b. to relieve a CF member of their personal responsibility for loss or damage to NPP;
- c. for testimonials or gifts; or
- d. for national appeals for financial assistance.

14. Grants or transfers of NPP to charitable or other organizations that are not NPP activities require CDS approval.

REPRESENTATIONAL EXPENSES

15. The CDS annually authorizes COs to use unit NPP to meet obligations to represent DND/CF, where such expenses contribute to the MW of CF members, their families and former members, and are outside the scope of the DSP. Representational expenses shall not be used for:

- a. an expense payable under DAOD 1017-1, Procedure for Extending Hospitality in Canada; or
- b. items listed in paragraph 13 above, except that items of a symbolic or commemorative nature may be presented to honoured guests on occasions of special significance.

FUNDS RECEIVED FOR A SPECIFIC PURPOSE

16. COs may establish separate NPF trust accounts to administer funds allocated or donated for a specific purpose, or acquired through fund raising events held for that purpose. Funds received for a specific purpose shall be used only for that purpose. Such funds include:

- a. O&M grants as established in QR&O 210; and
- b. donations received or collected for specific purposes.

STAFF OF THE NON-PUBLIC FUNDS, CANADIAN FORCES

17. Both DND Public Service employees and NPF Staff are employed by Her Majesty the Queen in right of Canada, meaning that both groups of employees are part of the federal Public administration, or “public servants”. The difference between NPF Staff and DND Public Service employees is who their employer is.

DEFINITION

18. The Public Service Labour Relations Act defines “employer” as follows:

- a. “employer” means Her Majesty in right of Canada as represented by:
 - i. the Treasury Board, in the case of a department named in Schedule I to the *Financial Administration Act* ...; and
 - ii. the separate agency, in the case of a portion of the federal Public administration named in Schedule V to the *Financial Administration Act*.

19. As DND is a Department, most DND Public Service employees are employed by “Her Majesty in right of Canada as represented by Treasury Board”.

20. Among the many separate agencies referred to in 18(a) (ii) above is the Staff of the Non-Public Funds, Canadian Forces. Because the Staff of the Non-Public Funds, Canadian Forces is one of the separate agencies named in Schedule V of the FAA, the employer of NPF Staff is: “Her Majesty in right of Canada as represented by the Staff of the Non-Public Funds, Canadian Forces”.

21. For the majority of Public servants in Departments, Treasury Board is responsible for personnel management, and the Public Service Commission is responsible for establishing the rules with respect to appointments to positions. The effect of being a separate agency is that the Governor-in-Council can decide who will be responsible for setting personnel management policies and the rules regarding appointments to positions.

22. In 1978, the Minister of National Defence was named by Order-in-Council as the person responsible for personnel management for the Staff of the Non-Public Funds, Canadian Forces. The Minister delegated this authority to the CDS or his sub delegate.

23. Between 1978 and 1982 the Public Service Commission remained responsible for establishing the rules with respect to appointments to positions within NPF Staff, but in 1982 the Minister was authorized by Governor-in-Council Regulations to assume those responsibilities as well. That authority has also been delegated to the CDS or his sub delegate.

24. This reflects the fact that the federal Public administration has been organized so that different persons or bodies are responsible for the appointment of Public servants and for personnel management within the various elements of the Public service. In the case of NPF Staff, the CDS or his delegate has the power to set the rules governing both appointments to positions and personnel policies. Treasury Board policies that may apply to other elements of the Public service do not apply to NPF Staff.

25. However, numerous other federal employment and employment-related statutes do apply to NPF Staff. These include the Official Languages Act, the Public Service Labour Relations Act (dealing with employer/employee relations, bargaining and disputes), Part II of the Canada Labour Code (dealing with occupational health and safety), the Employment Equity Act (dealing with correcting conditions of disadvantage), the Canadian Human Rights Act (dealing with equal opportunity and discrimination) and the Canadian Charter of Rights and Freedoms (dealing with the protection of personal rights and freedoms, equality of treatment and providing a means to challenge government decisions, programs and laws).

26. The CDS has directed that human resource management of NPF Staff at CFPSA be closely aligned with the HR policies and practices of DND Public Service employees. The administration of NPF Staff is described in Chapter 3, Section 6 of this manual.

UNREGULATED ACTIVITIES

27. The CDS has directed that all unit activities must be administered within either the Public accountability framework or the NPP accountability framework.

SECTION 2 - NPP USE OF FEDERAL REAL PROPERTY

AIM

28. Treasury Board Decision 829183 of September 27, 2001, approved the policy on the use of DND controlled federal real property that is allocated to NPP activities and administered in accordance with DND's NPP accountability framework, policies and procedures. The approval was granted on condition that such property will be administered in accordance with DND's Policy entitled "NPP Use of Federal Real Property".

29. This section is the policy for NPP use of federal real property, and it applies to all federal real property used for NPP administered MW programs. This policy does not apply to NPP real property that is acquired by Her Majesty in right of Canada as represented by the CDS or a CO acting in their NPP capacity.⁶

30. When federal real property is allocated for an MW purpose, it is used to meet the needs of the DSP. The use of federal real property for NPP MW, therefore, is distinct from real property that is surplus to requirement and offered for disposal in accordance with the *Federal Real Property and Federal Immovables Act* (FRPFIA).

31. All NPP administered federal real property falls into one of two categories:

- a. Dedicated Use – facilities used on a full time basis for MW activities, such as CANEX grocery and retail operations, messes, community centres, and specialty interest activities; or
- b. Occasional Use - facilities normally used for a Public purpose, but are used on an "as required" basis for NPP MW activities, such as the temporary use of a gymnasium, arena, pool, sports field or a drill hall for a Base fund craft sale.

32. A distinction is required between real property that is allocated to NPP use, and that which is administered by MW program staff for a Public purpose. MW program staffs administer gymnasias, but these facilities are not allocated to NPP use.

33. Where, in light of the use to be made of allocated land, the Crown is required to engage in an aboriginal consultative process; the Crown Public shall lead, and NPP shall cooperate in, that process.

34. Once federal real property is allocated either for Dedicated Use or Occasional Use by NPP, then the property is administered in accordance with the NPP accountability framework.

35. Once federal real property allocated for Dedicated Use or Occasional Use by NPP is no longer required for NPP MW activities, then the property should be returned to the Public/FRPFIA accountability framework.

⁶ NPP real property acquired by the CDS or a CO acting in their NPP capacity is NPP real property not located on federal real property within the meaning of the FRPFIA.

COST RECOVERY FOR NPP USE OF FEDERAL REAL PROPERTY

36. Depending on the level of Public support to NPP required to maintain operational readiness, a CO may decide to recover all, some, or none of the incremental Public cost of NPP use for MW programs. The amount recovered shall not exceed the incremental cost to the Public. The cost of Public support provided is reported in accordance with FAM Chapter 1019-8, Reporting and Recovery of Public Support to Shared Personnel Support Program Activities.

THIRD PARTY USE FOR NPP PURPOSES⁷

37. A third party may use federal real property for NPP purposes when an ongoing MW program is required which cannot practically be delivered through an NPP organization, or when real property is used temporarily for MW programs or services. The CDS or a CO may grant a license to the third party to use the federal real property to meet a MW program objective through a Concession Agreement.

38. In the event a CO wishes to make federal real property available for resale activities that are not part of Messes or Specialty Interest Activities, these shall be arranged and administered through CANEX.⁸

NATIONALLY BRANDED SERVICES

39. CANEX has a mandate to provide the mix of goods and services generally available to Canadians living in progressive Canadian communities and required by members of the CF and their families. In fulfilling this mandate, CANEX must know its market and carry those goods and services that are demanded in each specific retailing circumstance. Access to nationally branded goods and services is essential to fulfill the expectations of CF members and their families.

40. Once the appropriate brand is determined, CANEX has two methods of delivering the service: franchise or concession arrangements. If franchising is selected, then NPP “owns and operates” the business. If CANEX does not seek to or does not have the opportunity to own and operate a franchise, CANEX will enter into a Concession Agreement (license) with either the corporate owner of the franchise rights or a franchisee for use of the federal real property for NPP purposes. Such licenses are excluded from the operation of section 4 of the FRPFIA.

MARKET VALUE

41. When the CDS or a CO enters an agreement with a third party under this policy, the consideration for use of the property paid by the third party is market value for the specified use as determined on a competitive basis.

42. The market value for a facility used for a specific NPP requirement may not be equal to the market value for the same facility if it were offered for an unspecified use. For example, general retail space will have a specific market value in a particular area. If, however, a specific service, such as a barbershop, is required to meet MW program

⁷ An example is a CANEX concession as described in Chapter 3, Section 3.

⁸ In locations not serviced by CANEX, COs should consult CANEX representatives supporting the unit for assistance in arranging and administering federal real property for MW purposes.

needs, then the market value is the highest amount a barber would be prepared to pay to use the facility. Although this may be less than the amount that would be received if the facility were offered for an unspecified purpose, it is considered the market value for the purpose of this policy.

COLLECTION AND DISTRIBUTION OF REVENUE

43. All revenue for third party use of federal real property administered as NPP is collected and distributed by NPP as summarized in Table 2-2-1.

44. If the revenue for an Occasional Use facility is greater than the combined NPP/Public cost, then the respective costs are paid, and the balance divided based on an agreement between NPP and the Public. Where the revenue is equal to the combined costs, then NPP retains a portion equal to the NPP cost, and pays to the Public a portion equal to the Public cost. If the revenue is less than the combined NPP/Public cost, then the revenue is distributed based on an agreement between the NPP and Public.

45. All revenue for Dedicated Use facilities is retained by NPP.

**Table 2-2-1
Distribution of Revenue for Facilities Used By A Third Party**

| Recovery Amount | Occasional Use | Dedicated Use |
|------------------------------------|--|--|
| Exceeds combined Public/NPP cost | NPP retains revenue equal to NPP costs, pays Public for Public costs, and balance divided in accordance with agreement between NPP and Public. | All revenue collected for third party use is retained by NPP, with NPP absorbing any shortfall between the total operating cost and revenue collected. |
| Equal to combined Public/NPP cost | NPP retains revenue equal to NPP costs and pays Public for Public costs. | |
| Less than combined Public/NPP cost | Revenue shared based on agreement between NPP and Public, and NPP pays to Public agreed upon Public share. | |

SECTION 3 – TRANSFER OF NPP GOODS FROM CANEX TO THE PUBLIC

AUTHORITY

46. Subject to the limitations provided in this policy, NPP goods may be transferred from CANEX to the Public. These transfers are intended primarily to meet urgent operational requirements that cannot be filled by an alternate commercial supplier. This authority does not apply to services, which must be considered on a case-by-case basis by CEO CFPSA in consultation with appropriate DND OPIs.

LIMITATIONS

47. In the event the Public requires CANEX NPP in support of the DSP, a transfer of goods from NPP to the Public may be completed, subject to the following limitations:

- a. the transfer represents best value for money;
- b. the goods are available to authorized CANEX patrons;
- c. the cost does not exceed the cost price of the goods plus up to 15% for general and administrative overhead, or the normal retail cost, whichever is less;
- d. the total value of goods transferred does not exceed \$5,000; and
- e. transfer arrangements shall not be made to support a continual or ongoing need for specific goods on a standing offer like basis.

48. The same standards currently in use at the unit level for acquisition shall be used. Responsibility centre managers shall ensure compliance with local product restrictions and the transfer is subject to the same conditions as other forms of acquisition.

TRANSFER PROCESS

49. All transfers are subject to the procedures and guidelines contained in FAM Chapter 1016-7-1 and the payment provisions of the FAA. In Canada, the only acceptable form of Public fund payment to support a NPP transfer from CANEX is an authorized Government of Canada Payment Card. The use of a Payment Card will allow for centralized monitoring of the level of NPP transfers. The use of petty cash, departmental bank account (DBA) cheque, or other payment methods, as a means of reimbursement, is not authorized.

50. For units outside Canada or deployed on operations, the government of Canada Payment Card is the preferred method of payment. Where the nature of the CANEX operation does not permit the use of a Payment Card, an alternate payment tool may be used. However, all transactions settled via these alternate tools shall be reported on a quarterly basis to the applicable Level 1 Comptroller, for onward transmission to NDHQ/DG Fin Mgmt.

51. To ensure that there is no conflict of interest, goods transferred from CANEX to the Public shall be excluded from all royalty calculations.

AUDIT AND REVIEW

52. The transfer of NPP goods to the Public shall be reviewed in accordance with departmental direction. NPP transfers will be included as a part of site assistance visits and reviewed annually to ensure adherence with best practices.

SECTION 4 – CANADIAN FORCES MUSEUMS

ROLE AND STATUS

53. CF museums preserve and interpret Canadian military heritage to increase a sense of identity and esprit de corps within the CF. Military memorabilia and artefacts that have not been given museum status are designated as historical collections.

54. CF museums are not MW programs administered through CFPSA, but are NPP programs. Although not MW, each CF museum is an NPP activity subject to the NPP accountability framework.

55. The procedures to establish an accredited CF museum or to obtain official status for an existing historical collection are described in CFAO 27-5.

PUBLIC SUPPORT

56. The use of Capital funds is not authorized for the construction or renovation of buildings for CF museums. In accordance with CFAO 27-5, the following Public support may be authorized for CF museums:

- a. an annual Public grant to assist with the operation a CF museum;
- b. employment of a CF member or Public Service employee in a full-time position, where there is an established position;
- c. employment of a CF member, subject to military requirements, on a part-time basis as a secondary duty;
- d. use of serviced accommodations (facilities), subject to availability;
- e. maintenance costs of facilities, subject to availability of resources;
- f. office furniture and office supplies on an as required basis, subject to availability of resources;
- g. security and safety precautions;
- h. showcases, security devices, mannequins and descriptive labels, subject to availability of resources;
- i. DND materiel that is obsolete or in excess of CF requirement; and
- j. movement, maintenance and restoration costs of display items, subject to availability of resources.

57. A CO may establish a historical collection. In accordance with CFAO 27-5, the following Public support may be authorized for a historical collection:

- a. use of serviced accommodations (facilities), subject to availability;
- b. DND material that is obsolete or in excess of CF requirements, and
- c. security and safety precautions.

58. Public support to CF museums and historical collections shall be reported in accordance with FAM Chapter 1019-8, Reporting and Recovery of Public Support to Shared Activities of Personnel Support Programs.

SECTION 5 – SHIPS NPP RESALE OPERATIONS

59. Living conditions on board ships are substantially different from those on land. Therefore, the following policies pertain to NPP resale activities on board CF ships:

- a. no full-time positions will be established on board any CF marine vessel solely for the support of NPP resale outlets;
- b. CF members may be assigned secondary duty positions in support of NPP resale outlets, including employment during on-duty or off-duty hours;
- c. re-supply of inventory for NPP resale outlets in ships on exercises or trials may be carried out by a re-supply ship, with no recovery from NPP for handling or storage;
- d. utilities and maintenance to NPP resale outlets in ships shall be provided at Public expense; and
- e. capital cost of construction of new ships includes the cost of fixtures and equipment for NPP resale outlets at Public expense.

CHAPTER 3 – CFPSA ADMINISTRATION OF MW PROGRAMS AND ACTIVITIES

SECTION 1 – CFPSA

DND/CF SUPPORT

1. DND/CF support is essential for the effective delivery of MW programs administered through CFPSA. CFPSA is responsible for Public MW Programs and for NPP MW Programs to the extent necessary for the CDS and COs to discharge their responsibility for NPP under the provisions of the NDA.

CFPSA MISSION, ROLE AND OBJECTIVES

2. CFPSA is a NPP organization established in 1996. The mission of the CFPSA is to enhance the morale and welfare of the military community, thus contributing to the operational readiness and effectiveness of the CF. The role of CFPSA is to deliver Public MW programs on behalf of CMP and to administer NPP and NPP MW Programs on behalf of the CDS. The objectives of CFPSA are to:

- a. deliver quality MW programs, products and services;
- b. satisfy MW needs of the military community;
- c. foster a professional, dedicated team;
- d. oversee and ensure the viability of all NPP; and
- e. administer NPP efficiently and effectively.

ORGANIZATION

3. CFPSA has three operational divisions and three support divisions in support of MW programs. The operational divisions are:

- a. PSP;
- b. CANEX; and
- c. SISIP FS.

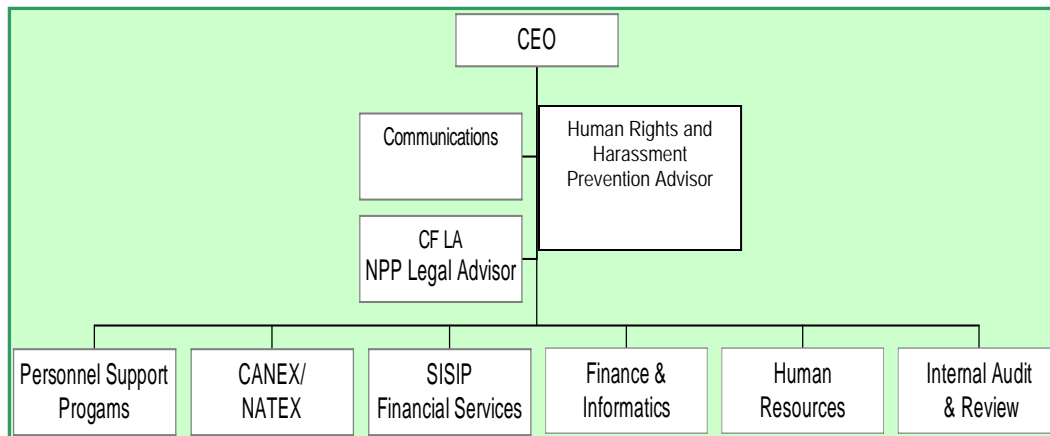
4. The support divisions are:

- a. Finance and Informatics;
- b. Human Resources; and
- c. Internal Audit and Review.

CFPSA LEADERSHIP

5. CFPSA is administered under the direction of a CEO with the support of division presidents, vice presidents and support staff. Table 3-1-1 below shows the organization chart for CFPSA.

**Table 3-1-1
CFPSA Organization Chart**



CEO CFPSA

6. As executive manager of CFPSA, the CEO performs duties similar to those of a chief executive responsible for a large and diverse private sector company. In addition, the CEO is managing director of NPP and assists the CDS in exercising his NDA authority for NPP. The CDS has directed that for Public MW Programs the CEO shall:
- a. contribute to the development of Public MW policy;
 - b. develop, implement and report on programs as required;
 - c. provide advice and recommendations on current and future programs;
 - d. account for all expenditures undertaken by the CFPSA and reimbursed through the corporate accounts; and
 - e. report on plans, performance and results achieved.
7. The CDS has also directed that for NPP MW Programs the CEO shall:
- a. ensure the integrity of the NPP accountability framework and account for all CFPSA NPP expenditures;
 - b. initiate, develop, implement and report on the CFPSA business and strategic plan;
 - c. execute all CFPSA operations;
 - d. provide advice and recommendations on all NPP related issues, NPP MW Programs, and CFPSA operations, policies and procedures;
 - e. as delegated by the CDS, perform the powers and functions of TB for NPP Staff management;
 - f. approve NPP capital projects and write-offs within the limits of delegated authority; and
 - g. provide a communications plan.

SECTION 2 – PERSONNEL SUPPORT PROGRAMS

GENERAL

8. Personnel Support Programs (PSP) include both Public MW Programs and NPP MW Programs that support the operational readiness and effectiveness of CF members. The following Public MW Programs are administered by PSP:
- a. **Messes and Service Clubs.** Messes provide a meeting place to foster esprit de corps and comradeship. Service clubs provide an alternative to Mess bars;
 - b. **Military Fitness and Sports Program.** An MW program that provides CF members with fitness activities to ensure physical fitness to meet military operational requirements, and sports activities to enhance physical skills, build character, and promote team building;
 - c. **Military Family Services Program⁹.** An MW program that provides a coordinated and consistent approach to military family support in the CF;
 - d. **Health Promotion Program.** An MW program that provides tools to enable CF members to increase control over and improve their health; and
 - e. **Support for Deployed Operations.** A wide range of MW programs provided to enhance the morale and quality of life of deployed personnel.
9. Each of these Public MW programs is described below.
10. Public support for the MW programs identified in paragraph 8a to d above is provided both centrally and locally. Support for Deployed Operations is provided centrally in accordance with orders, instructions or directives applicable to Command operations. The actual level of Public support provided is subject to inclusion in and approval of the annual CFPSA and unit business plan, as applicable.
11. The NPP MW Programs administered by PSP are:
- a. **Community Recreation Programs.** MW programs that provides leisure activities that play an important role in developing and maintaining the military ethos essential for an effective and cohesive military force; and
 - b. **Specialty Interest Activities.** MW activities that provide a complement to community recreation programs.
12. Each of these NPP MW programs is described below.
13. The Public is responsible to provide a specified level of support to these NPP MW Programs. The actual level of Public support provided is subject to inclusion in and approval of the annual CFPSA and unit business plan, as applicable.

MESSES AND SERVICE CLUBS

14. Messes are meeting places that foster the esprit de corps and comradeship essential for an effective professional armed force. Messes enable all ranks to become personally

⁹ Although the Military Family Services Program is a PSP program, MFRCs are third party corporations independent of DND or the CF.

acquainted with their peers and subordinates and to assist with their professional development. Messes also provide a place to meet with personnel from other CF formations (regular or reserve) and with members of the armed forces of other countries.

15. The term “mess” means:
- a. the organization, whose membership is related to an identifiable rank, formed for the purpose of building esprit de corps and comradeship; or
 - b. the facility, or facilities, which provide space in which to carry out the functions of the organization and may include a wardroom or dining room, bar or anteroom, lounge, games room and other common rooms.

AUTHORITY TO ESTABLISH MESSES

16. Messes are established for the Regular Force and Primary Reserve under the authority of the CDS. They operate under the control of the CO designated as responsible for Mess services by the applicable Canadian Forces Organization Order.

17. Messes may be established at each unit for officers, officer cadets (where warranted), warrant officers and sergeants, and junior ranks. COs may authorize a combined mess when the number of CF members will not support separate Messes. COs may co-locate Messes for other reasons such as resource limitations, geography, or other unique circumstances.

MEMBERSHIP

18. Information on Mess membership is provided in CFAO 27-1.

SERVICE CLUBS

19. Service Clubs may be authorized as an alternative to Mess bars. They provide a place for CF members to socialize where consumption of alcohol is not the primary activity. Activities provided in Service Clubs are based on the interests of CF members and may include a lounge area, food outlet, either in the facility or reasonably accessible, dance area, games, and TV areas.

20. Service Clubs may operate either as part of the Junior Ranks Mess or as a separate MW facility.

MESS DINNERS

21. Mess Dinners are held for training purposes or to enhance unit cohesion and effectiveness, at which attendance is normally compulsory for CF members. DND Public Service employees and a limited number of official guests may be authorized to attend. Spouses or partners of attendees and unofficial guests are not normally included. Mess Dinners are not Hospitality Functions as defined in DAOD 1017-1.

22. Entertainment events, such as mixed mess dinners, for CF members, their spouses or unofficial guests are not authorized for Public support.

MILITARY CEREMONIAL EVENTS

23. Military Ceremonial Events recognize occasions of military, local or national significance, such as change of command parades, colours presentation, or special unit anniversaries, at which attendance is normally compulsory for CF members. Public

support for military ceremonial events is in accordance with the Hospitality policy, DAOD 1017-1.

USE OF MESSES FOR MESS DINNERS OR MILITARY CEREMONIAL EVENTS

24. Mess facilities are often used for mess dinners and military ceremonial events. These functions support the CF mission, are an integral part of the DSP, and are supported by the Public.

MILITARY FITNESS AND SPORTS

25. The Military Fitness and Sports Program consists of a balance of formal training classes and participation in fitness and sports activities both during on and off duty hours. Military fitness activities contribute to individual and collective readiness and effectiveness by ensuring CF members are able to meet the mental and physical demands of any assignment. Participation in sports reinforces fitness and contributes to team building and esprit de corps.

26. The Military Fitness and Sports Program includes:

- a. MW facilities, such as gymnasias, sports fields, swimming pools and ice arenas; and
- b. MW activities that are part of the formal military training system, including Royal Military College and CFPSA Training Centre at CFB Borden.

27. At the unit level, the Military Fitness and Sports Program is organized and controlled by the CO in accordance with CF policies issued through CMP, with consideration for special circumstances and needs at the local level.

28. The military fitness program is described in DAOD 5023-2 and the military sports program is described in CFAO 50-3.

MILITARY FAMILY SERVICES PROGRAM

29. The Military Family Services Program (MFSP) was implemented to provide a coordinated and consistent approach to military family support across the CF. The MFSP mission is to promote and facilitate community-based military family services that strengthen CF families and communities. In Canada, Military Family Resource Centres (MFRCs) deliver the MFSP. Outside Canada, Canadian Military Family Resource Centres (CMFRCs) deliver the MFSP. These centres are generally situated wherever there are concentrations of Regular Force families. MFSP is described in CFAO 56-40 and in the document Military Family Services Program: Parameters for Practice.

TERMINOLOGY

30. For the purpose of this manual:

- a. **Military Family Resource Centres (MFRCs)** - refers to military family resource centres located in Canada;
- b. **Canadian Military Family Resource Centres (CMFRCs)** - refers to military family resource centres located outside Canada; and
- c. **Canadian/Military Family Resource Centres (C/MFRCs)** - refers to military family resource centres located both in and outside Canada.

ORGANIZATION

31. CFPSA/Director of Military Family Services (DMFS) manages the MFSP. DMFS responsibilities include ongoing monitoring and evaluation, provision of professional and technical advice, development of policies and services, and administration of corporate funding. Under the direction of DMFS, field operations managers provide advice and assistance on the MFSP to MFRC Boards of Directors (BOD) and COs.

MFRCs

32. MFRCs are incorporated, not-for-profit organizations providing MW support for CF members and their families in Canada. Elected BODs, at least 51% of whom must be civilian spouses of full-time serving CF members, govern MFRCs. A memorandum of understanding (MOU) establishes the relationship between CMP and MFRCs. While they work in partnership with the local CO, MFRCs are third-party corporations independent of DND or the CF. With the exception of 4 Wing Cold Lake, where salaries are administered through the NPP accountability framework, MFRC employees are staff of a non-defence organization, whose salaries and overhead costs are Publicly funded through an MOU. The MFRC BOD is the employer of record for MFRC staff.

CMFRCs

33. CMFRCs are NPP entities that provide MW support for CF members and their families located outside Canada. As NPP organizations within the local CF command structure, CMFRCs normally report to the Canadian National Military Representative (CNMR) in Europe and the United Kingdom, and to the CO, Canadian NORAD OUTCAN Staff (CNOS) in the United States of America.

34. Advisory Committees, in which at least 51% of members are civilian spouses of full-time serving CF members, assist CMFRCs. CMFRC Advisory Committees are not responsible or accountable for governance. The CNMR or CNOS is accountable for CMFRC activities. A Service Level Agreement (SLA) establishes the relationship between DMFS and the CF authority.

35. CMFRC employees are Publicly Reimbursed NPF Staff positions administered through the NPP accountability framework.

CONTROL OF FACILITIES

36. With the approval of a CO and the BOD, an MFRC may assume the responsibility to operate or control some facilities that are normally part of the local community recreation programs.

SERVICES PROVIDED

Mandated Services

37. Mandated services respond to essential family needs that arise from the unique military lifestyle or that support personal, family and community development. C/MFRCs offer these services where a demonstrated need exists and in accordance with policies issued by DMFS. Mandated services make up the framework of the MFSP and are grouped into the following four categories:

- a. personal development and community integration;
- b. family separation and reunion;

- c. prevention, support and intervention; and
- d. child/youth development and parenting support.

Site-Specific Services

38. A C/MFRC provides site-specific services as approved by a CO and agreed to by the MFRC BOD were applicable, to meet community needs. These services are consistent with the goals and objectives of the MFSP and may include primary day care services.

39. Site-specific services may be authorized from local Public resources, NPP, and fundraising, donations, grants, user fees or other revenue-generating avenues available to not-for-profit organizations.

Mission Information Line

40. The Mission Information Line is a 24/7, toll free telephone call-in service that provides families information on deployed operations.

HEALTH PROMOTION PROGRAM

41. The CF is committed to health promotion as both an organizational and an individual responsibility by providing tools and information to enhance health and reduce or eliminate high-risk behaviours amongst CF members. To complement the Military Fitness and Sports and community recreation programs, the Health Promotion Program focuses on stress management, injury prevention, addiction, and positive lifestyle habits such as nutrition and exercise. Health promotion enables members to increase control over and improve their health. It does not include treatment or rehabilitation. Under the terms of an SLA with Director General Health Services (DGHS), CFPSA delivers health promotion awareness and education. The Health Promotion Program is described in the document Strengthening the Forces.

ORGANIZATION AND RESPONSIBILITIES

42. DGHS, in conjunction with the chain of command, is responsible for the Health Promotion Program and provides policy direction, program development and evaluation. The Surgeon General and unit medical staffs are responsible for medical treatment and/or intervention for CF members as well as technical and professional support and oversight.

43. Health Promotion Program delivery is coordinated centrally by CFPSA/Director Human Performance and Health Promotion. Health promotion teams headed by directors, reporting through the PSP manager, deliver this program at the local level.

44. CFPSA:

- a. coordinates, implements and delivers the program;
- b. establishes, operates and sustains a team of full-time qualified health promotion directors;
- c. administers funds for salaries, national aspects of program delivery and professional development of health promotion directors;
- d. provides financial management to support program delivery at the local level;

- e. communicates directly with DGHS and local representatives on resource needs and decisions related to delivery of services;
- f. provides professional and technical support to health promotion directors;
- g. monitors the quality of services provided; and
- h. conducts joint staff assistance visits with DGHS staff.

DEPLOYED OPERATIONS

45. Deployed Operations support contributes to operational readiness and effectiveness, by providing a wide range of MW programs that enhance the morale and well-being of deployed personnel. The Public is responsible to provide central support to personnel on Deployed Operations. The level of Public support is subject to approval in the plans and orders for deployed operations and applicable business plan. There is no requirement for local level Public support to Deployed Operations.

46. Table 3-2-1 below describes each component of the Deployed Operations MW program.

**Table 3-2-1
Deployed Operations Support**

| MW Program | Description |
|--------------------------------------|---|
| Amenities | Provision of news and media services (books, newspapers, magazines, movies and electronic news). |
| NPF Deployed Operations Staff | NPF Staff to administer MW programs in theatre. |
| Canadian Forces Radio and Television | Provision of radio and television services on a 24/7 basis to personnel on deployed operations. |
| CF Show Tours | Provision of top Canadian artists to entertain personnel on deployed operations. |
| Welfare Funding | Provision of welfare funding for in-theatre MW services. |
| NPF Accounting | Provisions of NPF Accounting in support of deployed operations. |
| Retail Operations | Provision, delivery, warehousing and sale of items for retail outlets (including franchised retail and food service outlets) and duty free purchases. |
| Canteens and Common Areas | Provision of wet and dry canteens and common areas for personnel on deployed operations to socialize, watch movies and television, and enjoy recreational activities. |
| Rest and Recreation (R&R) Funding | The purchase of MW products and services for R&R centres. |
| Travel Services | The management of travel services for home leave travel assistance and R&R. |
| Welfare Equipment | Provision and delivery of equipment for in-theatre fitness, sports, recreation and social clubs. |

COMMUNITY RECREATION PROGRAMS

47. The manner in which CF members use leisure time is of prime concern in the military community. Community recreation programs are an MW program providing leisure activities that play an important role in developing and maintaining military ethos essential for an effective and cohesive military force.
48. Community recreation programs help reduce mental fatigue, tension and frustration that may arise in every day work. The activities may also play an important role in developing and maintaining new activities and interests to stimulate personal development, learn new skills, socialize and channel energy positively.
49. COs administer community recreation programs in accordance with CMP policy issued through CFPSA. A recreation director/coordinator or council may be established to assist in administering this Program.
50. Additional information on community recreation programs is provided in CFAO 50-2, CFAO 50-10 (scuba sports diving) and CFAO 50-20.

ACTIVITIES AND FACILITIES

51. Depending on what is available in the local civilian community, community recreation program activities and applicable facilities may include provision of the following:
- a. youth centre;
 - b. squash or racquetball;
 - c. outdoor tennis;
 - d. cross country skiing;
 - e. jogging and cycling;
 - f. aquatics;
 - g. outdoor skating;
 - h. community centres;
 - i. tot lots, playgrounds or hard surface play areas;
 - j. picnic grounds, beaches and water front areas;
 - k. toboggan slides;
 - l. garden plots;
 - m. indoor small bore weapons ranges;
 - n. archery ranges;
 - o. hobby clubs;
 - p. theatres;
 - q. bowling alleys;
 - r. day care centres;

- s. auto hobby club;¹⁰
- t. married quarters community council;
- u. Canadian Forces Newspapers; and
- v. libraries (excluding technical or reference libraries).

SPECIALTY INTEREST ACTIVITIES

52. Specialty Interest Activities complement community recreation programs are helping reduce mental fatigue, tension and frustration that may arise in every day work.

53. Specialty Interest Activities facilities may include the provision of the following:

- a. golf clubs;
- b. curling clubs;
- c. marinas, sailing clubs, paddle clubs;
- d. horse riding clubs;
- e. alpine ski hills;
- f. rod and gun clubs;
- g. skeet ranges;
- h. gliding clubs;
- i. food service outlets and licensed bars not operated by CANEX;
- j. vacation accommodations¹¹, such as campgrounds and chalets, operated as resale activities generating NPP revenue; and
- k. civilian employee associations¹² to provide social or recreational opportunities for DND Public Service employees and NPF Staff.

54. Additional information on Specialty Interest Activities is provided in CFAO 50-2, 50-7 (sport parachuting), CFAO 50-14 (gliding and soaring) and CFAO 50-20.

FLYING CLUBS

55. Flying Clubs are not operated as Specialty Interest Activities. Based on expense, potential liability, and desirability of operating under independent charter, flying clubs are independent non-military organizations in Canada that may apply to use facilities under leave and license agreement in accordance with QR&O Article 29.09. Outside Canada, the provisions of CFAO 50-20 apply.

¹⁰ The cost of construction of a new building or alteration to an existing building for an auto hobby club is a NPP responsibility.

¹¹ Vacation accommodations with minimal or no fees or charges may be operated as a community recreation program activity with the approval of the VCDS.

¹² The allocation of facilities to such organizations on a permanent or exclusive use basis is accomplished by a leave and license agreement or by an application to CFPSA to classify the facility as a Specialty Interest facility for purposes of Public support.

SECTION 3 - CANEX

GENERAL

56. CANEX operates a diverse resale organization to provide a wide range of goods and services to the military community. In Canada, business consists of retail, grocery, petroleum, special service and food service outlets operating at units. CANEX operates similar facilities in Germany for NATO. CANEX offers goods and services at competitive prices to meet consumer needs and generate profits in support of MW programs.

57. At Remote and Rural units, a reasonable range of competitively priced goods and services may not normally be available to CF members and their families because of the high costs of operation, transportation and accommodations. Additionally, the small size of the market often precludes economically viable operations. Substantial Public support is required for CANEX operations at these units to ensure that a reasonable level of goods and services is available.

58. At Semi-urban units, CF members and their families normally have access to community shopping facilities comparable to those at Urban units, but there may be some restrictions or constraints concerning access, the extent of the range of goods and services available, or the degree of competitive pricing. At these units, it is appropriate that there be sufficient Public support provided to CANEX operations to ensure that a reasonable level of goods and services is available.

59. At Urban units, CF members and their families have access to the full range of competitively priced goods and services. Most Urban units, however, are located in an area of the community where civilian sources of day-to-day needs are seldom available within reasonable and safe walking distance for transient and other personnel on the unit without transportation. Although there is a reduced obligation to provide Public support to CANEX operations at these units, there remain situations in which Public support is required to meet MW needs.

ORGANIZATION

60. NDHQ Action Directive D8/89 established CANEX as a line organization responsible for all CANEX operations. The President of CANEX has a line authority for all CANEX outlets with the exception of CFS Alert and HMC Ships. Ministerial Organization Order 4/90 established CANEX as a unit of the CF embodied in the Regular Force. CANEX is part of the NPP structure governed by the CDS.

CANEX RESALE OPERATIONS

61. CANEX resale operations include all NPP resale activities which, at the unit level, may include but are not limited to:

- a. **Exchange:** merchandising clothing, furniture, appliances, kitchenware, hardware, sporting goods, jewellery, watches, cameras and novelties;
- b. **Grocery stores:** merchandising groceries, including health and beauty aids and miscellaneous household items;

- c. **Gas outlets:** may include sale of gas, oil, parts, tires, batteries and accessories, and performance of service and repairs;
 - d. **Other businesses:** operations, including barber shops, beauty salons, news-stands, tailor shops, laundrettes, laundry and dry cleaning, taxi stands, photo shop, guest lodge, banks/credit unions and vending machines, operated either directly by CANEX or through a CANEX concession agreement; and
 - e. **Food services outlets:** operated either directly by CANEX or through a CANEX concession agreement.
62. CANEX resale operations do not include:
- a. deployed operations;
 - b. kit shops as authorized in accordance with CFAO 27-8;
 - c. licensed bar, snack bar, and dry canteen operations of a Mess or Service Club or Ship's Exchange which shall be considered as part of Mess or Service Club or Ship Exchange operations; or
 - d. licensed bar, snack bar, or pro shop type outlets, operated by and as part of a Specialty Interest Activity which is considered as part of that activity.

CANEX OPERATED FOOD SERVICES OUTLETS

63. CANEX operates three types of food service outlets, either directly or through concession agreement:
- a. **Dining Lounges:** resale operations that may serve hot or cold full course meals, serve alcoholic beverages, and provide table service;
 - b. **Cafeterias:** facilities fully equipped for the serving by counter service of hot and cold full course meals of all types and such other food items as typically included in commercial restaurant menus, together with tables and chairs for patrons, and facilities for dishwashing, storage, and maintenance; and
 - c. **Snack Bars:** any other CANEX operated eating facilities.

CANEX OPERATED TB SUPPORTED EATING ESTABLISHMENTS

64. The Public is responsible to ensure eating establishments are available for Publicly funded personnel in Public buildings, in accordance with TB minute 517521.¹³ Specific CANEX operated cafeterias are designated as TB supported eating establishments.

CANEX CONCESSIONS

65. To meet the MW needs of CF members and their families, CANEX determines the best mix of resale goods and services delivered directly by CANEX, and those delivered through a CANEX concession arrangement. CANEX has the management expertise and shall arrange and administer all concession agreements, other than for the resale activities identified in paragraph 62 above. In accordance with NDHQ Action Directive D8/89, CANEX shall have the right of first refusal for any new resale activity contemplated at a unit.

¹³ TB minute 517521 is the policy authority for the installation of eating facilities for Public servants in Public buildings.

66. At the request of a CO, CANEX is authorized to consider a concession arrangement for resale outlets in Messes and Specialty Interest Activities. COs are encouraged to pursue the benefits of CANEX management expertise in arranging and administering non-CANEX concessions.

67. A CO, through CANEX, may enter concession agreements for the use of federal real property through which a third party provides an MW resale operation. The President of CANEX, on behalf of a CO may approve concession agreements provided that:

- a. the total annual consideration does not exceed \$200,000 annually; and
- b. the term of the license does not exceed five years.

SECTION 4 – SISIP FINANCIAL SERVICES (SISIP FS)

GENERAL

68. SISIP FS provide financial products and services to current and former CF members and their families, including life and disability insurance, financial planning, counselling and education, and the CFPAF.
69. In addition, the CDS may direct the use of SISIP FS surpluses to undertake NPP programs, capital and operations and maintenance (O&M) projects. By way of examples, SISIP FS provides support to the CF Sports Awards Ceremony, Volunteers' Recognition Program, Operation Santa Claus, and the CFPSA Morale and Welfare Unit Grants.

ORGANIZATION

70. SISIP FS are organized as follows:
- a. Insurance Services Division;
 - b. Financial Planning Division; and
 - c. CFPAF.
71. SISIP FS are provided through a network of offices located at units across Canada and managed centrally by CFPSA.

INSURANCE SERVICES DIVISION

72. The Insurance Services Division provides Public and NPP life and disability insurance programs tailored to the needs of the military community. Each program is described in Tables 3-4-1 and 3-4-2 below. TB has governance over insurance plans that are partially or fully funded by TB. SISIP FS manages these insurance plans.

FINANCIAL PLANNING DIVISION

73. The Financial Planning Division provides Public and NPP Financial Services as described in Tables 3-4-3 and 3-4-4 below. In 1998, Program Management Board approved a comprehensive and consolidated approach to personal financial services and authorized SISIP FS to:
- a. implement a CF financial counselling network at units across Canada;
 - b. develop and implement new formal personal financial education programs for the CF; and
 - c. assume responsibility for administration of CFPAF.
74. The Financial Counselling Program is delivered through SLAs between SISIP FS and COs. Public funding is provided for these programs through CFPSA.

Table 3-4-1

SISIP FS Public Insurance Services

| Insurance Program | Description | Funding |
|--|--|--|
| Long Term Disability | This group insurance plan provides replacement income protection for eligible CF members who are released for medical reasons or become totally disabled. The plan also assists CF members to obtain gainful civilian employment through the Vocational Rehabilitation Program. | For Regular Force members, premiums are funded on a shared basis: 85% by the Public through TB and 15% by the CF member. For Reserve Force members, premiums funded by the Public through TB. |
| General Officer Insurance Plan (GOIP) | For specified Regular and Reserve Force senior officers, GOIP provides a range of insurance benefits that are bench-marked to those available to the executive category of the Public Service and RCMP officers of equivalent rank. | Premiums funded by the Public through TB. |
| Military Post Retirement Life Insurance Plan | This plan is provided automatically to eligible CF officers who retire with an immediate annuity and are covered by GOIP on the effective date of their release. The benefits are bench-marked to those available to the executive category of the Public Service and to RCMP officers of equivalent rank. | Premiums funded by the Public through TB. |
| Accidental Dismemberment Insurance Plan | This plan pays a lump-sum benefit to eligible CF members for specified losses attributable to military service. | Premiums funded by the Public through DND/CF. |

**Table 3-4-2
SISIP FS NPP Insurance Services**

| Insurance Program | Description | Funding |
|-------------------------------|---|-----------------------------------|
| Spousal Disability Plan | This optional plan provides lump-sum benefits, in the event that a spouse or partner of a CF member becomes disabled. | Premiums funded by the CF member. |
| Optional Group Term Insurance | This optional level term insurance provides lump-sum payments to chosen beneficiaries in the event of death. There are separate programs for the Regular Force, Reserve Force, and former CF members. | Premiums funded by the CF member. |

Table 3-4-3

SISIP FS Public Financial Services

| Financial Services | Description | Funding |
|---------------------------|---|-----------------------|
| Financial Counselling | This program provides confidential and timely assistance to serving CF members and spouses or partners who are experiencing financial difficulty or require financial advice. Counselling may be initiated on a referral or a voluntary basis. A professional financial counsellor works with the client to develop an action plan and provide the skills for sound financial management. | Costs paid by Public. |
| Financial Education | This program provides formal training for CF members and their families to give them the day- to-day financial tools and principles required for a sound financial future. Training is included in recruit, officer cadet, and junior and senior leadership courses. | Costs paid by Public. |

**Table 3-4-4
SISIP FS NPP Financial Services**

| Financial Services | Description | Funding |
|---------------------------|--|---|
| Financial Planning | This provides current and former CF members and their spouses or partners with certified financial planning, and a wide range of services tailored to individual needs to achieve financial goals. Services include advice on money management and savings plans, investment planning, transition and retirement planning, tax and estate planning, and preparation of income tax returns. Financial planners develop plans to meet specific objectives and offer investment products such as guaranteed investment certificates and mutual funds. SISIP FS also coordinates the CF Group Retirement Savings Plan and a Registered Education Savings Plan. | Financial Planning is an optional program funded from monthly fees paid by clients. |
| CFPAF | This provides financial assistance to current and former CF members and their immediate families through financial distress loans and grants, self-improvement loans, and education assistance loans. | NPP funds CFPAF. |

SECTION 5 – FINANCE AND INFORMATICS

FINANCE

75. The Finance Division provides accounting and financial services, including NPF banking, payroll and insurance services, to NPP organizations and CFPSA, and manages the Canadian Forces Central Fund (CFCF). Details on the CFCF are provided in Chapter 2, Section 1.

CHIEF FINANCIAL OFFICER

76. The Chief Financial Officer (CFO):

- a. provides day-to-day management of the CFCF;
- b. operates the Concentration Bank Account (CBA) through which the NPF cash flow for all NPP MW programs is managed;
- c. operates an internal loan program enabling NPP MW programs to finance their program objectives and capital requirements on a sound business case basis;
- d. operates the Consolidated Insurance Program (CIP) to provide property, liability, environmental, vehicle, and director's and officer's insurance coverage to all NPP activities.

NPF ACCOUNTING

77. NPF Accounting is a line organization under the direction of the CFO. NPF accounting needs at the unit level include the maintenance of records for Messes, community recreation programs, physical fitness maintenance grant, reading room, library, band and other grants authorized in QR&O Chapter 210, CANEX, funds held in trust, and the provision of timely and accurate information on these MW Programs.

INFORMATICS

78. Informatics is a line organization under the direction of the CFO, with the majority of staff located at CFPSA HQ in Ottawa. The role of the Informatics organization is to provide IM/IT services to NPP organizations and MW activities through the operation of a Wide Area Network (WAN) located throughout Canada and Europe, and all NPP Internet/Intranet services.

SECTION 6 – HUMAN RESOURCES

RESPONSIBILITIES OF THE CDS AND COs FOR NPF STAFF

79. By virtue of the powers vested in the CDS by Ministerial Order dated 27 Oct 04, the CDS designates CMP and CEO CFPSA for the purpose of exercising or performing any of the powers or functions that are vested in the MND by Order in Council P.C. 1978-2495 dated 9 Aug 78, in relation to personnel management of the Staff of the Non-Public Funds, Canadian Forces.

80. HR policies are approved by the CEO CFPSA based on consultation with COs and managers. The relationship between CFPSA and COs is analogous to command and control, with CFPSA exercising command and, subject to paragraph 85, COs exercising control over their local NPF Staff.

81. COs are responsible for:

- a. exercising day-to-day supervisory control;
- b. signing collective agreements as per the Ministerial Order; and
- c. exercising additional authority as delegated by the CDS.

82. SISIP FS NPF employees are supported directly by the SISIP FS HR Manager without reference to unit COs.

RESPONSIBILITIES OF HR DIVISION

83. HR Division is responsible to provide support to all NPP organizations and all NPF Staff at units and CFPSA HQ. HR responsibilities include:

- a. recruitment and selection;
- b. career development;
- c. training and development;
- d. labour relations;
- e. health and safety;
- f. human resource policies;
- g. compensation;
- h. pension and benefits;
- i. payroll;
- j. official languages;
- k. employment equity;
- l. performance management; and
- m. personnel information management.

84. Policies for the administration of NPF Staff are described in the Human Resources Policy for Staff of the Non-Public Funds, Canadian Forces (NPF HRPOL) Manual. The

NPF HR POL includes policies for compliance with federal legislation and provides HR managers with a decision-making and accountability framework to ensure consistency in the application of HR policies. The policies apply to all NPF Staff unless indicated otherwise.

ORGANIZATION OF HR SUPPORT

85. For NPF Staff, HR support is delivered through a network of Regional HR Managers, local level HR Managers and their assistants. Regional HR Managers ensure the consistent alignment of HR Plans with Operations and Support Units' strategic objectives.

SECTION 7 - INTERNAL AUDIT AND REVIEW

GENERAL

86. Subsection 41(2) of the NDA provides that NPP accounts shall be audited as the MND may from time to time direct.
87. NPP internal audits and reviews may be initiated on an as required basis by the CDS, CMP, CEO CFPSA or COs to evaluate:
- a. effectiveness of NPP activities;
 - b. standard of services in relation to organizational objectives;
 - c. safeguarding of NPP assets;
 - d. verification of funds;
 - e. effectiveness of MW and NPP program management;
 - f. compliance with NPP policies; and
 - g. adequacy of internal controls including local audit and review coverage.
88. CFPSA/Internal Audit and Review (IA&R) provides dedicated NPP audit and review support for the CDS and COs including:
- a. internal audit, review, and consultancy services pursuant to CMP guidance, the Audit and Accountability Committee Charter, the Internal Audit and Review Division Charter, the CFPSA Organization Risk Management program, and the CFPSA Audit Plan;
 - b. Dynamic Control Appraisal sessions and other value-added workshops; and
 - c. contributing to effective NPP governance.
89. IA&R may evaluate:
- a. accuracy and appropriateness of information provided to management (including financial statements);
 - b. effectiveness of internal controls for compliance with policies, directives and procedures;
 - c. controls for safeguarding assets;
 - d. controls related to meeting organizational objectives; and
 - e. controls related to ensuring the effective and efficient use of NPP resources.

CHAPTER 4 – COST ELEMENTS OF PUBLIC SUPPORT

SECTION 1 – GENERAL

1. This Chapter describes the designation of units in Canada for the purpose of differentiating levels of Public support to MW programs and the cost elements of Public support to both Public and NPP MW programs.

DESIGNATION OF SPECIFIC UNITS IN CANADA

2. To differentiate levels of Public support, units in Canada are divided into four categories (Remote, Rural, Semi-urban or Urban) based on proximity to major civilian populations and the size of the military population. The military population includes the establishment strength plus the average trainee strength. Criteria for each category and the classification of units in Canada are shown in Table 4-1-1 below.

3. While the challenge to meet MW needs varies based on geographic, demographic, operational and other factors, the maximum level of Public support for MW programs may vary by unit location to reflect the difference in accessibility to MW facilities in the local community.

PROXIMITY TO CIVILIAN POPULATION

4. The need for MW facilities is not significantly affected by proximity to major civilian communities. However, the scope of MW facilities and method by which they are provided may be affected.

5. Large civilian communities normally have facilities to meet the retail, service and Specialty Interest needs of CF members. At units near major civilian communities, the need for shopping and service facilities may be limited to services such as barber shops, expressmarts, laundry and dry cleaning, and banking facilities. A civilian municipality of 25,000 normally ensures access to a reasonable level of shopping and Specialty Interest facilities.

6. An Urban unit may operate other outlets to generate funds, but need not subsidize unprofitable outlets that provide specialized goods or services. At a Remote unit, MW facilities may be provided at Public expense as described in this policy.

MILITARY COMMUNITY POPULATION

7. Military population has a direct bearing on the ability of the military community to support MW facilities and activities. Small units may not generate sufficient funds through direct charges and resale activities to support MW facilities. Units with a military population greater than 500 are generally able to support MW facilities without Public support.

Table 4-1-1
Classification of Specific Units in Canada

| If the military population is: | and: | then the unit is: | Units in Classification | |
|---------------------------------------|--|--------------------------|---|---|
| over 500 | unit is in city or suburb of an urban area over 25,000 | Urban | Edmonton Esquimalt Halifax Kingston Montreal | Ottawa Saint-Jean Shearwater Toronto Winnipeg |
| over 500 | civilian population within 30 km radius of an urban area over 25,000 | Semi-urban | Bagotville Borden Chilliwack Calgary Gagetown Leitrim London Moose Jaw | Moncton Nanaimo North Bay St. John's Trenton Valcartier Vancouver |
| under 500 | unit is in city or suburb of an urban area over 25,000 | | | |
| over 500 | unit is within 100 km of an urban area over 25,000 and the unit is not classified as Urban or Semi-urban | Rural | Aldergrove Aldershot Comox Dundurn Farnham Greenwood Ipperwash Meaford | Nanoose Nicolet Petawawa Portage la Prairie Shilo Suffield |
| under 500 | civilian population within 100 km radius is over 25,000 and unit is not classified as Semi-urban | | | |
| all other units | | Remote | Alert ¹⁴ Cold Lake Gander | Goose Bay Wainwright Yellowknife |

CF SHIPS AND UNITS OUTSIDE CANADA

8. CF ships and CF units outside Canada, other than those deployed on international operations, may be authorized the same level of Public support for in-theatre NPP MW programs as Remote units in Canada, where it is practical and unless otherwise specified in this policy.

¹⁴ Due to isolation, the Public shall pay for initial provision, ongoing maintenance and utilities, and installed and operating equipment for all NPP MW facilities at CFS Alert.

SECTION 2 – COST ELEMENTS

COST ELEMENTS

9. Public support to MW programs falls into one of the following seven cost elements:
 - a. Personnel;
 - b. Facilities;
 - c. Maintenance, Utilities, Basic Services and Cleaning;
 - d. Equipment and Furnishings;
 - e. Supplies;
 - f. Transportation; and
 - g. Communications Equipment and Services.
10. Each of these cost elements is described in the tables provided in this chapter, where the cost elements are further divided into two or more cost items that provide greater definition of the Public support for MW programs. Some cost items apply to all MW Programs, while others are specific to NPP MW Programs. The examples provided in the respective tables are for illustration purposes and are not an exhaustive list.

PERSONNEL

OVERVIEW

11. Personnel in Public MW Positions or NPP MW Positions deliver MW programs. The number of Public MW positions is as approved in the applicable annual business plan.¹⁵ The employment of CF members, DND Public Service employees, or persons in Publicly Reimbursed positions may be authorized on a casual, part time, or full time basis in support of MW programs as described in this policy.

COST ELEMENT TABLE - PERSONNEL

12. Table 4-2-1a below provides the cost items of Public support for personnel for MW programs.

¹⁵ VCDS Instruction 3/96 approved the initial number of Public MW positions.

Table 4-2-1a
Cost Elements of Public Support – Personnel

| ITEM | DEFINITION | EXAMPLES |
|-----------------------------|--|---|
| Public MW Position | <ul style="list-style-type: none"> • Positions delivering Public MW Programs and filled by CF members, DND Public Service employees, NPF Staff reimbursed by the Public, staff of MFRCs funded through an MOU, and SISIP FS Fee for Service staff. • Personnel in Public MW positions fall into one of the following categories: <ul style="list-style-type: none"> a. Publicly Funded: MW positions filled by CF members or DND Public Service Employees paid by and subject to the Public accountability framework. These positions are Publicly funded and an integral part of a unit establishment or salary wage envelope; b. Publicly Reimbursed: MW positions filled by NPF Staff paid by and subject to the NPP accountability framework, and whose salaries and overhead costs are reimbursed by the Public. The salaries for these positions are Publicly funded in the CFPSA business plan; c. SISIP FS Fee for Service: MW positions filled by SISIP FS employees who deliver Financial Counselling or Financial Education services in accordance with a Fee for Service agreement between SISIP FS and CMP. The Public funds all costs, including operating, overhead and salaries, through the NPP accountability framework; and d. MOU Funded MFRC: MW positions filled by employees of third party organizations, whose salaries and overhead costs are Publicly funded through an MOU. | <ul style="list-style-type: none"> • CEO CFPSA; • CANEX Manager; • PSP Manager; • C/MFRC Staff; • Recreation Director; • Mess Manager; • Fitness and Sports; • SISIP FS staff delivering Financial Counselling and Financial Education programs; • Health Promotion. |
| Collateral Responsibilities | <ul style="list-style-type: none"> • CF members or DND Public Service employees who administer or provide support to unit NPP MW Programs as part of their primary responsibilities or on a secondary duty basis. | <ul style="list-style-type: none"> • CO; • Admin O; and • PMC of a Mess. |
| Available Expertise | <ul style="list-style-type: none"> • Professional and technical expertise provided by CF members and DND Public Service employees in support of the administration of NPP MW. | <ul style="list-style-type: none"> • Engineering; • Medical; • Legal; • Accounting; • Safety; and • Security. |

Types of Employees within Public MW Positions and NPP MW Positions

13. Table 4-2-1b below summarizes the type of employee included in each MW Position, the source of funding, and the applicable accountability framework through which each category of MW Position is paid.

**Table 4-2-1b
Categories of Employees Delivering MW Programs**

| Category | | Funding | Accountability Framework | Type of Employee |
|------------------------|--------------------------|---------|--------------------------|--------------------------------------|
| Public MW Position | Publicly Funded | Public | Public | CF Member Public Service Employee |
| | Publicly Reimbursed | Public | NPP | NPF Staff in Public MW Position |
| | SISIP FS Fee for Service | Public | NPP | SISIP FS Fee for Service Employee |
| | MOU Funded MFRC | Public | Third Party Organization | MFRC Employee in Public MW Position |
| Non Public MW Position | | NPP | NPP | NPF Staff |

OTHER PERSONNEL SUPPORT

14. In addition to the cost items of Public support shown in Table 4-2-1a, the following personnel support may be authorized for MW programs.

Casual or Part-Time Employment at Bases, Wings and Units

15. Subject to operations and training needs, a CO may authorize the casual or part-time employment of any CF member, DND Public Service employee or person in a Publicly Reimbursed position on duty time in support of NPP MW activities except:

- a. as Mess or CANEX operating staff; or
- b. at the point of sale in Specialty Interest facilities or Service Clubs.

16. A CO may authorize the casual or part-time employment of any CF member, DND Public Service employee or person in a Publicly Reimbursed position in support of events of special significance, such as Armed Forces Day, Colour Presentations, Change of Command ceremonies, commemorative occasions, or visits of distinguished visitors.

Casual or Part-Time Employment for Operations or Exercises

17. Formation Commanders may authorize part-time employment of CF members in on-the-job training for Mess or CANEX operations in preparation for deployments or major exercises to a maximum of:

- a. twenty hours per week for six weeks for each CF member; and
- b. four CF members for each MW activity to be operated on deployment or exercise.

18. A CO of a unit participating in field exercises may authorize the part-time use of CF members in support of Messes, mobile canteens or equivalent CANEX activities for the duration of the exercise.

Full-Time Employment at Bases, Wings and Units

19. The full-time employment of a CF member, DND Public Service employee or person in a Publicly Reimbursed position in a Non-Public MW Position may be authorized, subject to the following:

- a. by a CO for up to six weeks;
- b. by a Formation Commander for up to six months; and
- c. by a Level 1 Advisor for over six months.

20. Subject to paragraph 19 above, the employment of CF members in Non-Public MW positions may be authorized when they are:

- a. temporarily medically unfit and there is no practical Public function available to them;
- b. surplus to requirement; or
- c. require NPP experience as part of training.

21. Subject to paragraph 19 above, when there is no incumbent in a Public MW Position, or the incumbent is not available for more than six weeks, a CO may authorize a CF member, DND Public Service employee, or person in a Publicly Reimbursed Position to fill that position.

Full-Time Employment for Operations or Exercises

22. The commander of forces identified in CFAO 20-46 may authorize the full-time employment of any personnel on NPP MW activities with no recovery from NPP. The CO of a unit participating in field exercises may authorize the full-time employment of personnel to support Messes, mobile canteens, or equivalent CANEX activities for the duration of the exercise with no recovery from NPP.

FACILITIES

COST ELEMENT TABLE - FACILITIES

23. Table 4-2-2 below provides the cost items of Public support for facilities for MW programs.

**Table 4-2-2
Cost Element of Public Support – Facilities**

| ITEM | DEFINITION | EXAMPLES |
|---|--|---|
| Use of Available Facilities | <ul style="list-style-type: none"> • Land, buildings, space in buildings, or works constructed or acquired by DND/CF may be allocated to MW programs. • Scales of accommodation for many MW program facilities are contained in the Realty Asset Management Manual (RAMM). | <ul style="list-style-type: none"> • Land for a golf course; • Building for CANEX. |
| Construction, Acquisition or Alteration of a Facility | <ul style="list-style-type: none"> • Construction, including the cost of labour, materials and fees, of a facility on DND land. • Acquisition of a non-DND facility including the purchase, lease or rental of a facility using Public resources administered in accordance with RAMM policy. • Alteration of the design, function, or capability of a facility to restore it to current standards. | <ul style="list-style-type: none"> • Building costs; • Site preparation; • Installation of interior and exterior services; • Parking; • Landscaping; • Building signage; and • Additional washrooms. |
| Payments in lieu of taxes (PILT) | <ul style="list-style-type: none"> • Payments on the assessed property value of facilities owned or occupied by MW located on Crown property made by a unit to a municipality in lieu of taxes. | |

Capital Projects

24. All capital projects are administered in accordance with the RAMM regardless of the source of funds. Capital projects funded jointly by Public and NPP resources shall be approved in the long-term capital planning process for Public funds and by the CDS for NPP.

25. VCDS authority is required to construct or acquire Specialty Interest facilities at Public expense. NPP Capital projects may be approved in accordance with instructions issued by CEO CFPSA. The approval levels are set in the CDS Delegation of Authorities for Financial Administration of Non-Public Property. Any approval greater than \$1M requires CDS approval. The CEO CFPSA provides project management for NPP MW capital projects.

26. NPP funding may be provided as a grant or internal loan. Project approval is based on the circumstances and unit financing arrangements. Resale projects for system benefit will be funded by a long term internal loan, except that CFCF is responsible for repayment. In such cases, CFPSA shall either:

- a. make the facility available to the unit on a rental basis; or
- b. operate the facility and pay the unit an agreed annual share of the profits.

27. Requests for funding for development projects must be approved through the annual departmental business planning process.

Retroactive Reimbursement by the Crown

28. When a Public MW Program facility is not provided from Public resources, the VCDS may authorize the retroactive reimbursement of NPP from Public funds for the NPP construction of the MW facility. Retroactive reimbursement agreements must be authorized prior to final approval of the project and are subject to any TB constraints.

OTHER PUBLIC SUPPORT FOR FACILITIES

29. In addition to the cost items of Public support shown in Table 4-2-2 above, the following facilities support may be authorized for MW programs.

Training Projects

30. The CO of an engineering unit or the Commandant of the Canadian Forces School of Military Engineering may authorize a training project to construct, alter, or perform major maintenance on NPP MW program facilities. Provided there is legitimate training value, these projects may be performed during duty hours, and are subject to the normal capital project approval process. The Public is responsible for:

- a. salary cost of CF members; and
- b. rations and quarters.

31. The use of Mobile Support Equipment (MSE) may be authorized in support of training projects, with no recovery from NPP. MSE incremental costs required for training projects, such as Petroleum, Oils and Lubricants (POL), are a NPP responsibility.

Joint Municipal Projects

32. MW facilities may be developed jointly with civilian municipalities to provide a greater variety of facilities, ensure sufficient participants for viable operations, and reduce costs.

33. VCDS approval is required for joint municipal MW projects in advance of any commitment with a municipality. Submissions for VCDS approval shall be staffed through CFPSA and include the proposed share of construction cost, responsibility for O&M costs, conditions of use, and details on title, taxes, insurance, and liabilities.

Self-Help Projects

34. A self-help project is the construction of an NPP MW program facility with labour provided by CF members during off-duty hours on a voluntary basis. Self-help projects are subject to the normal capital project approval process.

35. The employment of CF members on self-help projects during duty hours may be authorized, subject to the recovery of salary costs, unless the Assistant Deputy Minister (Finance and Corporate Services) [ADM(Fin CS)] waives the recovery of these costs.

36. The use of MSE may be authorized in support of self-help projects, subject to the recovery of incremental POL costs from NPP, and provided that the use does not impair the ability to meet training, operational, or higher priority administrative needs. NPP is responsible for other incremental costs incurred for self-help projects.

Demolition and Disposal of Facilities

37. DND shall reimburse NPP for any NPP investment in MW facilities that are demolished or disposed of through Public Works Government Services Canada (PWGSC). This includes both Dedicated Use facilities and other facilities financed, in whole or in part, by NPP.

38. ADM (Fin CS) shall determine the amount of compensation for buildings that are demolished. For facilities disposed of through PWGSC, ADM (Fin CS) shall determine the amount of reimbursement to NPP as follows:

- a. firstly, for NPP buildings and installed equipment, the net selling price (sale price less selling expenses); and
- b. secondly, the percentage of the net selling price reimbursed to NPP shall be based on the NPP portion of the cost of new construction, improvements, equipment, maintenance and the number of years in use.

MAINTENANCE, UTILITIES, BASIC SERVICES AND CLEANING

COST ELEMENT TABLE – MAINTENANCE, UTILITIES, BASIC SERVICES AND CLEANING

39. Table 4-2-3 below provides the cost items of Public support for maintenance, utilities, basic services and cleaning services for MW program facilities.

**Table 4-2-3
Cost Element of Public Support -
Maintenance, Utilities, Basic Services and Cleaning**

| ITEMS | DEFINITION | EXAMPLES |
|------------------------|--|--|
| Maintenance | <ul style="list-style-type: none"> Upkeep of MW facilities and projects to restore them to their original functional purpose in accordance with current standards. | <ul style="list-style-type: none"> Repair of windows, doors, walls and ceilings; Painting; Roof replacement; Preventive maintenance inspections. |
| Utilities Installation | <ul style="list-style-type: none"> Extension of services to MW facilities and/or the cost of additions to plant or service equipment needed to meet increased load. | <ul style="list-style-type: none"> Additional transformers; Excavation and piping for water and sewer service; Heat and electricity. |
| Utilities Provision | <ul style="list-style-type: none"> Provision and maintenance of heating, ventilation and air conditioning systems. | <ul style="list-style-type: none"> Individually heated, ventilated and air conditioned facilities; Central heating plant. |
| | <ul style="list-style-type: none"> Provision and maintenance of electricity and electrical systems. | <ul style="list-style-type: none"> Lights, motors and appliances. |
| | <ul style="list-style-type: none"> Provision and maintenance of water and water systems. | <ul style="list-style-type: none"> Washrooms and plumbing; Arenas and swimming pools. |
| | <ul style="list-style-type: none"> Provision and maintenance of sewage and sewage systems. | <ul style="list-style-type: none"> Disposal and treatment; Storm drains. |
| Basic Services | <ul style="list-style-type: none"> Security. | <ul style="list-style-type: none"> Regular patrols; Investigations. |
| | <ul style="list-style-type: none"> Fire protection. | <ul style="list-style-type: none"> Emergency response; Fire safety inspections; Inspection of sprinklers, alarm systems and extinguishers. |
| | <ul style="list-style-type: none"> Garbage removal. | <ul style="list-style-type: none"> Wet/dry garbage collection. |
| | <ul style="list-style-type: none"> Snow removal, sanding and salting. | <ul style="list-style-type: none"> Access roads and parking areas; Outdoor rinks, on an as available basis. |
| | <ul style="list-style-type: none"> Grounds upkeep, except for golf course greens and fairways. | <ul style="list-style-type: none"> Grass cutting, weed control; Seeding and fertilizer. |
| Cleaning Services | <ul style="list-style-type: none"> Services to maintain standards of cleanliness and sanitation. | <ul style="list-style-type: none"> Sweeping and waxing floors; Garbage removal to bins; Cleaning windows, ceilings, walls and washrooms. |

EQUIPMENT AND FURNISHINGS

COST ELEMENT TABLE – EQUIPMENT AND FURNISHINGS

40. Table 4-2-4 below provides the cost items of Public support for equipment and furnishings for MW programs.

Table 4-2-4
Cost Elements of Public Support – Equipment and Furnishings

| ITEM | DEFINITION | EXAMPLES |
|----------------------------------|--|--|
| Installed Equipment | <ul style="list-style-type: none"> Provision, repair and replacement of equipment built into a facility or connected by plumbing or heavy-duty electric wiring and not readily removable. | <ul style="list-style-type: none"> Walk-in refrigerator; Heating plant; Arena ice plant. |
| Operating Equipment | <ul style="list-style-type: none"> Provision, repair and replacement of equipment with a substantial life span and easily movable. | <ul style="list-style-type: none"> Aerobic/weight training equipment; Ice resurfacing machine; Hockey goals or nets; Refrigerators for Messes. |
| Safety Equipment | <ul style="list-style-type: none"> Provision, repair and replacement of equipment to meet safety regulations. | <ul style="list-style-type: none"> Emergency lights; Water safety equipment; First aid equipment. |
| Activity Equipment ¹⁶ | <ul style="list-style-type: none"> Equipment and consumables needed for participation in specific MW activities. | <ul style="list-style-type: none"> Basketballs; Hockey sticks; Softball gloves, bats and balls. |
| CANEX Fixtures | <ul style="list-style-type: none"> Fixtures required for the proper display, control and protection of merchandise in CANEX resale operations. | <ul style="list-style-type: none"> Show cases; Shelving; Display racks. |
| Office Furnishings | <ul style="list-style-type: none"> Equipment and furniture required for an office. | <ul style="list-style-type: none"> Desks and chairs; Filing cabinets. |
| Activity Furniture | <ul style="list-style-type: none"> Furniture needed for a specific MW activity. | <ul style="list-style-type: none"> Pool tables; Library shelves; Lounge chair. |

OTHER PUBLIC EQUIPMENT AND FURNISHINGS SUPPORT

41. In addition to the cost items of Public support shown in Table 4-2-4 above, Public non-expendable materiel, other than major equipment, surplus to immediate requirements, may be authorized for NPP MW programs, subject to the following:

- a. by a CO for loans up to six months;
- b. by a Level 1 Advisor for loans from six months to one year; and
- c. by Assistant Deputy Minister (Materiel) [ADM(Mat)] for loans of more than one year.

¹⁶ Some activity equipment is provided directly through the Physical Fitness Maintenance Grant (PFMG).

42. Temporary issues are recallable at anytime. The maintenance of temporary issue items during the loan period is a NPP responsibility.

SUPPLIES**COST ELEMENT TABLE - SUPPLIES**

43. Table 4-2-5 below provides the cost items of Public support for supplies for MW programs.

Table 4-2-5
Cost Elements of Public Support – Supplies

| ITEM | DEFINITION | EXAMPLES |
|-------------------------------|--|---|
| Janitorial Supplies | <ul style="list-style-type: none"> • Consumable cleaning, sanitary and lighting supplies. | <ul style="list-style-type: none"> • Soap; • Toilet paper; • Paper towels; • Light bulbs. |
| Office Supplies | <ul style="list-style-type: none"> • Supplies required for an office. | <ul style="list-style-type: none"> • Stationary; • Pens and pencils. |
| Activity Preparation Supplies | <ul style="list-style-type: none"> • Supplies to mark or prepare a facility for specific MW activity. | <ul style="list-style-type: none"> • Chalk for marking sports fields. |

TRANSPORTATION

COST ELEMENT TABLE - TRANSPORTATION

44. Table 4-2-6 below provides the cost items of Public support for transportation for MW programs.

**Table 4-2-6
Cost Elements of Public Support – Transportation**

| ITEM | DEFINITION | EXAMPLES |
|--|---|---|
| Public MW Program Transportation | <ul style="list-style-type: none"> • Movement of personnel and goods by CF aircraft, marine vessels, MSE, commercial or PMV in support of Public MW Programs. • Transportation in support of Public MW programs is authorized on the same basis as for other Public activities. | <ul style="list-style-type: none"> • Temporary duty travel for Publicly Funded and Publicly Reimbursed Positions; • Transportation of CF sports teams in accordance with CFAO 50-3; • CF Show Tours in support of deployed operations; • Pick up of a guest of honour for a mess dinner; • Transport of a visiting dignitary at a military ceremonial event. |
| NPP MW Transportation on Space Available Basis | <ul style="list-style-type: none"> • Use of space available on CF aircraft, marine vessel or MSE in support of NPP MW programs. | <ul style="list-style-type: none"> • Transportation of NPP cargo may be authorized on Public transport when the Public transport is returning from an authorized Public activity; • Transportation of CF family members on a community recreation program activity in accordance with CFAO 50-2. |

45. The use of MSE in support of MW programs is administered in accordance with the DND Transportation Manual, A-LM-158-005/AG-001.

OTHER PUBLIC TRANSPORTATION SUPPORT

46. In addition to the cost items of Public support shown in Table 4-2-6 above, the following transportation support may be authorized for MW programs.

47. Military airlift for NPF Staff, in both Publicly Reimbursed and Non-Public MW positions, may be authorized, with no recovery from NPP, subject to the following:

- a. duty travel for NPF Staff authorized by or on behalf of CEO CFPSA; or
- b. NPF Staff, their dependants and baggage, up to limits for equivalent rank CF members on posting to overseas or remote locations. Return transportation may be authorized only on completion of two years employment, or when required by contract. The Public is not responsible for the cost of:
 - i. unaccompanied baggage;
 - ii. transportation from the place of residence, on commencement of employment, to an Air Movements Squadron (AMS); or

- iii. transportation from an AMS to the new place of residence on return.
48. CANOSCOM/J4 Mov may authorize shipment of NPP via military airlift, with no recovery from NPP for units identified in CFAO 20-46, CFS Alert and 5 Wing Goose Bay.
49. A CO may authorize the use of MSE in support of MW, with no recovery from NPP:
- a. on field exercises as mobile canteens and in resupply of field canteens;
 - b. to forces designated for duty or training outside Canada as described in CFAO 20-46; and
 - c. for the movement of NPP from local suppliers or transportation terminals to the AMS, for goods destined for CFS Alert, 5 Wing Goose Bay, Yellowknife, operational units outside Canada and CF Attaches.
50. The Public is not responsible for storage costs of NPP cargo when:
- a. transportation is cancelled due to higher priority requirements; or
 - b. for the period pending confirmation of the timing and mode of transport.

COMMUNICATIONS EQUIPMENT AND SERVICES

COST ELEMENT TABLE – COMMUNICATIONS EQUIPMENT AND SERVICES

51. Table 4-2-7 below provides the cost items of Public support for communications equipment and services for MW programs.

Table 4-2-7
Cost Elements of Public Support
Communications Equipment and Services

| ITEM | DEFINITION | EXAMPLES |
|-------------------|--|--|
| Telecom Services | <ul style="list-style-type: none"> • Provision of telecommunications equipment and services in support of MW. | <ul style="list-style-type: none"> • Telephone services; • Mobile services; • Message centre services; • Technical services. |
| Computer Services | <ul style="list-style-type: none"> • Provision of computer equipment and services in support of MW. | <ul style="list-style-type: none"> • Internet/Intranet access • E-mail; • Hardware; • Software; • Security. |
| Mail Services | <ul style="list-style-type: none"> • Provision of mail services in support of MW. | <ul style="list-style-type: none"> • Postage; • Registered mail; • Internal mail within DND; • External mail. • Couriers. |

CHAPTER 5 – PUBLIC SUPPORT TO MW PROGRAMS

SECTION 1 – GENERAL

LEVEL OF PUBLIC SUPPORT

1. Public support to MW programs is provided both centrally and locally. Public support may vary over time and between locations depending on factors, such as local requirements, resources available and competing priorities. This chapter describes the maximum level of Public support authorized for each MW Program.
2. The Public provides support to Public MW Positions on the same basis as for equivalent rank or status of CF members or DND Public Service employees. Full Public support may be authorized for all cost elements of Publicly Funded and Publicly Reimbursed positions approved in the applicable business plan.
3. For all other aspects of MW programs, the maximum level of Public support that may be authorized is identified in the respective tables in this chapter. Within these maximum levels, the actual level of Public support provided to MW programs is subject to inclusion in and approval of the applicable business plan.

SUPPORT FOR CFPSA HQ AND REGIONAL OFFICES

4. Local level Public support for CFPSA Headquarters in Ottawa is a CFSU(O) responsibility. Support for CFPSA regional offices is the responsibility of the support unit to the level approved in the local level business plan and equivalent to the base support provided to other base elements.

SECTION 2 – MESSSES AND SERVICE CLUBS

GENERAL

5. Regular Force Messes and Service Clubs, excluding bar operations and entertainment activities, are Public MW programs. Full Public support may be authorized for all cost elements of Publicly Funded and Publicly Reimbursed positions approved in the appropriate business plan. Table 5-2-1 identifies the maximum level of Public support that may be authorized for all other aspects of Regular Force Messes and Service Clubs.

MESS MANAGER

6. Mess managers plan, organize, staff, direct, and control Mess activities and events under the overall direction of the Mess committee. The Public is responsible to provide a Public MW Position, as applicable, for the management of each Mess with an ordinary membership over 50 for Officers Messes, over 100 for Warrant Officers and Sergeants Messes and over 200 for Junior Ranks Messes.

7. A CO may authorize up to two additional Public MW Positions, as applicable, for Mess management where there is more than one Mess in a category because of geographical separation or inadequate accommodation. A CO may reallocate mess management positions within local Messes as required.

FURNISHINGS

8. Mess furnishings are the standard quality furniture and accessories needed to accommodate Mess operations. The Public is responsible to provide, repair and replace furnishings for Regular Force Messes and for temporary lounge facilities for CF members who are quartered in hutted or tented accommodation. Furnishings may be provided for main lounges, reading and games rooms, and dining rooms.

9. A CO may authorize Public funds to purchase standard quality furniture. If a Mess Committee chooses to buy better quality furnishings or specialty items using NPF, the Public reimburses NPF with the dollar value of the standard furniture. DAOD 3004-1 provides guidance in determining the credit. Furnishings purchased in whole or in part using Public funds are Public property, accounted for as a Public asset, and maintained at Public expense.

10. The Public is not responsible for furnishings for bar operations or entertainment activities.

SUPPORT FOR MESS DINNERS OR MESS CEREMONIAL EVENTS

11. The following Public support may be authorized for mess dinners and military ceremonial events:

- a. the use of a facility, normally a Mess, to hold the function;
- b. food and non-alcoholic beverages, on an exceptional basis (normally these costs are paid by those attending the function or by Public Hospitality);
- c. personnel, such as cooks, stewards, servers and clean up staff; and

- d. transportation of material and personnel in support of the function.
12. The provision of Publicly funded food service personnel may be authorized through any combination of:
- a. adjustment of shifts to carry out the additional workload during the regular number of duty hours where this can be accomplished in a manner which does not adversely affect the standards of food service provided to DND Funded Customers;
 - b. overtime employment of Publicly funded food service personnel;
 - c. employment of military cooks for extra duty hours; and
 - d. Publicly funded casual employees.

APPROVING AUTHORITIES FOR OFFICIAL MESS FUNCTIONS

13. A Level I advisor may authorize Official Mess Functions and delegate to COs authority for specific events, within established limits.

**Table 5-2-1
Public Support to Regular Force Messes and Service Clubs**

| COST ELEMENT | Remote | Rural | Semi-Urban | Urban |
|---|--------|-------|------------|-------|
| Personnel (see note 1) | 100% | 100% | 100% | 100% |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise | 100% | 100% | 100% | 100% |
| Facilities | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% | 100% | 100% | 100% |
| Equipment and Furnishings (see note2) | 100% | 100% | 100% | 100% |
| Supplies | 100% | 100% | 100% | 100% |
| Transportation | 100% | 100% | 100% | 100% |
| Communications Equipment and Services (see note3) | 100% | 100% | 100% | 100% |

Notes:

- 1. Management positions funded through CFPSA.
- 2. Excludes Activity Equipment and Activity Furniture for Mess bar operations and entertainment activities, which are a NPP responsibility.
- 3. Telephones only may be authorized for Mess bar operations and entertainment activities, where required for military and safety requirements.

SECTION 3 – MILITARY FITNESS AND SPORTS PROGRAM

GENERAL

14. The Military Fitness and Sports Program is a Public MW Program. Full Public support may be authorized for all cost elements of Publicly Funded and Publicly Reimbursed positions approved in the appropriate business plan. Table 5-3-1 identifies the maximum level of Public support that may be authorized for all other aspects of the Military Fitness and Sports Program.

RENTAL OF FACILITIES

15. The rental of non-military fitness and sports facilities may be authorized when:

- a. adequate fitness and sports facilities are not available;
- b. military facilities are being used to maximum capacity; or
- c. the number of personnel, location of lodger units, or other circumstances warrants the rental of non-military facilities.

16. Facilities rented under this authority shall be used only for the Military Fitness and Sports Program.

17. In exceptional circumstances, an individual or group membership may be subsidized, in whole or in part, at Public expense, for the cost of registration or entrance fees to fitness activities, courses or facilities available at YMCA-YWCAs and athletic clubs.

18. Specialty Interest facilities may be rented at Public expense for the selection and preparation of CF members in regional, national or International Military Sports Council (CISM) competitions, and for the conduct of these events.

CFPSA TRAINING CENTRE

19. The CFPSA Training Centre in Borden provides PSP Fitness and Sports Instructor Training and specialty physical fitness training, such as the Basic Fitness Training Assistant and Recreation Activity Leaders courses, to meet the requirements of the CF. The Public is responsible to support this training centre on the same basis as other CF trade schools. CFB Borden provides Public support to this facility and equipment from local resources.

20. The VCDS may approve additional Public funding if the CFPSA Training Centre requires significant use of Specialty Interest facilities to meet course requirements.

ROYAL MILITARY COLLEGE (RMC)

21. Military Fitness and Sports Program facility and equipment requirements at RMC differ significantly from those at other units. The Public is responsible for the construction or acquisition of facilities, and the provision of professional and sports staff and equipment required at RMC.

CF NATIONAL SPORTS

22. CF National Sports is a component of the Military Fitness and Sports Program. CFPSA may authorize Public funded travel costs of CF athletes to National Championships. Subject to CFAO 50-3, a CO may authorize local Public funds for local and regional competitions.

INTERNATIONAL MILITARY SPORTS COUNCIL (CISM)

23. CISM is a component of the Military Fitness and Sports Program. CFPSA may authorize Public funded costs of CF athlete participation in CISM activities. A CO may authorize local Public resources to support CISM activities when this does not compromise operations.

PHYSICAL FITNESS MAINTENANCE GRANT (PFMG)

24. CFPSA distributes to unit funds the PFMG for all Regular Force and Reserve Force Class “C” personnel on a semi-annual basis.

Table 5-3-1
Public Support to the Military Fitness and Sports Program

| COST ELEMENT | Remote | Rural | Semi-Urban | Urban |
|---|--------|-------|------------|-------|
| Personnel (see note 1) | | | | |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise | 100% | 100% | 100% | 100% |
| Facilities | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% | 100% | 100% | 100% |
| Equipment and Furnishings (see note 2) | 100% | 100% | 100% | 100% |
| Supplies | 100% | 100% | 100% | 100% |
| Transportation (see note 3) | 100% | 100% | 100% | 100% |
| Communications Equipment and Services | 100% | 100% | 100% | 100% |

Note:

1. Management and program delivery staff positions funded through CFPSA.
2. Consumable Activity Equipment is centrally funded through the PFMG. Additional Activity Equipment may be authorized from local Public funds.
3. In addition, for ships away from home port, the Senior Canadian Officer Present Afloat (SCOPA) may authorize commercial transportation for CF members for MW activities conducted under DAOD 5023-2 or CFAO 50-3, when transportation is not available from DND or a host nation.

SECTION 4 – MILITARY FAMILY SERVICES PROGRAM

GENERAL

25. The Military Family Services Program (MFSP) is a Public MW Program. Public support may be authorized for MFRC employees as approved in the appropriate business plan. Table 5-4-1 identifies the maximum level of Public support that may be authorized for all other aspects of the MFSP.

26. CMP provides Public funding through CFPSA to MFRCs and CMFRCs. The Public funding provided directly to MFRCs is for use in accordance with the terms of the applicable MOU or SLA.

27. While MFRCs are operated at arms length from DND and the CF, COs are expected to provide the necessary Public support. MFRCs enter Supplemental Agreements with COs on an annual basis to set the level of site specific support. The Supplemental Agreement forms part of the MOU.

ACCOMMODATIONS

28. Accommodations are a Public responsibility at the local level and may be provided through the allocation of space available, renovated as required, or by new construction. Normal Construction Engineering project approval will apply for C/MFRC accommodation.

29. Appropriate accommodations would include the following at Public expense:
- a. a private office for the executive director;
 - b. a private office for core professional staff;
 - c. access to a private counselling room where core professional staff share office space;
 - d. an administration room or area with space for support staff and general office activities, reception, and display of literature on programs and other activities;
 - e. a meeting room for use by the executive director and core professional staff and clients. The room does not have to be dedicated to the C/MFRC but it should be in the same building as staff offices;
 - f. a coffee/lounge area for use by staff and clients equipped to function as a lunch room, including a microwave, refrigerator, kettle, counter and cupboards, sink and tables and chairs; and
 - g. a children's drop in centre. This is not a nursery or day care but a facility where parents may leave their children on a casual basis. It may include space for infants, pre-school tots and an after school drop in service. It could include a fenced playground with limited installed equipment.

**Table 5-4-1
Public Support to Military Family Services Program**

| COST ELEMENT | Remote | Rural | Semi-Urban | Urban |
|---|---------------|--------------|-------------------|--------------|
| Personnel – MOU Funded MFRC (see note 1) | 100% | 100% | 100% | 100% |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise (see note 2) | 100% | 100% | 100% | 100% |
| Facilities | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% | 100% | 100% | 100% |
| Equipment and Furnishings | 100% | 100% | 100% | 100% |
| Supplies and Services | 100% | 100% | 100% | 100% |
| Transportation | 100% | 100% | 100% | 100% |
| Communications Equipment and Services | 100% | 100% | 100% | 100% |

Note:

1. Positions funded through CFPSA via MOU.
2. Excludes MFRCs, which are third party organizations.

SECTION 5 - HEALTH PROMOTION PROGRAM (HPP)

30. The HPP is a Public MW program. Full Public support may be authorized for all cost elements of Publicly Funded and Publicly Reimbursed positions approved in the appropriate business plan. Table 5-5-1 identifies the maximum level of Public support that may be authorized for all other aspects of the HPP.

31. Central Public support is provided by DGHS through CFPSA and includes the following support:

- a. initial provision of furniture, equipment, and communications for Public MW Positions; and
- b. recurring, including:
 - i. Public MW Position salaries;
 - ii. training and development; and
 - iii. other Public support as authorized by DGHS.

**Table 5-5-1
Public Support to Health Promotion Program**

| COST ELEMENT | Remote | Rural | Semi-Urban | Urban |
|---|---------------|--------------|-------------------|--------------|
| Personnel (see note 1) | 100% | 100% | 100% | 100% |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise | 100% | 100% | 100% | 100% |
| Facilities | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% | 100% | 100% | 100% |
| Equipment and Furnishings | 100% | 100% | 100% | 100% |
| Supplies and Services | 100% | 100% | 100% | 100% |
| Transportation | 100% | 100% | 100% | 100% |
| Communications Equipment and Services | 100% | 100% | 100% | 100% |

Note:

- 1. Management and program delivery staff positions funded through CFPSA.

SECTION 6 – COMMUNITY RECREATION PROGRAMS

32. Community recreation programs are NPP MW Programs that receive a specified level of Public support. Full Public support may be authorized for all cost elements of Publicly Funded and Publicly Reimbursed positions approved in the appropriate business plan. Table 5-6-1 identifies the maximum level of Public support that may be authorized for all other aspects of community recreation programs.

Table 5-6-1
Public Support to the Community Recreation Programs

| COST ELEMENTS | Remote | Rural | Semi-Urban | Urban |
|--|--------|-------|------------|-------|
| Personnel (see note 1) | | | | |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise | 100% | 100% | 100% | 100% |
| Facilities | | | | |
| Use of Available Facilities | 100% | 100% | 100% | 100% |
| Construction, Acquisition or Alteration | 50% | 50% | 50% | 50% |
| PILT | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | | | | |
| Maintenance | 100% | 100% | 100% | 100% |
| Utility Installation | 100% | 100% | 100% | 100% |
| Utility Provision | 100% | 100% | 100% | 100% |
| Basic Services | 100% | 100% | 100% | 100% |
| Cleaning Services (see note 2) | 100% | 100% | 100% | 100% |
| Equipment and Furnishings (see note 1) | | | | |
| Installed Equipment | 100% | 100% | 100% | 100% |
| Operating Equipment (see note 3) | 100% | 0% | 0% | 0% |
| Safety Equipment | 100% | 100% | 100% | 100% |
| Activity Equipment (see note 4 and 5) | 100% | 100% | 100% | 100% |
| Activity Furniture (see note 6) | 100% | 100% | 100% | 100% |
| Supplies | | | | |
| Janitorial Supplies | 100% | 100% | 100% | 100% |
| Transportation | | | | |
| Public MW Program (see note 7) | 100% | 100% | 100% | 100% |
| NPP MW Transportation on Space Available Basis | 100% | 100% | 100% | 100% |
| Communications Equipment and Services | | | | |
| Telecoms (see note 8) | 100% | 100% | 100% | 100% |
| Mail (see note 9 and 10) | 100% | 100% | 100% | 100% |

Notes:

1. Management and supervisory positions in support of community recreation programs funded through CFPSA.
2. Cleaning services may be authorized for libraries, community centres, and the Public use of community recreation program facilities, and for the Public use of a unit theatre.

3. Only at CFS Alert because of extreme isolation.
4. Grants for books and reading room material for libraries may be authorized as per QR&O 210.315.
5. The cost of photography by unit photographic staff for publication in Canadian Forces Newspapers may be authorized.
6. Seats, screens and projectors for theatres, and tables, chairs and bookcases for libraries may be authorized.
7. In addition, for ships away from home port, SCOPA may authorize commercial transportation for CF members for entertainment, shopping or attendance at church when transportation is not available from DND or a host nation.
8. Telephones only may be authorized, where needed for safety and contact with duty personnel in emergencies.
9. Access to internal DND mail service only may be authorized.
10. The distribution of Canadian Forces Newspapers to Reserve units, unit members serving abroad, and other CF units or government organizations requesting copies may be authorized.

SECTION 7 – SPECIALTY INTEREST ACTIVITIES

33. Specialty Interest Activities are NPP MW activities that receive a specified level of Public support. Table 5-7-1 below identifies the maximum level of Public support that may be authorized to Specialty Interest Activities.

**Table 5-7-1
Public Support to Specialty Interest Activities**

| COST ELEMENTS | Remote | Rural | Semi-Urban | Urban |
|--|--------|-------|------------|-------|
| Personnel | | | | |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise | 100% | 100% | 100% | 100% |
| Facilities | | | | |
| Use of Available Facilities | 100% | 100% | 100% | 100% |
| Construction, Acquisition or Alteration (see note 1) | 100% | 0% | 0% | 0% |
| PILT | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | | | | |
| Maintenance (see note 1) | 100% | 0% | 0% | 0% |
| Utility Installation | 100% | 0% | 0% | 0% |
| Utility Provision | 100% | 75% | 50% | 25% |
| Basic Services | 100% | 100% | 100% | 100% |
| Equipment and Furnishings | | | | |
| Installed Equipment (see note 1) | 100% | 0% | 0% | 0% |
| Operating Equipment (see note 1) | 100% | 0% | 0% | 0% |
| Transportation | | | | |
| NPP MW Transportation on a Space Available Basis | 100% | 100% | 100% | 100% |
| Communications Equipment and Services | | | | |
| Telecoms (see note 2) | 100% | 100% | 100% | 100% |
| Mail (see note 3) | 100% | 100% | 100% | 100% |

Notes:

1. Only at CFS Alert because of extreme isolation.
2. Telephones only may be authorized, where needed for safety and contact with duty personnel in emergencies.
3. Access to internal DND mail service only may be authorized.

SECTION 8 - CANEX

GENERAL

34. CANEX is an NPP MW Program that receives a specified level of Public support. Full Public support may be authorized for all cost elements of Publicly Funded and Publicly Reimbursed positions approved in the appropriate business plan. Table 5-8-1, as amplified by paragraphs 37 and 38 below, identifies the maximum level of Public support that may be authorized for all other aspects of CANEX operations. The maximum level of Public support is the same regardless of whether a facility is operated directly by CANEX or indirectly through a concession agreement.

CANEX OPERATED CAFETERIAS AND SNACK BARS

35. For the purpose of Public support, CANEX cafeterias and snack bars are distinct from other CANEX resale operations. The Public provides a higher level of support to CANEX operated cafeterias and snack bars than to other CANEX facilities, such as dining lounges and grocery stores. As indicated in Table 5-8-1, space and utilities for CANEX operated cafeterias and snack bars may be authorized at Public expense, including both utilities installation and utilities provision. CANEX operated cafeterias include those operated through concession agreement.

CANEX OPERATED TB SUPPORTED EATING ESTABLISHMENTS

36. The Public is responsible to ensure eating establishments are available for Publicly funded personnel in Public buildings, in accordance with TB minute 517521. The following specific CANEX operated cafeterias are designated as TB supported eating establishments:

- a. NDHQ Ottawa - cafeterias operated in facilities in the National Capital Region;
- b. CFB Halifax - in Bldg D155, Bldg D200 and Bldg D201;
- c. CFB Esquimalt - in Bldg 250;
- d. CFB Montreal - at 25 CFSD; and
- e. CFB Saint-Jean - in the Megaplex.

37. In addition to the support indicated in Table 5-8-1, CANEX operated TB supported eating establishments may be authorized the following Public support:

- a. space, including periodic painting and decorating;
- b. electric power and lamps (gas, where applicable);
- c. heat;
- d. water and steam;
- e. garbage removal service;
- f. service counters consisting of cash and service sections, tea and coffee urns and stands with drip trays, tray rack section, steam table section, sandwich

- rack section, refrigerated salad and dessert section, as may be appropriate in the physical circumstances;
- g. dishwashing section, including dishwasher, dish scraper and dish tables with under shelves;
 - h. refrigerators, including walk-in, reach-in, and pass-through types, each with compressor;
 - i. sinks and basins, including pot sinks, double sinks and hand wash basins;
 - j. kitchen mixers;
 - k. cooking equipment such as steam jacketed kettles, electric or gas ranges, electric or gas double-deck ovens;
 - l. electric meat saws and butcher blocks;
 - m. tables and chairs for patrons; and
 - n. such additional equipment as the Deputy Minister PWGSC may consider necessary to meet special conditions.
38. The equipment listed in paragraph 37 above may be replaced at Public expense when deteriorated through normal wear and tear.

**Table 5-8-1
Public Support to CANEX**

| COST ELEMENTS | Remote | Rural | Semi-Urban | Urban |
|--|---------------|--------------|-------------------|--------------|
| Personnel (see note 1) | | | | |
| Collateral Responsibilities | 100% | 100% | 100% | 100% |
| Available Expertise | 100% | 100% | 100% | 100% |
| Facilities | | | | |
| Use of Available Facilities | 100% | 100% | 100% | 100% |
| Construction, Acquisition or Alteration | 100% | 0% | 0% | 0% |
| PILT | 100% | 100% | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | | | | |
| Maintenance (see note2) | 100% | 66% | 33% | 0% |
| Utility Installation (see note 2) | 100% | 0% | 0% | 0% |
| Utility Provision (see note 2) | 100% | 75% | 50% | 25% |
| Basic Services | 100% | 100% | 100% | 100% |
| Equipment and Furnishings | | | | |
| Installed Equipment (see note 3) | 100% | 0% | 0% | 0% |
| Operating Equipment | 100% | 0% | 0% | 0% |
| Exchange Fixtures | 100% | 0% | 0% | 0% |
| Supplies | | | | |
| Janitorial Supplies | 100% | 100% | 100% | 100% |
| Office Supplies (see note 4) | 100% | 100% | 100% | 100% |
| Transportation | | | | |
| NPP MW Transportation on Space Available Basis | 100% | 100% | 100% | 100% |
| Communications Equipment and Services | | | | |
| Telecoms (see note 5) | 100% | 100% | 100% | 100% |
| Mail (see note 6) | 100% | 100% | 100% | 100% |

Notes:

1. Military stewards assigned to CANEX positions are funded 100% at all locations.
2. CANEX operated TB supported eating establishments and other CANEX operated cafeterias and snack bars may be authorized 100% Public support at all locations.
3. Changes to plumbing and electrical systems needed for the installation of vending machines may be authorized at Public expense at all locations.
4. DND stationery for administrative correspondence to DND addressees only may be authorized.
5. Telephones only may be authorized, where needed for safety and contact with duty personnel in emergencies.
6. Access to internal DND mail service only may be authorized for CANEX resale activities.

SECTION 9 – SISIP FS

39. Financial Counselling and Financial Education programs are Publicly funded through a fee for service arrangement between SISIP FS and CMP. In accordance with the arrangement, the Public reimburses NPP for salaries, operating and overhead costs for these MW programs. There is no requirement for local level Public support to SISIP FS.

40. With the exception of the Financial Counselling and Financial Education programs, the cost of SISIP FS management and operations is funded through premiums and fees charged to CF members.

SECTION 10 – FINANCE AND INFORMATICS

41. Finance and Informatics are NPP activities that receive Public support both centrally and locally. Public support for Personnel is funded through the CFPSA and unit business plans. Tables 5-10-1 and 5-10-2 below identify the maximum levels of Public support that may be authorized for Finance and Informatics.

42. On the creation of CFPSA, 42 military positions were established which were 100% Public. In addition, the Public share of salaries for NPF Staff in finance positions was set at 27.3% at CFPSA HQ, and 60.6% for accounting services provided at unit level. As military positions are reduced and replaced by NPF Staff, or as functions are transferred the percentage changes accordingly.

**Table 5-10-1
Public Support to Finance**

| COST ELEMENT | CFPSA HQ | Local Level |
|---|----------|-------------|
| Personnel (see note 1) | 27.3% | 60.6% |
| Facilities | 100% | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% | 100% |
| Equipment and Furnishings | 100% | 100% |
| Supplies and Services | 100% | 100% |
| Transportation | 100% | 100% |
| Communications | 100% | 100% |

Note:

1. All salaries for Publicly Reimbursed positions are funded through CFPSA.

**Table 5-10-2
Public Support to Informatics**

| COST ELEMENT | CFPSA HQ and Local Level |
|---|--------------------------|
| Personnel (see note 1) | 47.1% |
| Facilities | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% |
| Equipment and Furnishings | 100% |
| Supplies and Services | 100% |
| Transportation | 100% |
| Communications | |
| Telecoms | 100% |
| Computers (NPF WAN Capital and O&M only) | 47.1% |
| Mail | 100% |

Note:

1. All salaries for Publicly Reimbursed positions are funded through CFPSA.

SECTION 11 – HUMAN RESOURCES (HR)

43. Human Resources is an NPP activity that receives a specified level of Public support both centrally and locally. Public support for Personnel is funded through the CFPSA and unit business plans. Table 5-11-1 below identifies the maximum level of Public support that may be authorized for HR.

**Table 5-11-1
Public Support to HR**

| COST ELEMENT | CFPSA HQ and Local Level |
|--|---------------------------------|
| Personnel (see note 1) | 56% |
| Facilities | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% |
| Equipment and Furnishings | 100% |
| Supplies and Services | 100% |
| Transportation | 100% |
| Communications | |
| Telecoms | 100% |
| Mail | 100% |

Note:

1. All salaries for Publicly Reimbursed positions are funded through CFPSA.

SECTION 12 – INTERNAL AUDIT AND REVIEW

GENERAL

44. Internal Audit and Review (IA&R) is an NPP activity that receives a specified level of Public support both centrally and locally. Public support for Personnel is funded through the CFPSA and unit business plans. Table 5-12-1 below identifies the maximum level of Public support that may be authorized for IA&R.

ADDITIONAL PUBLIC SUPPORT

45. The CDS and COs have access to internal audit and review services from CFPSA and CRS in support of NPP activities. For CFPSA services, COs may liaise directly with the VP IA&R Division. These services are provided on a resource-available basis and cost sharing may apply. For CRS support, requests are submitted through the chain of command.

46. A number of additional DND resources are available to augment the NPP audit and review requirement, including boards of inquiry, investigations, audit boards, and staff inspections. Convening authorities listed in QR&O 21.07 and DAOD 7002 may order a board of inquiry or an investigation into matters relating to the NPP for which they are responsible.

**Table 5-12-1
Public Support to IA&R**

| COST ELEMENT | CFPSA HQ and Local Level |
|--|---------------------------------|
| Personnel (see note 1) | 83.3% |
| Facilities | 100% |
| Maintenance, Utilities, Basic Services and Cleaning | 100% |
| Equipment and Furnishings | 100% |
| Supplies and Services | 100% |
| Transportation | 100% |
| Communications | |
| Telecoms | 100% |
| Mail | 100% |

Note:

1. All salaries for Publicly Reimbursed positions are funded through CFPSA.

ACRONYMS

| | |
|-------------|--|
| ADM(Fin CS) | Assistant Deputy Minister (Finance and Corporate Services) |
| ADM(IE) | Assistant Deputy Minister (Infrastructure and Environment) |
| ADM(Mat) | Assistant Deputy Minister (Materiel) |
| ADM(Per) | Assistant Deputy Minister (Personnel) (obsolete) |
| Air Mov Sqn | Air Movements Squadron |
| B Comd | Base Commander |
| BOD | Board of Directors |
| CANEX | Canadian Forces Exchange System |
| CBA | Concentration Bank Account |
| CDS | Chief of the Defence Staff |
| CEO | Chief Executive Officer |
| CF | Canadian Forces |
| CFAO | Canadian Forces Administrative Orders |
| CFCF | Canadian Forces Central Fund |
| CFO | Chief Financial Officer |
| CFPAF | Canadian Forces Personnel Assistance Fund |
| CFPSA | Canadian Forces Personnel Support Agency |
| CFS | Canadian Forces station |
| CFSA | <i>Canadian Forces Superannuation Act</i> |
| CFSD | Canadian Forces Supply Depot |
| CFSU(O) | Canadian Forces Support Unit Ottawa |
| CIP | Consolidated Insurance Program |
| CISM | International Military Sports Council |
| CMFRC | Canadian Military Family Resource Centre |
| C/MFRC | Canadian/Military Family Resource Centres |
| CMP | Chief of Military Personnel |
| CO | Commanding Officer |
| CRS | Chief Review Services |
| DAOD | Defence Administrative Orders and Directives |
| DGHS | Director General Health Services |
| DGPS | Director General Personnel Services (obsolete) |
| DMFS | Director Military Family Services |
| DND | Department of National Defence |
| DSP | Defence Services Program |
| DSPCA | <i>Defence Services Pension Continuation Act</i> |
| FAA | <i>Financial Administration Act</i> |
| FAM | Financial Administration Manual |
| FRPFIA | Federal Real Property and Federal Immovables Act |
| GCR | Government Contracts Regulations |
| GOIP | General Officers Insurance Plan |
| HMCS | Her Majesty's Canadian Ship |
| HR | Human Resources |
| IA&R | Internal Audit and Review |
| IM/IT | Information Management/Information Technology |
| MFRC | Military Family Resource Centre |

| | |
|-----------|---|
| MFSP | Military Family Services Program |
| MND | Minister of National Defence |
| MOU | Memorandum of Understanding |
| MSE | Mobile Support Equipment |
| MW | Morale and Welfare |
| NATEX | NATO Exchange |
| NATO | North Atlantic Treaty Organisation |
| NDA | <i>National Defence Act</i> |
| NDHQ | National Defence Headquarters |
| NPF | Non-Public Funds |
| NPF BOD | Non-Public Funds Board of Directors (obsolete) |
| NPPB | Non-Public Property Board |
| NPP BOD | Non-Public Property Board of Directors (obsolete) |
| NPP | Non-Public Property |
| O&M | Operations and Maintenance |
| PFMG | Physical Fitness Maintenance Grant |
| PILT | Payments in lieu of taxes |
| PMC | President of the Mess Committee |
| PMV | Private Motor Vehicle |
| POL | Petroleum, Oils and Lubricants |
| PSP | Personnel Support Programs |
| PSLRA | <i>Public Service Labour Relations Act</i> |
| PWGSC | Public Works and Government Services Canada |
| QR&O | Queen's Regulations and Orders for the Canadian Forces |
| R&R | Rest and Recuperation |
| RAMM | Realty Asset Management Manual |
| RCMP | Royal Canadian Mounted Police |
| RMC | Royal Military College |
| SCOPA | Senior Canadian Officer Present Afloat |
| SISIP FS | SISIP Financial Services |
| SLA | Service Level Agreement |
| TB | Treasury Board |
| VCDS | Vice Chief of the Defence Staff |
| WAN | Wide Area Network |
| YMCA-YWCA | Young Men's Christian Association-Young Women's Christian Association |

TERMS AND DEFINITIONS

Activity equipment – equipment and consumables needed for participation in specific MW activities.

Activity furniture – furniture needed for a specific MW activity.

Activity preparation supplies – supplies to mark or prepare a facility for a specific MW activity.

Available expertise – professional and technical expertise provided by CF members and DND Public Service employees in support of the administration of NPP MW.

Basic services – security services, fire protection, garbage removal, snow removal and grounds upkeep, except for golf course greens and fairways.

CANEX fixtures – fixtures required for proper display, control and protection of merchandise in CANEX resale operations.

Canadian Forces Personnel Support Agency (CFPSA) – the NPP organization established in 1996 to develop, administer and deliver Public MW Programs with the support of Public funding provided through CMP, and to manage and administer NPP programs and activities on behalf of the CDS.

Canteen – an NPP activity that is not part of CANEX, is run by full or part-time staff, has posted hours of operations, purchases at wholesale and sells at retail, and collects and remits tax.

Cleaning services – services to maintain standards of cleanliness and sanitation.

Coffee Fund – a unit resale activity that has no full time paid staff, purchases resale goods at retail, and pays GST/PST at the time foods are purchased.

Collateral Responsibilities – refers to CF members and DND Public Service employees who administer or provide support to unit NPP MW Programs as part of their primary responsibilities or on a secondary duty basis.

Commanding Officer – the term “Commanding Officer (CO)” except when the CDS otherwise directs, shall mean an officer in command of a base, wing, garrison, station, support unit, or other element of the CF.

Community recreation programs – MW programs providing leisure activities that play an important role in developing and maintaining military ethos essential for an effective and cohesive military force.

Computer services – computer equipment and services in support of MW.

Dedicated Use – facilities used on a full time basis for NPP MW activities.

DND Funded Customer – a food service customer whose meals are provided at Public expense in accordance with CFAO 36-14.

Fire protection – reaction to emergencies and the performance of inspections to ensure the proper functioning of fire protection systems and elimination of fire hazards.

Garbage removal – the removal of wet and dry garbage from bins or other receptacles in the same manner as the service normally provided by a municipality.

Health Promotion Program – a program that enables CF members to increase control over and improve their health by providing tools and information to enhance health and reduce high-risk behaviours.

Historical collections – collections of military memorabilia and artefacts that have not been given museum status.

Hospitality – complimentary provision of refreshments (beverages and light snacks), meals and, sometimes, entertainment at Public expense, to guests of DND or the CF, and, where appropriate, CF members and DND employees.

Incremental costs – additional costs incurred as a direct result of supplying a service. These costs will result in additional resources or reallocation of existing resources.

Installed equipment – equipment built into a facility or connected by plumbing or heavy-duty electric wiring and not readily removable.

Janitorial supplies – consumable cleaning, sanitary and lighting supplies.

Kit shop – a Branch, regimental or group fund kit shop established to offer specialized merchandise, unique to the branch, regiment or group, which can play a vital role in the maintenance of branch, regiment or group traditions, and, through their profits, support branch, regiment or group activities. These kit shops are not to offer merchandise of a general nature or otherwise enter into competition with the CANEX operation.

Mail services – provision of mail services in support of MW.

Maintenance – upkeep of MW facilities and projects to restore them to their original functional purpose in accordance with current standards.

Mess – the organization whose membership is related to an identifiable rank, formed for the purpose of building esprit de corps and comradeship; or the facility or facilities, which provide space in which to carry out the functions of the organization and may include a wardroom or dining room, bar or anteroom, lounge, games room and other common rooms.

Mess committee – a group of members elected or appointed to direct the activities of a Mess in accordance with the wishes of the membership and the direction of the CO.

Mess furnishings – the standard quality furniture and accessories needed to make a Mess liveable.

Mess manager – person who plans, organizes, staffs, directs and controls all mess activities under the overall direction of the Mess committee.

Military community – consists of CF members and their families resident in a specific location, having a common bond, by virtue of sharing a common profession and way of life, and that are an entity wherein they, and the organization to which they belong, share similar values and are supportive of one another.

Military Family Resource Centre – incorporated, not-for-profit organization providing MW support for CF members and their families.

Military Family Services Program – a MW program that provides a coordinated and consistent approach to military family support across the CF.

Military Fitness and Sports Program – a MW program to ensure members are physically fit to meet military operational requirements, and to provide sports activities for CF members to enhance physical skills, build character, and promote team building.

Morale and Welfare Programs – programs administered exclusively by CFPSA, with Public and NPP resources, in support of the chain of command, to enhance the well-being of CF members and their families, thus contributing to the operational readiness and effectiveness of the CF.

MOU Funded MFRC Positions – MW positions filled by employees of third party MFRC organizations whose salaries and overhead costs are Publicly funded through an MOU.

Museums – collections of memorabilia and artefacts that preserve and interpret Canadian military heritage to increase a sense of identity and esprit de corps within the CF.

Non-Public Funds – the money component of Non-Public Property.

Non-Public Property – is defined in Section 2 of the NDA and governed by Sections 38 to 41.

Non-Public MW Positions – MW Positions filled by NPF Staff who are funded by NPP and paid through the NPP accountability framework.

NPP MW Programs – MW programs that may have a Public component and receive a specified level of Public support less than 100%. All MW programs that are not Public MW programs as identified in this policy are NPP MW Programs.

Occasional Use – facilities normally used for a Public purpose, but are used on an “as required” basis for NPP MW activities.

Office furnishings – equipment and furniture required for an office.

Office supplies – supplies required for an office.

Official Mess Functions – Public MW activities such as a Mess Dinners or a Military Ceremonial Events, which fulfil a Public responsibility, contribute to the effective functioning of the CF, enhance unit cohesion, or mark an event of military or national significance.

Operating equipment – equipment with a substantial life span and easily movable.

Payment in lieu of taxes (PILT) – payments on the assessed property value of facilities located on Crown property made by a unit to a municipality in lieu of taxes.

Public food service personnel – staff established to meet the Public responsibility for the preparation and serving of food at normal meal hours and for official mess functions.

Public funds – funds controlled by the FAA. For the purpose of this manual, the funds appropriated for DND.

Public MW Position – MW positions delivering Public MW Programs and filled by CF members, DND Public Service employees, NPF Staff reimbursed by the Public, staff of MFRCs funded through an MOU, and SISIP FS fee-for-service staff.

Public MW Programs – MW programs which are Public programs and 100% funded by the Public.

Public Support – support funded through departmental appropriation.

Publicly Funded Position – MW positions filled by CF members or DND Public Service Employees paid by and subject to the Public accountability framework. These positions are Publicly funded and an integral part of a unit establishment or salary wage envelope.

Publicly Reimbursed Position – MW positions filled by NPF Staff paid by and subject to the NPP accountability framework, and whose salaries and overhead costs are reimbursed by the Public.

Safety equipment – equipment to meet safety regulations.

Service club – a place for CF members to socialize where the consumption of alcohol is not the primary activity.

SISIP FS Fee-for Service Positions – MW positions filled by SISIP FS employees who deliver Financial Counselling and Financial Education services in accordance with a fee-for-service agreement between SISIP FS and CMP.

Snack bar – a CANEX operated eating facility other than a dining lounge or cafeteria.

Specialty Interest Activities – activities, such as curling and golf, which complement Community recreation programs.

Staff of the Non-Public Funds, Canadian Forces – Public servants employed by Her Majesty as represented by the Staff of the Non-Public Funds, Canadian Forces, a “separate agency” under the FAA and the Public Service Labour Relations Act.

TB approved cafeteria - a CANEX operated cafeteria, established pursuant to TB policy.

Telecom services – provision of telecommunications equipment and services in support of MW.

Unit - a unit means an individual body of the CF that is organized as such pursuant to the NDA, with the personnel and material thereof. The CF consists of such units and other elements, organized by or under the authority of the Minister. In this policy, the term “unit” is interpreted to include a CF base, wing, garrison, station, support unit, Reserve Force unit or CF Ship.

Unregulated activities – resale activities operated outside the Public and NPP accountability frameworks.

Utilities installation – extension of services to MW facilities and/or the cost of additions to plant or service equipment needed to meet increased load.

Utilities provision – provision and maintenance of heat and heating systems, electricity and electrical systems, water and water systems, and sewage and sewage systems.



CONCESSION AGREEMENT

CANEX CONCESSION AGREEMENT made, in quadruplicate, this

_____ day of _____ 20 _____

BETWEEN: Her Majesty the Queen in right of Canada as represented by the Chief of the Defence Staff in his Non-Public property capacity, through the Canadian Forces Exchange System (hereinafter referred to as "CANEX") ;

AND

(Name of Individual or Partnership) of the City/Town/County of _____
_____ in the Province of _____
(hereinafter referred to as the "Concessionaire");

OR

AND

(Legal name of Corporation)
a corporation duly incorporated under the laws of Canada or the Province
of _____ (as applicable)
Having its Head Office at _____ in the
City/Town/County of _____ , in the Province of

(hereinafter referred to as the "Concessionaire");

WHEREAS:

A. in discharging the responsibility for the maintenance of morale and welfare of the Canadian Forces _____ , the the _____ Commander and CANEX consider that the establishment of a concession for the operation of a _____ would benefit authorized patrons.

B. the Concessionaire is desirous of operating a concession for the said purpose;

C. all parties to this Agreement confirm and warrant that they have legal capacity and are in no way prohibited from entering into this Agreement and assuming the benefits and obligations hereunder; and

D. The Concessionaire has paid to CANEX the sum of \$ _____ upon signing this Agreement, as consideration for the execution of this Agreement by CANEX and partial consideration for the rights and benefits accruing to the Concessionaire hereunder;

NOW THEREFORE WITNESSETH that the Parties, in consideration of the reciprocal covenants and promises set forth in this Agreement, respectively and mutually agree as follows:

GRANT OF CONCESSION RIGHTS

1. Subject to the terms of this Agreement, CANEX grants to the Concessionaire the right to:

a. Occupy _____ Square _____ of usable floor space situated on the _____ Floor of Building _____

At _____

As outlined in red/bold on the diagram attached as Schedule "A" to this Agreement; and

b. the right to use the said premises for the purpose of a _____ only and for no other purpose, for the term of this Agreement as defined below.

TERM OF AGREEMENT

2. The Term of this Agreement (the "Term") shall commence on the _____ day of _____, _____ and shall expire on the _____ day of _____, _____ subject to renewal or earlier termination as provided in this Agreement.

POTENTIAL RENEWAL OF AGREEMENT

3. Subject to CANEX approval, the Concessionaire shall have the right to renew this Agreement for a further _____ months after the expiration of the Term upon the same terms and conditions, provided that:
- a. the Concessionaire has not been, and is not then, in default under any of the terms and conditions of this Agreement or any related Agreement with CANEX; and
 - b. the amount of concession revenue payable and any related or other fees payable by the Concessionaire will be subject to renegotiation.

CONCESSION FEE

4. The Concessionaire covenants and agrees with CANEX to make the following payments in consideration for the rights and privileges granted pursuant to this Agreement: *(Strike out inapplicable clauses)*

EQUAL MONTHLY PAYMENTS

- a. to pay CANEX the sum of \$ _____ per month, in advance, the first payment to become due and payable on the date of commencement, and subsequent payments to become due and payable on the same day (i.e. the _____ day) of each and every month thereafter during the Term of this Agreement,

OR

VARIABLE MONTHLY PAYMENTS

- a. to pay CANEX the sum of \$ _____ per month, in advance, during the first year of the said term;
the sum of \$ _____ per month, in advance, during the second year of the said term,
the sum of \$ _____ per month, in advance, during the third year of the said term,
the sum of \$ _____ per month, in advance, during the fourth year of the said term, and

the sum of \$ _____ per month, in advance, during the fifth year of the said term;

Said payments to be made in the manner following, that is to say, the first payment to become due and payable on the date of commencement, and subsequent payments to become due and payable on the same day (i.e. the _____ day) of each and every month thereafter during the Term of this Agreement

OR

FEE BASED ON MINIMUM RENTAL OR PERCENTAGE OF SALES, WHICHEVER IS GREATER

- a. to pay CANEX for each and every part of the Term hereby granted a concession revenue equal to _____% of gross sales as hereinafter defined, or the minimum concession revenue, whichever shall be greater. The minimum concession revenue shall be \$ _____ per annum payable in equal consecutive monthly instalments of \$ _____, in advance on the first day of each and every month throughout the annual Term of the Agreement, the first of such payments to commence on the first day of _____ 20 _____.

The term "Gross Sales", for the purpose of this Agreement, means the total amount in dollars of all sales made in, or resulting from orders placed at, or completed by delivery in or from the premises, plus all charges made for services rendered in, or from, or upon orders placed at the premises, plus all charges made in connection with business transacted, in whole or in part, in, upon, or from the premises; provided that the gross sales for each year shall not include the total amount of sales and charges made in said year to the extent that the same shall, in the same year, be covered by bona fide refunds and credits for returns of merchandise, and that in computing the gross sales for each year there shall be deducted all bona fide refunds and credits made in

said year in respect of any items included in gross sales in any previous years, and there shall also be excluded the amount paid or to be paid by Concessionaire for said year or any portion of said year on account of sales taxes in effect from time to time; provided that the same shall first have been included as part of the gross sales.

The Concessionaire agrees to deliver to CANEX no later than thirty (30) days after the end of each year of the Term hereof, and within thirty (30) days of the expiry of the Term hereof, a financial statement, certified by a Chartered Accountant, certifying the gross sales of the said premises during the preceding year. For the purpose of establishing the exact amount of the concession revenue to be paid hereunder, the Concessionaire agrees to keep proper and sufficient records and books of all sales of merchandise on the premises from the date hereof, and for the purpose of verifying the said statement of gross sales, the Concessionaire agrees that CANEX or its duly accredited authorized agent or nominee shall have full and free access to the books, accounts and records of the Concessionaire dealing with the sales on the premises at all reasonable times, and further that CANEX shall have the right to monitor the cash register or any similar device used by the said Concessionaire. In addition to the foregoing, the Concessionaire shall submit quarterly statements to CANEX within thirty days of the expiration of any quarter showing the amount of its gross sales for said quarter. Provided further, that the Concessionaire shall pay to CANEX, at the end of each annual Term, the amount if any, by which _____% of the gross sales exceed the annual minimum rental;

RESPONSIBILITIES AND OBLIGATIONS OF THE CONCESSIONAIRE

5. The Concessionaire hereby covenants and agrees:
 - a. to establish and operate the concession in a manner at all times and in every respect satisfactory to CANEX and, without restricting the generality of the

- foregoing, to operate the concession in a professional, clean, sanitary and environmentally responsible manner, and to remedy all just complaints made by CANEX, patrons and customers;
- b. to maintain favourable prices for goods and services, in support of the CANEX mission statement;
 - c. to comply with the signage and other policies of CANEX;
 - d. to provide and install, at the Concessionaire's cost mutually approved exterior signage to conform to the current CANEX policy on signage. The content, size, colour, and proposed location of the signage must be approved in advance by CANEX in writing prior to such provision and installation;
 - e. to operate during at least the minimum hours of operation approved by CANEX and to post said hours using business hours door/window decals approved by CANEX;
 - f. to ensure that the Concessionaire's staff will be sufficient in numbers and sufficiently trained to provide an acceptable level of service to patrons, and that they be professionally, cleanly and neatly clad, and orderly and polite in their conduct and speech;
 - g. to spend a minimum of _____ % of gross sales for local advertising to promote the Concessionaire's service/product within the designated market. These expenditures shall be administered by the Concessionaire, and the Concessionaire is required to submit reasonable proof of these expenditures to CANEX at the end of each year of the Term, or as and when requested by CANEX from time to time;

- h. to pay to CANEX a monthly co-op advertising fee of \$ _____, payable in to be used towards local promotions;
- i. to permit any accountant or auditor appointed by CANEX to inspect the books, accounts, vouchers, or any other document or documents used by the Concessionaire for the transaction of business and to provide such accountant or auditor with any reasonable information or explanation that may be requested with respect to the operation of the concession and/or copies of any documents or records as may be requested;
- j. to comply with all . or other orders issued by the Department of National Defence or CANEX, insofar as such orders relate to the use of the premises by the Concessionaire;
- k. to permit CANEX, or any person authorized by CANEX, to have access at all times to the premises for the purpose of inspection;
- l. to not assign this Agreement without first obtaining the written consent of CANEX in accordance with subparagraph 8(a) hereof;
- m. to not at any time, for any purpose whatsoever, represent themselves as an agent, servant, or employee of CANEX;
- n. to comply with all laws, by-laws and regulations of every federal, provincial, municipal or other authority or, if the is located outside Canada, all applicable laws of that country which in any way relate to or affect the use and occupation of the premises by the Concessionaire, and not claim any immunity or privilege vis-à-vis provincial or municipal authorities by virtue of this Agreement or operation upon federal property or otherwise;
- o. to pay all lawful taxes, rates, and charges assessed against the premises and the Concessionaire;

- p. to comply with the official language policies governing the Canadian Forces;
- q. to provide goods and/or services only to "authorized patrons" as defined in Schedule "B" attached hereto;
- r. to maintain at the Concessionaire's cost all non-structural improvements and equipment, including but not limited to doors, windows, ceilings, flooring and partitions, plus any equipment listed on any Equipment Schedule attached to this Agreement;
- s. to take all reasonable care as would a prudent owner to safeguard the premises and prevent damage thereto;
- t. to assume all risk of loss, damage, or injury to the property of the Concessionaire, or to the persons or property of their servants, agents or employees;
- u. to indemnify and save harmless Her Majesty the Queen in right of Canada, the Commander and CANEX, Her, his, and its officers, servants, agents and employees and members of Her Majesty's Canadian Forces, Her, his, its and their heirs, executors, administrators, successors and assigns, from and against all injury, damage, actions, causes of action, suits, claims and demands of whatsoever nature which may result or be brought or made by reason of any act or default of the Concessionaire, his/her servants, agents or employees, or on account of any damage to the property or equipment of the Concessionaire, or in connection with any loss, damage, or injury to persons or property in any manner based upon, arising out of, or incidental to the use and occupation of the premises by the Concessionaire, its servants, agents, or employees;
- v. to compensate Her Majesty the Queen in right of Canada, the Commander and CANEX as their respective interests may appear, Her,

- his and its officers, servants, agents, employees and members of Her Majesty's Canadian Forces for any injury or damage caused by or in any way attributable to or arising out of the use and occupation of the premises by the Concessionaire, its officers, servants, agents, and employees;
- w. to provide and keep in force throughout the term of this Agreement for the benefit of CANEX and the Concessionaire general liability insurance in an amount of not less than \$ _____ in respect of injury to or death of any persons or property damage. All insurance shall be effected with insurers and upon terms and conditions satisfactory to CANEX, including naming CANEX as a co-insured on the insurance policy. The Concessionaire shall promptly furnish to CANEX copies of insurance policies or other evidence satisfactory to CANEX of such insurance and any renewals thereof, and from time to time as may be requested by CANEX. If the Concessionaire shall fail to insure as herein required or shall fail promptly to furnish to CANEX satisfactory evidence of such insurance or of the renewal thereof before its expiration, CANEX may terminate the Concession Agreement immediately without notice;
- x. that upon termination of this Agreement or within such period of time thereafter as CANEX may in its sole discretion determine, restore the premises to a condition satisfactory to CANEX, and to vacate the premises, and the Concessionaire will make no claim for nor be entitled to any compensation for work done or improvements made to the premises; and
- y. that the Concessionaire understands and agrees that their employees and agents shall only park their cars in the spaces or area specifically allocated for that purpose by CANEX.

RESPONSIBILITIES AND OBLIGATIONS OF CANEX

6. CANEX hereby covenants and agrees:

- a. to supply, at no additional cost, provided such services are available to CANEX at no cost, such electricity, heat and water as may be reasonably necessary for the Concessionaire to operate efficiently; PROVIDED THAT CANEX shall not be liable to the Concessionaire for any damage or loss occasioned by any lack of electricity, heat or water or any interruption of such service. In the event that the cost of these services become the responsibility of CANEX, then such costs will be paid by the Concessionaire at a metered or prorated value;
- b. to maintain the roof, walls and foundation of the premises, and the existing electric, heating, water and sewage systems, providing that such repairs are not necessitated by the abuse or negligence of the Concessionaire or their employees, in which case repairs will be the responsibility of the Concessionaire and at the sole expense of the Concessionaire;
- c. that the Concessionaire shall have the right to make such alterations and install such equipment and fixtures in or upon the premises as the Concessionaire shall deem requisite and necessary in order to fit the premises for the purpose for which this Agreement is granted, subject to prior written approval of the CANEX National Manager and, where applicable, the Construction and Engineering Officer, and shall have the right to remove such alterations, equipment and fixtures upon termination of this Agreement and restore the premises to the original condition, normal wear and tear excluded, all at the sole expense of the Concessionaire; and
- d. to provide for the use of the Concessionaire the equipment listed in the Equipment Schedule, attached as Schedule "C" hereto, for which the Concessionaire shall be responsible upon termination of this Agreement to return to CANEX, in the same condition as it was provided, reasonable wear and tear only excepted.

DEFAULT

7. a. If the Concessionaire fails to pay when due any amounts to be paid by the Concessionaire pursuant to this Agreement, or otherwise defaults in the performance or observation of any of its duties and obligations under this Agreement, CANEX, at its sole option and discretion, may terminate the rights of the Concessionaire under this Agreement, by giving the Concessionaire fifteen (15) calendar days prior written notice of its intention to terminate this Agreement.
- b. If a default or breach specified in the said notice is not cured or remedied to CANEX's satisfaction within fifteen (15) calendar days of the delivery of the above notice, then CANEX may forthwith terminate the rights of the Concessionaire under this Agreement and declare the entire unpaid balance of the financial obligations of the Concessionaire immediately due and payable, with appropriate interest to accrue (*interest rate defined below*).
-
- c. Upon termination of this Agreement, CANEX shall not have any further obligation of any kind to the Concessionaire, and may remove all items of property of the Concessionaire from the premises for storage at the Concessionaire's expense, and without any liability to the Concessionaire, its servants, agents or employees for any damage to or loss of the said property or contents thereof.
- d. Upon termination of the Agreement by CANEX, CANEX shall be entitled to enter into any new agreements relating to the use and occupation of the premises as it deems appropriate.

- e. The above remedies of CANEX shall not exclude any other right or remedy set forth in this Agreement or otherwise available to CANEX in law or in equity.
- f. The Concessionaire shall be responsible for all legal fees on a solicitor and client basis and all other fees and costs incurred by CANEX in the enforcement of this Agreement.
- g. No waiver by CANEX of any default or breach by the Concessionaire of its obligations under this Agreement shall be construed to be a waiver or release of any other subsequent default or breach by the Concessionaire hereunder, and no failure or delay by CANEX in the exercise of any remedy provided for in this Agreement shall be construed to constitute a forfeiture or waiver thereof, or of any other right or remedy available to CANEX.
- h. The Concessionaire will provide to CANEX written notice of any event of default, which would not be reasonably within CANEX's knowledge, immediately upon the occurrence of such an event.

OTHER TERMS AND CONDITIONS

8. The Parties agree that:

(1) Assignment of Rights under Agreement

- a. The Concessionaire shall not assign or otherwise transfer this Agreement or any of the Concessionaire's rights and obligations under this Agreement unless:
 - i) the Concessionaire continues to remain primarily liable and responsible to CANEX for the payments due and the performance and observance of all of the terms and provisions hereof during the Term; and
 - ii) CANEX shall give its prior written consent to such assignment or transfer, which consent will be at its sole discretion and may be unreasonably withheld or delayed.

- b. It is understood and agreed by the Parties that CANEX may, at its sole option and discretion, require that the proposed assignee present credit and/or character references and information for its approval, and any other additional guarantees or references that CANEX may deem necessary. CANEX may furthermore require the execution of an Assignment Agreement between the Parties in a form acceptable to it.

(2) Frustration of Contract

- a. In the event the premises are wholly or partially destroyed by fire or any natural or other disaster, CANEX may, at its sole option, provide other accommodation for the use of the Concessionaire and the terms and conditions of this Agreement shall apply to such other accommodation insofar as such terms and conditions are not inconsistent with the use of such accommodation or, alternatively, CANEX may forthwith terminate this Agreement by giving notice to that effect to the Concessionaire and the Concessionaire shall be entitled to a rebate in an amount equal to that part of the monthly payment which represents the unexpired portion of the month for which payment has been made pursuant to subparagraph 4(a) of this Agreement;
- b. In the event that either (a) the Department of National Defence (DND) announces that there will be a downsizing or closure within the near future of the Base on which the premises occupied by the CONCESSIONAIRE under this Concession Agreement are located, or (b) CANEX determines in its sole discretion to terminate the Agreement for convenience, and as a result of either (a) or (b), the said premises have to be vacated by the CONCESSIONAIRE prior to the expiration date of this Concession Agreement, CANEX agrees with the CONCESSIONAIRE to provide the CONCESSIONAIRE with not less than three month's notice of the requirement to vacate.

The CONCESSIONAIRE agrees with CANEX to then vacate the said premises in good order by the date specified, on which date the Concession Agreement shall terminate. If such date is a day other than the day on which a monthly payment would normally have fallen due, any rental or other fees payable by the CONCESSIONAIRE under this Concession Agreement shall be pro-rated accordingly.

In consideration of the fact that the CONCESSIONAIRE has been advised in advance of the probability that the CONCESSIONAIRE will have to vacate the premises prior to the normal expiration date of this Concession Agreement, the CONCESSIONAIRE agrees that, save and except for the possible rebate of any portion of the monthly rental or other fees payable by the CONCESSIONAIRE, which may be rebated in accordance with the above paragraph, the CONCESSIONAIRE shall not be entitled to recover any compensation as a result of actions taken by Her Majesty the Queen in right of Canada, CANEX, or their respective agents.

(3) Holding Over

If the Concessionaire should hold over after the original term or any extended term hereof, such holding over shall be construed to be an extension of this Agreement from month to month only and shall have no greater effect, any custom or law to the contrary notwithstanding. Such month to month extension shall be governed by the terms and conditions hereof, notwithstanding any rules of law with respect to the month to month Concession Agreement which is referred to above;

(4) No Automatic Right of Renewal

Subject to paragraph 3, nothing in this Concession Agreement shall create or infer any automatic right of extension or renewal, and the Concessionaire specifically agrees that CANEX reserves the right not to extend or renew this Agreement upon completion of its term, at which time the Concessionaire will vacate the premises in

good order and not be entitled to recover any compensation as a result of such non-extension or non-renewal.

(5) Notices

a. Any notice, request or demand herein provided for or given hereunder, if given by the Concessionaire to CANEX, shall be sufficiently given if delivered personally or mailed by registered mail postage prepaid, addressed to CANEX National Manager, _____ Canadian Forces _____

Province _____ Postal Code _____

b. Any notice herein provided for or given hereunder, if given by CANEX to the Concessionaire, shall be sufficiently given if mailed as aforesaid, addressed to the Concessionaire at the premises covered by this Agreement.

c. Any notice mailed as aforesaid shall be conclusively deemed to have been given on the third business day following the day on which such notice is mailed as aforesaid. Either CANEX or the Concessionaire may at any time give notice in writing to the other of any change in their mailing address, and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for giving of such notices thereafter. In the case of any anticipated or actual interruption of postal services, all notices shall be delivered by hand.

(6) Emergency

In the event of an emergency as defined in Section 2 of the National Defence Act, Chapter N-5 of the Revised Statutes of Canada, 1985 as amended, or in the event of non-compliance with or non-performance of any of the terms and conditions herein by the Concessionaire, the use and occupation of the premises by the Concessionaire may be terminated forthwith without notice to that effect being given to the

Concessionaire, and the Concessionaire shall not be entitled to recover any compensation as a result of such termination.

SECURITY REQUIREMENTS

9. (i) The Concessionaire must, at all times during the performance of the Agreement, hold a valid Designated Organization Screening (DOS) at the level of RELIABILITY STATUS, issued by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
- (ii) The Concessionaire's personnel requiring access to sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CIISD/PWGSC.
- (iii) Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of both CANEX and CIISD/PWGSC.
- (iv) The Concessionaire must comply with the provisions of:
- (a) The Security Requirements Check List located at website address http://cosmat.ottawa-hull.mil.ca/dcpol/contracting/policies_related_to_contracting/security_requirements_checklist_e.asp and
 - (b) The Industrial Security Manual (latest edition).

DISPUTE RESOLUTION

10. Continuing Performance

Both parties shall continue performing their respective obligations and responsibilities under this Agreement while any Dispute is being resolved in accordance with this Section, unless and until such obligations are terminated or expire in accordance with the provisions of this Agreement.

Informal Dispute Resolution

Except in respect of a claim for breach of an Intellectual Property Right or a breach of any provision relating to confidentiality of information, all disputes, disagreements, controversies, questions or claims (each a "Dispute") arising out of or relating to this Agreement, including Disputes with respect to its formation, execution, validity, application, interpretation, performance, breach, termination or enforcement, shall be determined in accordance with the following procedure:

- a) In the event that the parties cannot resolve a Dispute in the normal course of performance, then either party may provide notice to the other party of a Dispute. Within five (5) days of the giving of such notice of Dispute, a representative of **the Concessionaire** and a representative of **CANEX** will meet at a mutually agreeable site to attempt to reach a resolution of the matter. If they are unable to resolve the Dispute, they will further define the Dispute in writing based on the discussion at their meeting, if appropriate.
- b) If the **Concessionaire's** Representative and **CANEX's** Representative are unable to reach an agreement pursuant to Section 10, then within ten (10) days after such meeting, **the Base Commander** will meet at a mutually agreeable site **with the Concessionaire's** Representative and **CANEX's** Representative, to attempt to reach a resolution of the matter in light of the description of the Dispute submitted by the parties and further discussion between the parties and their respective representatives.

Other Recourse

If any Dispute is not settled in accordance with the informal dispute resolution procedure set out above, then each party shall be entitled to pursue any rights or recourses available to it at law or in equity.

Notice Periods

For greater certainty, all notice periods under this Agreement shall continue to run even while a Dispute is being resolved in accordance with this Article 10.

BANKRUPTCY OR INSOLVENCY

11. In the event that the Concessionaire becomes bankrupt or insolvent or becomes subject to the provisions of the Bankruptcy Act, as amended, or any other Act for the benefit of creditors, or goes into liquidation either voluntarily or under an order of a Court of competent jurisdiction, or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, CANEX shall have the option of terminating this Agreement forthwith.

JOINT AND SEVERAL

12. All covenants herein shall be construed as joint and several, and, when the context so requires or permits, the singular number shall be read as if the plural were expressed, and the masculine gender as if the feminine or neuter, as the case may be, were expressed.

NO TENANCY

13. Nothing herein contained shall be deemed to set up a tenancy by implication or otherwise.

ENTIRE AGREEMENT

14. This Agreement, together with the Schedules attached, contains the entire Agreement between the Parties and supersedes any prior written instrument or oral agreement between them. There are no other covenants, terms, representations or

warranties between the Parties other than those set out herein. The Agreement may furthermore only be amended or modified if the same is made in writing and signed by all of the Parties.

FURTHER ASSURANCES

15. Each of the Parties agree to execute any additional documentation, or to give such further assurances as may be required from them from time to time to give effect to the spirit and intent of this Agreement.

APPLICABLE LAW

16. This Agreement shall be construed and enforced in accordance with the laws of Canada.

SEVERABILITY

17. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder of this Agreement, which shall be entirely severable.

HEADINGS

18. Headings have been included in this Agreement for convenience and reference purposes only.

IN WITNESS WHEREOF this agreement has been executed by the President (or the Vice President) of CANEX and by _____ (Concessionaire), who have hereunto set their respective hands and seals this _____ day of _____, 20 _____.

INDIVIDUAL (SOLE PROPRIETORSHIP)

WITNESS: _____

(Concessionaire)

PARTNERSHIP

I have authority to bind the partnership.

(Concessionaire)

WITNESS: _____

PER:

Name and Title of Partner

WITNESS: _____

PER:

Name and Title of Partner

CORPORATIONS

I have authority to bind the corporation.

SEAL

(Concessionaire)

WITNESS: _____

PER:

Name and Title of Duly Authorized Signing Officer

CANEX

SEAL

Canadian Forces Exchange System

WITNESS: _____

PER: _____

SCHEDULE B
CANEX CONCESSION AGREEMENT

1. Authorized patrons shall be:
 - a. members of the Regular Force and their families;
 - b. former members in receipt of an annuity under the *Canadian Forces Superannuation Act* (CFSA), *Defence Services Pension Continuance Act* (DSPCA), or a pension under the *Pension Act*, or *War Veterans Allowance Act*, and their families and survivors;
 - c. former members of the CF who served on active service in the naval, army or air forces raised in Canada during time of war;
 - d. members of the Reserve Force;
 - e. families of Reserve Force members on Class C service or Class B service over 180 days;
 - f. members of the RCMP and their families;
 - g. DND Public Service employees and their families, including casual employees and civilian employees under full time contract to DND, who are resident or employed on a unit or other element of DND;
 - h. former DND Public Service employees in receipt of a pension for DND service, and their families;
 - i. foreign military personnel on duty in Canada, and their families;
 - j. members of the Canadian Corps of Commissionaires, or other security force when residing or employed on a unit, and their families;
 - k. NPF Staff and their families;
 - l. former NPF Staff in receipt of a pension for NPP service, and their families; and
 - m. C/MFRC employees and their families.

For Food Service Outlets Only

2. Authorized patrons should also include:
 - a. members of recognized welfare organizations working within a defence establishment;
 - b. employees of civilian contracting firms while employed on DND contracts within a defence establishment; and
 - c. visitors.

**SCHEDULE C
EQUIPMENT**

| <u>QUANTITY</u> | <u>DESCRIPTION</u> | <u>MODEL NO.</u> | <u>SERIAL No.</u> |
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The Concessionaire and the CANEX National Manager have verified the accuracy of the list of fixtures and equipment located on the premises and further confirmed that all items listed are in good working order. The Concessionaire agrees and recognizes that it is his responsibility to effect all future repairs and maintenance to the fixtures and equipment listed in this Annex in order to maintain them in good working order, and that they shall be returned to CANEX at the conclusion of this Agreement in the same condition, normal wear and tear excepted.

The Concessionaire and the CANEX National Manager further agree that fixtures and equipment located on the premises as per this Annex, although used by the Concessionaire, shall legally remain the property of CANEX, and be returned to CANEX at the end of the Agreement.