



CANADIAN FORCES MORALE AND WELFARE SERVICES  
SERVICES DE BIEN-ÊTRE ET MORAL DES FORCES CANADIENNES

7331-1 (CFMWS/CFO)

16 March 2026

Distribution List

**AMENDMENTS TO THE NON-PUBLIC (NPP)  
PROPERTY FUNDRAISING GUIDE**

Reference: Non-Public Property (NPP)  
Fundraising Guide dated 19 January, 2021

1. The enclosed NPP Fundraising Guide has been amended to adopt to the changes reflected in the [NPP Fundraising Policy](#) dated November 26, 2024, and to enact various other required changes in Fundraising Accounting and Control procedures. It is hereby approved and supersedes reference.

2. Major changes include:

- a. Definitions reflected in the policy mirrored in the Guide;
- b. Direction that when donors and/or sponsors present a proposed amount for multiple events, this counts as a single event for authority to approve a single risk assessment and single sponsorship agreement, covering all events, or a single donation receipt. A 'bulk' or 'package' transaction may not be split;
- c. Expanded direction on the risk assessment process;
- d. Mandatory requirement to complete a registry/list of NPP Fundraising activities in the format of Appendix 1 to Annex B (NPP Fundraising Activities Listing) for their area of responsibility; reporting ALL sponsorship and donation revenues and disbursement of proceeds, including

7331-1 (SBMFC/CSF)

Le 16 mars, 2026

Liste de distribution

**MODIFICATIONS AU GUIDE DES BIENS NON  
PUBLICS (BNP) SUR LA COLLECTE DE FONDS**

Référence : Guide des Biens non publics sur la  
collecte de fonds, du 19 janvier 2021

1. Le Guide des BNP sur la collecte de fonds ci-joint a été modifié afin de tenir compte des changements apportés à la [Politique des Biens non publics en matière de collecte de fonds](#) du 26 novembre 2024 et d'adopter diverses autres modifications requises dans les procédures de comptabilité et de contrôle de la collecte de fonds. Il est approuvé par la présente et remplace la référence.

2. Les principaux changements sont les suivants :

- a. Les définitions figurant dans la Politique sont reprises dans le Guide;
- b. Lorsque des donateurs ou des commanditaires proposent un montant pour plusieurs événements, celui-ci est considéré comme un événement unique aux yeux des autorités aux fins d'approbation d'une seule évaluation des risques et d'une seule entente de commandite, couvrant tous les événements, ou un seul reçu pour don. Une transaction « groupée » ou « forfaitaire » ne peut être fractionnée;
- c. Les directives élargies sur le processus d'évaluation des risques;
- d. L'obligation de remplir un registre ou une liste des activités de collecte de fonds des BNP dans le format de l'appendice 1 de l'annexe B (Liste des activités de collecte de fonds des BNP) pour leur zone de responsabilité; déclaration de TOUS les revenus de commandites et de dons et de

(Product in Kind (PIK)) and providing a reconciled copy to RAM and/or CFO by 30 April each year; and Inclusion of a less complex Low Value Sponsor Support Agreement (Annex B) and an optional NPP Donation form (Annex D).

la distribution des recettes, y compris les produits en nature, et transmission d'une copie du rapprochement à la gestionnaire régionale ou au gestionnaire régional de la comptabilité et/ou au chef des services financiers d'ici le 30 avril chaque année; et inclusion d'une entente de commandite de faible valeur moins complexe (annexe B) et d'un formulaire de dons des BNP facultatif (annexe D).

e. Questions may be referred to Greg Mackenzie, Senior Manager Financial Policies, at 902-430-5348, or via email at [financepolicy@cfmws.com](mailto:financepolicy@cfmws.com).

3. Pour toute question, vous pouvez communiquer avec Greg Mackenzie, gestionnaire supérieur des politiques financières, par téléphone au 902-430-5348, ou par courriel à [financepolicy@sbmfc.com](mailto:financepolicy@sbmfc.com).

La chef des services financiers,



Dave Patel  
Chief Financial Officer

Distribution List

Liste de distribution

Attachments: 1

Pièces jointes : 1

Action

Exécution

External

Externe

All Base/Wing/Unit Commanders

Cmdts des bases, escadres et unités

Internal

Interne

EXMB

CHD

Information

Information

External

Externe

VCDS

VCEMD

Comd RCN

Cmdt MRC

Comd CA

Cmdt AC

Comd RCAF

Cmdt ARC

CMPC

CCPM

Comd CJOC

Cmdt COIC

Comd CANSOFCOM

Cmdt COMFOSCAN

Comd CFINTCOM

Cmdt COMRENSFC

ADM(RS)

SMA (Svcs Ex)



# ***NON-PUBLIC PROPERTY FUNDRAISING GUIDE***

*(This document shall be read in conjunction with the NPP Fundraising Policy)*

Chief Financial Officer  
Canadian Forces Morale and Welfare Services  
16 March 2026

## TABLE OF CONTENTS

1.	Introduction to the Non-Public Property (NPP) Fundraising Guide.....	2
1.1	Purpose of the NPP Fundraising Guide.....	2
1.2	Objectives of the NPP Fundraising Guide .....	2
1.3	Audience of the NPP Fundraising Guide and the Awareness Course.....	2
1.4	Governing Policies.....	3
1.5	Definitions .....	4
2.	Principal Authorized Agents (PAA) & Authorized Agents (AA) .....	5
2.1	Required Training .....	6
2.2	Principal Authorized Agents (PAA) .....	6
2.3	Authorized Agents (AA).....	7
3.	Overview of the NPP Fundraising Program.....	9
3.1	NPP Fundraising Activities .....	9
3.2	NPP MW Programs, Events, and Activities .....	11
3.3	Authorized NPP Programs, Events, and Activities .....	13
3.4	Consolidated Insurance Program.....	14
3.5	For An External Entity (3 <sup>rd</sup> Party Fundraising).....	14
4.	Sponsorship and Donation Solicitation .....	15
4.1	Donation Defined .....	15
4.2	Sponsorship Defined .....	17
4.3	NPP Sponsorships - Exclusivities .....	22
4.4	Authorized Donors and Sponsors .....	22
4.5	Conflict of Interest.....	25
4.6	Common Compliance Observations To Be Avoided .....	25
4.7	The Solicitation Process for NPP Fundraising.....	26

# **1. INTRODUCTION TO THE NON-PUBLIC PROPERTY (NPP) FUNDRAISING GUIDE**

## **1.1 PURPOSE OF THE NPP FUNDRAISING GUIDE**

---

The purpose of the NPP Fundraising Guide is to:

- a. amplify the NPP Fundraising Policy and enhance the understanding of associated policies and procedures;
- b. provide guidance on the establishment, management, maintenance and administration of NPP fundraising activities for the benefit of Canadian Armed Forces (CAF) members, their families and former members and their families (NPP Beneficiaries);
- c. outline the required training and responsibilities associated with conducting NPP fundraising activities;
- d. provide guidance on the establishment and management of Authorized Agent (AA) teams that conduct NPP fundraising activities.

## **1.2 OBJECTIVES OF THE NPP FUNDRAISING GUIDE**

---

The application of the NPP Fundraising Guide will:

- a. help ensure compliance with applicable legislation, rules, regulations, policies and procedures;
- b. standardize NPP fundraising procedures for Programs, Events, and Activities conducted by NPP;
- c. standardize procedures for the authorization and conducting of NPP 3rd party fundraising for external charities and not-for-profit causes that specifically identify NPP Beneficiaries as recipients and are single instance/non-recurring events or are approved in writing in advance by the Managing Director NPP (MD NPP);
- d. help protect the assets, values, image, and interest of the Canadian Armed Forces (CAF) and Canadian Forces Morale and Welfare Services (CFMWS);
- e. mitigate risks and help ensure the long-term success of NPP fundraising;
- f. establish a systematic approach and consistent business practices for NPP fundraising; and
- g. allow the program to grow in a controlled manner.

## **1.3 AUDIENCE OF THE NPP FUNDRAISING GUIDE AND THE AWARENESS COURSE**

---

The NPP Fundraising Guide is written primarily for Principal Authorized Agents (PAA) and Authorized Agents (AA) who solicit and collect sponsorships and/or donations for a NPP purpose.

The NPP Fundraising Guide also provides pertinent information for those who oversee a PAA or AA team.

## NPP Fundraising Guide

The NPP Fundraising Awareness course provides an overview of the NPP Fundraising Policy and procedures and outlines the various roles and responsibilities for those who may play a role in NPP Fundraising but are not directly involved in the solicitation or acceptance of donations and/or sponsorships. The NPP Fundraising Awareness course is available on the Defence Learning Network (DLN) and MyTalent.

### 1.4 GOVERNING POLICIES

---

The *NPP Fundraising Program* is governed by the following policies/guides:

- a. The [NPP Fundraising Policy](#) which is the cornerstone of NPP fundraising and provides direction on NPP fundraising activities conducted by or with those acting in their Non-Public Property (NPP) capacity. It aligns with the NPP accountability framework, which includes the Chief of Defence Staff (CDS) Delegation of Authorities for Financial Administration of NPP and governance of NPP;
- b. [A-FN-105-001/AG-001, Policy and Procedures for Non-Public Property \(NPP\) Accounting which](#) deals with all aspects of NPP accounting for the Canadian Armed Forces. NPP Fundraising accounting guidelines and procedures are provided in [Chapter 29 \(Accounting For Non-Public Property Fundraising\)](#);
- c. [Chief of the Defence Staff Delegation of Authorities for Financial Administration of Non-Public Property \(CDS DOA\)](#) sets out the delegation of Non-Public Property financial signing authority limits, policies and standards. Tables 1 and 2 of the CDS DOA, prescribe those positions that have delegated signing authority and any limitations that restrict that signing authority;
- d. [A-PS-110-001/AG-002 Morale and Welfare Programs in the Canadian Forces](#) provides:
  - i. policies for the organization, control and administration of morale and welfare (MW) programs within the Canadian Armed Forces (CAF) that are administered by the Canadian Forces Morale and Welfare Services (CFMWS);
  - ii. authority for Public funding of MW programs; and
  - iii. policies for the governance and use of Non-Public Property (NPP) in support of MW programs;
- e. [Canadian Forces Museums – Operations and Administration](#) that provides guidance for the operation, administration and management of CF museums;
- f. [Museum Reference Guide: NPP Standard Operating Procedures](#) provides an easy to understand reference guide for CF museums;
- g. [Guidance for NPP Morale and Welfare Events](#) provides direction and guidance from a finance perspective to organizations and entities holding a NPP MW Program/Event.

Other relevant policies that are referenced include:

- a. [DND and CAF Code of Values and Ethics](#)

## NPP Fundraising Guide

- b. [NPF Conflict of Interest Policy](#)
- c. [NPF Values and Ethics Policy](#)
- d. [Values and Ethics Code for the Public Sector](#)
- e. [NPP Hospitality Policy](#)

### 1.5 DEFINITIONS

---

- a. **Authorized Agent (AA).** An individual that is appointed, trained and certified by Canadian Forces Morale and Welfare Services (CFMWS) with appropriate delegated authority to solicit/accept donations and sponsorships from external entities in support of NPP Programs/Events and for authorized NPP 3<sup>rd</sup> party fundraising activities.
- b. **Donation.** A monetary gift or a gift of property without valuable consideration, made to NPP, with the aim of serving organizational objectives, by an individual, organization, company, corporation, or other body.

**Note 1:** In the context of donations, property refers to any non-cash asset.

**Note 2:** In most cases, a gift is a voluntary transfer of property without valuable consideration. However, a transfer of property for which you received an advantage is still considered a gift for purposes of the Income Tax Act as long as the Canada Revenue Agency (CRA) is satisfied that the transfer of property was made with the intention to make a gift. The fact that you received an advantage will not by itself disqualify the transfer from being a gift when the fair market value (FMV) of the advantage does not exceed 80% of the FMV of the transferred property. For more information, see [Income Tax Folio S7-F1-C1, Split-receipting and Deemed Fair Market Value](#).

**Note 3:** A gift of service is not a gift of property, and an official income tax receipt cannot be issued. For more information, go to Canada Revenue Agency (CRA) webpage [Gifts of services](#).

- c. **External Entity.** A private individual, charitable or not-for-profit organization, government organization, or for-profit, commercial business/company. This policy distinguishes between businesses/companies that have dealings with Department of National Defence (DND)/CAF (Defence Industry) and those not involved with DND/CAF (Non-Defence Industry).
  - i. **Defence Industry:** Comprises businesses that are specifically involved in research, development, production, service and support of military materiel, equipment and facilities such as aircraft, ships, tanks, related systems, as well as component parts and consumables; and
  - ii. **Non-Defence Industry:** Includes businesses that provide products or services that could be purchased for personal use by the general Canadian public.

## NPP Fundraising Guide

- d. **Lottery Scheme**. A lottery scheme may be defined as any scheme that has the following three components:
  - i. The disposition of property (a prize);
  - ii. Any mode of chance whatsoever involved in obtaining the prize; and
  - iii. Consideration exchanged for a chance to win the prize.
- e. **Non-Public Property (NPP) Beneficiaries**: CAF members, their families and former members and their families.
- f. **NPP Fundraising**: any action, activity or ways/means that includes a request or the acceptance of solicited and/or un-solicited money (including near cash equivalents) and product-in-kind (products and/or services) for a NPP Purpose.
- g. **NPP 3<sup>rd</sup> Party Fundraising**: NPP Fundraising for an external charity or not-for-profit cause that specifically identifies NPP Beneficiaries as recipients. NPP 3<sup>rd</sup> Party Fundraising activities must be single instance/non-recurring events or preapproved in writing by the Managing Director NPP (MD NPP).
- h. **NPP Morale & Welfare (MW) Programs, Events, Activities**: All MW programs, events, activities that may have a Public component and receive a level of Public support that is less than 100%.
- i. **Principal Authorized Agent (PAA)**. An AA appointed by the overseeing Division Head, Unit Authority (Base/Wing/Ship/Unit Commanding Officer, Deployed Operations Task Force Commander) or Entity Authority (Command Fund Commander, Branch/Regimental Fund Chairman) as applicable. The PAA acts on their behalf and under their control, on all matters relating to their NPP and external fundraising activities.
- j. **Proceeds from Fundraising Sales**. Percentage of sales from specific goods to raise funds for an authorized NPP purpose (e.g. goods produced for a NPP fundraising purpose, on consignment, cause-related marketing, donated to monetize into proceeds via auction, activities, etc.).
- k. **Public MW Programs**: MW programs which are Public programs and 100% funded by the Public either directly by the Public or are "*Public Reimbursable MW Programs*" i.e. initially funded by NPP and subsequently reimbursed by the Public.
- l. **Sponsorship**. A collaborative agreement (contract) between NPP and an External Entity, whereby funds, goods, facilities or services are provided to support a particular NPP, or external, Program/Event, in exchange for some appropriate non-monetary benefit of approximately equal value.

## 2. PRINCIPAL AUTHORIZED AGENTS (PAA) & AUTHORIZED AGENTS (AA)

PAA's and AA's may solicit and accept NPP fundraising revenue through donations and sponsorship on behalf of NPP Beneficiaries in accordance with the NPP Fundraising Policy, and the CDS Delegation of Authorities for Financial Administration of NPP.

PAA's and AA's may be:

- a. Members of the CAF in their NPP capacity;

## NPP Fundraising Guide

- b. Staff of the Non-Public Funds, Canadian Forces;
- c. Employees of the Department of National Defence (DND);
- d. Registered volunteers (i.e. volunteers who have completed all the necessary forms prior to their start date, as per the [NPP National Volunteer Policy](#)); and
- e. Contractors if pre-approved by the Managing Director NPP (MD NPP).

Prior to conducting NPP Fundraising activities or soliciting and/or accepting sponsorships and donations, individuals must complete the required training in order to become a certified PAA or AA.

### 2.1 REQUIRED TRAINING

---

PAA's and AA's must complete the following training available on the DLN and MyTalent:

- a. "NPP Fundraising Authorized Agent Certification" course;
- b. "The NPP Financial Delegated Authorities and Contracting Course", or "The Fundamentals of NPP" as applicable; and
- c. "The NPP Contracting and Procurement Course".

Every attempt should be made to participate in any scheduled NPP Fundraising training workshops and webinars.

### 2.2 PRINCIPAL AUTHORIZED AGENTS (PAA)

---

There can only be one PAA per Base/Wing (B/W) or non-B/W unit.

Once training is successfully completed, PAAs must receive official appointment, in writing from the applicable overseeing authority who authorizes them to act on their behalf and under their control, on all matters relating to NPP Fundraising activities under their purview.

A PAA is appointed by:

- a. Overseeing Division Heads for National NPP Programs/Events/Activities; and
- b. Unit Authorities (Base/Wing/Ship/Unit Commanding Officers, Deployed Operations Task Force Commanders) and Entity Authorities (Command Fund Commanders, Branch/Regimental Fund Chairs) for local NPP Programs/Events.

An email or designation memorandum shall be sent to the Chief Financial Officer (CFO), through the [Manager Financial Policy](#), approving the PAA appointment and providing the following information:

- a. name;
- b. address;
- c. e-mail address;
- d. phone number; and

## NPP Fundraising Guide

- e. confirmation that the training requirements have been met.

Upon the arrival of a new Division Head, Unit or Entity authority, the PAA appointment document shall be updated and sent to the CFO, through the Manager Financial Policy.

Principal Authorized Agents are responsible for:

- a. providing oversight of all NPP fundraising activities in their area of responsibility and undertaken with their delegated authority;
- b. maintaining a registry/list of NPP Fundraising activities in the format of [Appendix 1 to Annex B](#) of the NPP Fundraising Policy for their area of responsibility; reporting ALL sponsorship and donation revenues and disbursement of proceeds, including (Product in Kind (PIK)) and providing a reconciled copy to RAM and/or CFO by 30 April each year;
- c. maintaining a list of AAs who are approved to solicit donations and sponsorships at their applicable location;
- d. completing the required fundraising training in order to obtain the Authorized Agent (AA) certification;
- e. approving AAs and ensuring all AAs have completed the required fundraising training;
- f. limiting and controlling the number of approved AAs;
- g. managing the AA team including but not limited to: ensuring proper accounting of donations and sponsorship revenue received, and ensuring Sponsor Support Agreements have been completed for all sponsorship arrangements; and
- h. accessing/monitoring collaborations for donation/sponsorship fatigue.

PAAs must ensure that the Non-Public Property Accounting Manager (NPPAM), the Regional Accounting Manager (RAM), or a suitable alternative designated representative, is invited to be a member of the event committee and participate in the planning and finalizing phases of the Program, Events, or Activity. If there is a Public portion to the event, then the Base/Wing Comptroller (or equivalent) shall also be invited to join the committee.

**Note:** The Public share of funding shall be confirmed **prior** to the event.

### 2.3 AUTHORIZED AGENTS (AA)

---

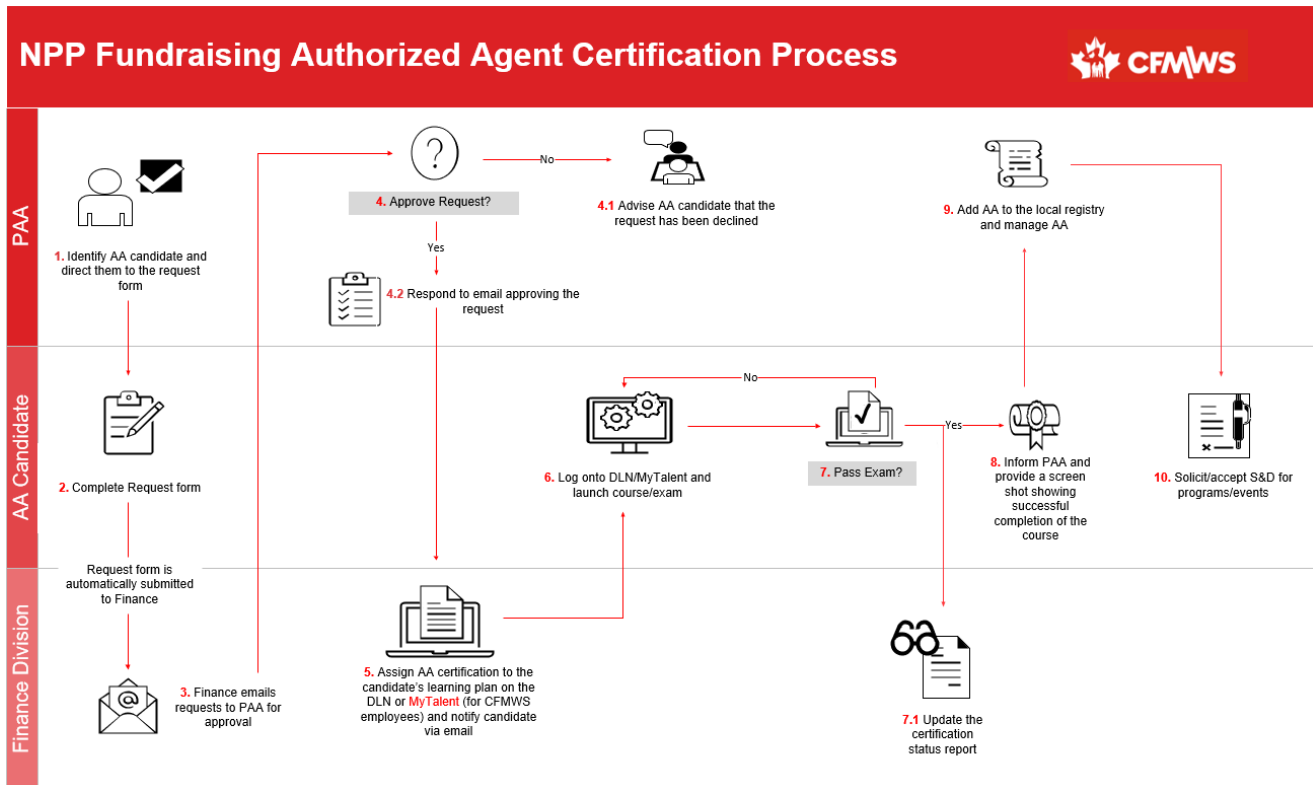
An AA is an individual that is appointed, trained and certified by Canadian Forces Morale and Welfare Services (CFMWS) with appropriate delegated authority to solicit/accept donations and sponsorships from external entities in support of NPP Programs/Events and for authorized NPP 3rd party fundraising activities.

There are a number of steps to follow in the certification process starting with each AA required to complete the online [AA NPP Fundraising Training Application Form](#).

## NPP Fundraising Guide

The overall step-by-step process is detailed on the [NPP Fundraising](#) webpage and is illustrated in Figure 1 below as a workflow map.

Figure 1. Authorized Agent Certification Process



The AA certificate is presented to those who complete the self-paced NPP Fundraising AA training course and receive a minimum score of 80% on the exam.

The AA Certification is valid for three years.

Once all training is successfully completed, AAs must receive approval, in writing, from the PAA (who has delegated authority) prior to soliciting or accepting any donations or sponsorships.

Authorized Agents must only seek:

- a. donations and sponsorships for approved NPP Programs, Events, and Activities and authorized NPP 3<sup>rd</sup> party Fundraising activities;
- b. donation and sponsorship revenue in accordance with the required need. For example, it is not permissible to solicit \$10K for an event that identified a need for \$5K.

Authorized Agents are responsible for:

- a. soliciting and accepting NPP fundraising revenue through donations and sponsorship on behalf of NPP Beneficiaries in accordance with the NPP Fundraising Policy, the NPP Fundraising Guide and the CDS Delegation of Authorities for Financial Administration of NPP;

## NPP Fundraising Guide

- b. ensuring Sponsor Support Agreements are completed for all sponsorship arrangements;
- c. completing the required NPP fundraising training in order to obtain the AA certification; and
- d. acquiring the appropriate approval prior to soliciting and accepting donations and sponsorships.

**Note:** Companies/businesses usually have limited funds, and it is more advantageous to the CAF and CFMWS if small, dedicated AA teams are established to coordinate solicitation efforts in lieu of having multiple independent AAs soliciting the same companies/businesses.

### Restrictions on Authorized Agents

Procurement officers are not permitted to be AA's. For example, a CAF member who is a Supply Officer cannot be an AA.

To ensure segregation of duties, the AA who negotiated a Sponsor Support Agreement cannot be the approval authority.

## 3. OVERVIEW OF THE NPP FUNDRAISING PROGRAM

### 3.1 NPP FUNDRAISING ACTIVITIES

---

NPP Fundraising is any action, activity or ways/means that includes a request or the acceptance of solicited and unsolicited money (including near cash equivalents) and/or product-in-kind (products and services) for a NPP purpose.

Those acting in an authorized NPP capacity or role (PAA/AA) may conduct a NPP fundraising activity for the following purposes:

1. to support the development, sustainment, and enhancement of NPP Programs, Events, and Activities;
2. enhancement of Public Morale and Welfare (MW) programs; and

**Note:** Use of NPP for sustainment costs for Public MW programs constitutes alienation of NPP and requires pre-approval in writing by the Managing Director NPP for amounts under \$100K and by the CDS thereafter.

3. to support 3<sup>rd</sup> party charity/not-for-profit events such as Canadian Tire Jumpstart and local hospital campaigns that:
  - i. will generate tangible benefits for NPP Beneficiaries and are single instance/non-recurring events; or
  - ii. is authorized in writing in accordance with the CDS Delegation of Authority for the Financial Administration of NPP.

## NPP Fundraising Guide

Fundraising activities and events for NPP purposes must not be undertaken without proper justification and without a strong likelihood of success in terms of delivering necessary and tangible benefits to NPP Beneficiaries that outweigh the fundraising costs and risk. Among the latter, are those that result from the use of NPP resources to repeatedly solicit the same base of potential contributors in the pursuit of multiple NPP fundraising activities.

Approval must be received from the proper authority, as per the [CDS Delegation of Authorities for Financial Administration of NPP](#), prior to initiating a new or recurring NPP MW Program, Event, or Activity that will be partially funded through NPP fundraising.

To seek approval, the person responsible for overseeing the new or recurring NPP MW Program, Event, or Activity shall submit, through the proper chain of command, a current project plan that outlines the details, specific needs, intended benefits and expected costs of the NPP MW Program, Event or Activity in the format of a Briefing Note.

All project plans for proposed fundraising activities for NPP MW purposes must identify a specific and bona fide need that can be fulfilled or supported through donations, sponsorships and/or sale proceeds without creating undue reliance and dependence on future fundraising support.

When substantiating a specific bona fide need or requirement, in whole or in part, for a proposed NPP Fundraising Program, Event, or Activity, those acting in a NPP capacity must be able to demonstrate that the following has been considered:

- a. the ability of current and projected NPP budget, revenues, reserves, and other available NPP resources and cost recovery means (e.g. user fees), to meet existing and reasonably anticipated needs;
- b. any alternate sources of revenue, in-kind contributions, cost abatement/reduction measures, that may be feasible (e.g. loans, grants, subsidies, share of profits from major Programs/Events, instituting new admission or user fees, partnering or collaborating on fundraising initiatives with other NPP entities, other government organizations, or the local civic community); and
- c. the capacity of the NPP organization or entity to implement the fundraising activity in a cost effective and efficient manner (e.g. ratio of budgeted fundraising costs to projected fundraising donations/sponsorship proceeds), such that it does not divert resources that could compromise the fulfillment of their primary mandate, assigned responsibilities or expected deliverables.

The specific bona fide requirement or need must not be:

- a. one that commits a Crown Public or Crown Non-Public organization or entity to a recurring expense over future years, unless it has already been forecasted, budgeted, and approved by a higher authority, as per the CDS Delegation of Authorities tables 1 and 2;
- b. one that cannot be financially and operationally supported in the long-term (when continuous or enduring); or
- c. for sponsorship revenue:

## **NPP Fundraising Guide**

- i. tied or directly related to a recurring core NPP operation expense (e.g. full-time wages/salaries); and
- ii. a recurring element of NPP operations that are dependent on the varying levels of success or failure of various NPP fundraising programs and events and related appeals.

### **3.2 NPP MW PROGRAMS, EVENTS, AND ACTIVITIES**

---

NPP MW Programs, Events and Activities are funded with non-public funds and varying levels of authorized Public support as applicable.

Fundraising for NPP MW Programs, Events and Activities must align with CAF and CFMWS strategic objectives and be executed within the NPP Accountability Framework.

The following are examples of Programs, Events and Activities for which NPP fundraising may be authorized:

#### **a. Programs**

- i. Enhancement of Military Fitness and Sports Programs;
- ii. Canadian Armed Forces (CAF) Charitable Funds (Support Our Troops and Soldier On);
- iii. Community recreation programs including youth centres, hobby clubs and other leisure activities;
- iv. Specialty Interest Activities including golf and curling clubs, marinas, sailing and vacation accommodations;
- v. Special mess events;
- vi. CAF Museums;
- vii. Regimental Branch, Corps and Group Funds;
- viii. National/Local volunteer appreciation/recognition events; and
- ix. Staff of NPF, CF Military Family Resource Centres (SNPF, CF MFRCs)

#### **b. Events (National)**

- i. CISM, National & Regional Sports Competitions;
- ii. CAF Imagery Contest;
- iii. June is Recreation Month;
- iv. Canada Army Run;
- v. Royal Canadian Navy (RCN) Bike Ride; and
- vi. Royal Canadian Air Force (RCAF) Run.

## NPP Fundraising Guide

### c. Events (Local)

- i. Family Days;
- ii. Air Shows;
- iii. Base/Wing/Unit Welcomes;
- iv. Recreation Expos;
- v. Concerts;
- vi. Beach Days;
- vii. Enhancing the Margin of Excellence for Officer Cadets at Canadian Military Colleges;
- viii. Social activities around milestone commemorations;
- ix. Prizes and awards for Unit golf tournaments; and
- x. Annual Unit social gatherings such as Christmas parties and staff parties (NPP MW events only).

### d. 3<sup>rd</sup> Party Fundraising for external charities and not-for-profit causes that specifically identify NPP Beneficiaries as recipients such as:

- i. Non-NPP Military Family Resource Centres;
- ii. CAF Chaplaincy managed causes at the local level;
- iii. Fundraising activity conducted by NPP jointly with the local civic centre, with the donations and sales proceeds to be used for a mutually beneficial expansion of CAF and civic recreation opportunities and resources, rather than generate competition between existing under-resourced programs;
- iv. NPP fundraising activity conducted at the local Canadian Tire solely for the “Jumpstart Foundation” (formal partnership), whereby all the donations and proceeds are expended by the Jumpstart Foundation to address NPP Beneficiaries’ recreational requirements/needs;
- v. NPP fundraising activity conducted for a local hospital foundation that will provide hospital services for NPP Beneficiaries; and
- vi. Fundraising for Charities/Groups’ initiatives supporting NPP Beneficiaries e.g. the Legion, True Patriot Love (TPL), Wounded Warriors Canada (WWC) etc.

In consultation with PAA/AA, those acting in an authorized voluntary or assigned NPP capacity or role must not designate and authorize an external entity fundraising purpose, nor solicit and accept donations or sponsorship that could:

- a. not withstand public scrutiny, leading to potential adverse public perception;
- b. bring discredit, brand, and/or reputational damage;
- c. create real, apparent, or potential conflict of interest situations;
- d. imply or require endorsement or an expression of relative preference of an external entity and its products or services; or

## NPP Fundraising Guide

- e. be inconsistent with or seek to circumvent laws, regulations, policies, orders, or directives.

When considering fundraising purposes and sources that may be perceived in a negative way or as a conflict of interest, those acting in a NPP capacity/role should first consult their local PAA or AA. Consultation with national (CFMWS) for legal, public, ethics may be required.

Fundraising must not be used to fully underwrite or fund a NPP MW Program, Event, or Activity. Rather it should simply assist with the certain variable, non-recurring, and/or discretionary requirements and those that can withstand funding variability from year to year without compromising the integrity and sustainability of the supported NPP MW Program, Event, or Activity.

Use of NPP for sustainment costs for Public MW programs constitutes alienation of NPP and requires pre-approval in writing by the Managing Director NPP for amounts under \$100K and by the CDS thereafter.

### **3.3 AUTHORIZED NPP PROGRAMS, EVENTS, AND ACTIVITIES**

---

#### **NPP Program, Event or Activity**

The NPP Program, Event or Activity must meet the policy requirements of the NPP Fundraising Policy. The event must be approved by the applicable DOA authority, meet CFMWS strategic objectives, be developed and delivered for the NPP Beneficiaries, respond to a bona fide need, benefit or add value to the unique requirements of the NPP Beneficiaries.

Milestone events may be approved as a NPP Program, Event, or Activity that requires donations and sponsorships if the NPP Fundraising Policy requirements are met.

#### Examples:

A unit CO may initiate an entertainment event such as a mixed-mess dinner to celebrate the 75<sup>th</sup> anniversary for the unit. In this case, the unit CO could present a case that meets the policy requirements. Once the policy requirements are met, the PAA/AA may solicit donations and sponsorships for the unit event.

A unit CO is coordinating a NPP golf tournament and the golf tournament requires donations for prizes. It would be permissible, in accordance with the NPP Fundraising Policy, for a PAA/AA to solicit prizes.

#### **Unauthorized NPP Programs, Events and Activities**

Donations or sponsorships should not be used to sustain any NPP Program, Event, or Activity that is no longer being used and/or requested by NPP Beneficiaries or no longer cost effective to operate.

## NPP Fundraising Guide

NPP Fundraising shall not be used for Public programs delivered under the Public Accountability Framework without pre-approval in writing by the CDS or the Managing Director NPP authority.

### Public and NPP Program, Event, Activity

When an NPP Program, Event, or Activity contains both Public and NPP elements, the permission to solicit donations and sponsorships and the fundraising activity is limited to the NPP funded portion of the Program, Event, or Activity unless pre-approved in writing by the Managing Director NPP.

### Public Event

When the unit event is designated a 100% public event, public policies and procedures apply (Financial Administration Manual (FAM) Chapter 1017-1 Management of Hospitality Expenditures, and Defence Administrative Orders and Directives (DAOD) 7021-4 Solicitations, Sponsorships and Donations).

#### Example:

The Soldiers' Christmas Dinner is considered a Public event thus the costs of the meals for the CAF participants are provided at Public expense. Additional items such as prizes, chocolate, or 1-2 beverages/member (alcoholic or not) may be provided from Base/Wing/Unit NPP funds as enhancement to the Public event.

Principal Authorized Agents shall refer Commanders to the Public policies for soliciting sponsorship and donations for a Public event, specifically Defence Administration Orders and Directives (DAOD) 7021-4.

## 3.4 CONSOLIDATED INSURANCE PROGRAM

---

Generally, insurance coverage is provided for a NPP MW Event as part of the [Consolidated Insurance Program \(CIP\)](#). Due to the unique circumstances surrounding an event a notice outlining the event must be forwarded to the CFMWS CIP Senior Analyst. The NPPAM and/or RAM are the point of contact in ensuring CIP Senior Analyst has been briefed on the MW Event. The CIP Senior Analyst will liaise with the insurance underwriter to ensure all risks have been appropriately mitigated.

## 3.5 FOR AN EXTERNAL ENTITY (3<sup>RD</sup> PARTY FUNDRAISING)

---

Fundraising for external entities (e.g. registered charities, non-profit organizations) is not part of the NPP mandate. Nonetheless, the NPP Fundraising Policy recognizes that specific external entity needs and NPP Beneficiaries' interests can be addressed simultaneously, in a highly efficient and effective manner, when NPP conducts fundraising for an authorized external entity, provided that the various policy considerations and risks are managed in the process.

Those involved in planning fundraising activities for an external entity should consider giving preference to fundraising for the CAF Charitable Funds (Support Our Troops and Soldier On) in lieu if they are able to meet the intended impact.

## NPP Fundraising Guide

A fundraising activity to solicit and accept donations, sponsorship, and proceeds from sales for a specific external entity may be authorized and conducted under the NPP accountability framework, by or with those, acting in an NPP capacity or role provided that external entity fundraising purpose:

- a. specifically identifies NPP Beneficiaries as recipients; or
- b. is part of, or represents, a pre-existing fundraising relationship identified as historical or longstanding unit affiliations, collaborations, and/or adopted causes; or
- c. is authorized in writing in accordance with the CDS Delegation of Authority for the Financial Administration of NPP.

To be consistent with the NPP mandate, fundraising activities conducted by NPP for an external purpose need to deliver tangible benefits for NPP Beneficiaries in the most direct manner possible. This could be achieved by fundraising for an external entity that has the proprietary ways/means required to deliver the desired beneficial output or outcome for NPP Beneficiaries in a far more effective, efficient and timely manner than if pursued in isolation by NPP on its own. For example:

- a. with Jumpstart (charitable foundation of Canadian Tire) and their grant-giving program that supports recreation opportunities for eligible CAF families;
- b. with a CAF Charitable Funds partnering external agency that delivers targeted programs and events for NPP Beneficiaries; and
- c. with an external foundation or trust that solely exists to support a CAF museum, a Staff of NPF, CF Military Family Resource Centre (SNPF, CF MFRC), or a particular Unit, specifically to fundraise in preparation for a major historical milestone event, or special project/activity (e.g. museum capital construction/renovations, SNPF, CF MFRC community partnering initiative, regimental milestone celebrations across Canada).

The potential for perceived Government of Canada, DND/CAF, and CFMWS/NPP endorsement and preferential treatment of an external entity should be addressed proactively. A simple factual explanation of the underlying rationale or historical relationship should be provided to the PAA in advance, describing the specific fundraising activity, the authorized external entity purpose(s), and the expected benefits for all parties involved, with a focus on the tangible benefit(s) being generated in the process for NPP Beneficiaries. Appropriate visible/audible disclaimers are also highly recommended, such as “no endorsement or preferential treatment is implied nor should it be inferred, by any actions, displays, promotional messaging or materials, etc.”

## 4. SPONSORSHIP AND DONATION SOLICITATION

### 4.1 DONATION DEFINED

---

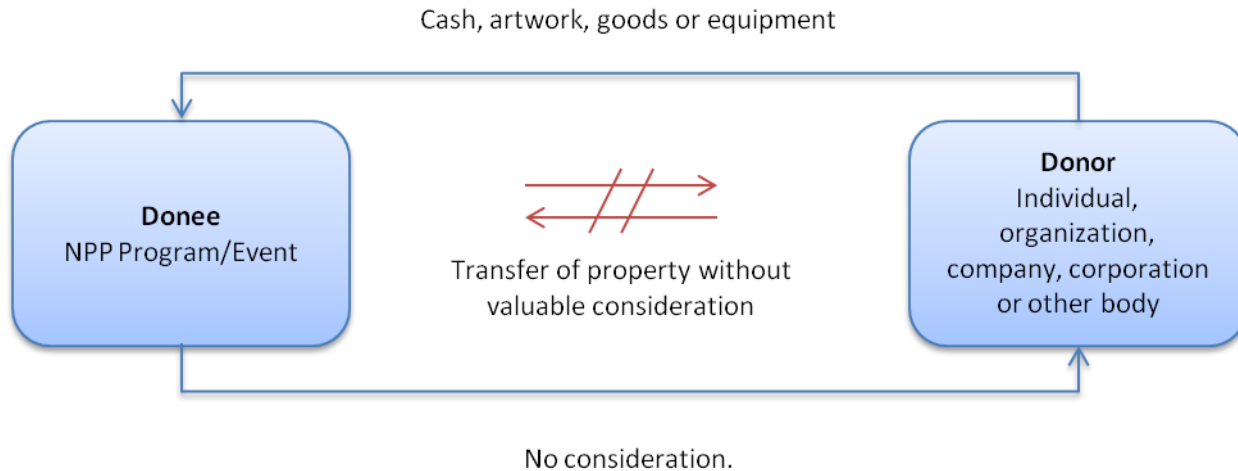
**Donation is ...**

A “**Donation (Gift)**” is a monetary or non-monetary gift of property without valuable consideration, made to NPP, with the aim of serving organizational objectives, by an individual, organization, company, corporation or other body.

## NPP Fundraising Guide

A donor recognition program may be implemented if there is a substantiated requirement. The MD NPP must approve any donor recognition program.

**Figure 3. Donation Model**



### Gift Definition

In most cases, a gift is a voluntary transfer of property without valuable consideration to the donor. Gifts in kind, also known as non-cash gifts, are gifts of property. They cover items such as goods, artwork, equipment, securities, and cultural and ecological property.

**Note:** As per CRA's webpage: [Donation of gift certificates or gift cards](#), Official Income Tax Receipts (OITRs) can't be issued for gift certificates or gift cards received directly from the issuer for no consideration. If a person purchases a gift card or gift certificate and then donates it a receipt can be issued.

Principal Authorized Agents (PAA) and Authorized Agents (AA) must understand the concept of "advantage" as it relates to tax receipts. Within the OITR, the advantage is generally the total value of any property, service, compensation or any other benefit that a donor is entitled to in gratitude for the gift. The advantage may be contingent or receivable in the future, to either the donor or a person or partnership not dealing at arm's length with the donor.

Principal Authorized Agents and Authorized Agents must document whether or not an advantage was provided to the donor and if so the value of the advantage.

The "eligible amount of the gift" is the amount by which the fair market value of the gifted property exceeds the amount of any advantage received or receivable as a result of the gift and is used to determine the donor's donation tax credit or deduction for which an OITR may be issued.

The procedures for determining the eligible amount of the gift are described in A-FN-105-001/AG-001, Policy and Procedures for Non-Public Property (NPP) Accounting [Chapter 29, Annex B \(Instructions for Issuance of Official Tax Receipts for Donations\)](#).

## NPP Fundraising Guide

Donation examples:

1. An individual donates a painting to a CAF Museum
2. An individual donates \$50 to Support Our Troops
3. A company donates a \$500 worth of goods to an auction

An OITR may be issued to a donor for donation amounts greater than \$10.00. Unless otherwise approved, OITRs shall be issued by the local NPP accounting office. In addition, a letter of acknowledgement, may accompany the tax receipt and possibly a brief and modest form of public thanks made.

**Note:** Official donation receipts are required for tax deduction or credit purposes only. Accordingly, as registered charities and other qualified donees do not pay income tax, acknowledgement for gifts received from these organizations shall be by way of a letter or ordinary receipt in lieu of issuing an official income tax receipt.

### Donation is not ...

A contribution of service - that is, of time, skills or efforts - is not property and, therefore, does not qualify as a gift or gift in kind for purposes of issuing official donation receipts.

“Donation is not” example:

If an athletic therapist were to provide therapy services for a full day at the Family Run, the donation of service would be accounted for in the NPP books of account, as well as the year-end report to the PAA; however, the provision of an official donation receipt would not be permitted.

## NPP Donation Form

The NPP Donation Form ([Annex D](#)), is an internal document to be used for information and record purposes in conjunction with the NPP Fundraising Activities Listing (Annex B Appendix 1 of the NPP Fundraising Policy) to record the receipt of donations (cash and products in kind). While the NPP Donation Form is not mandatory, its use is highly recommended in circumstances where Official Income Tax Receipts are not issued upon receipt of donations.

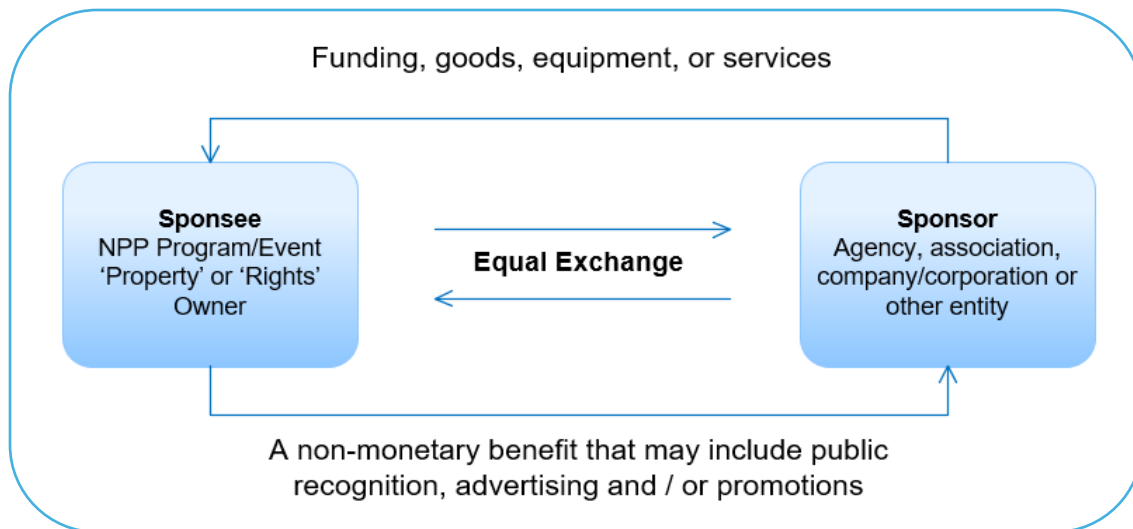
## 4.2 SPONSORSHIP DEFINED

---

### Sponsorship is...

“**Sponsorship**” is a collaborative arrangement (contract) between NPP and an external entity, whereby funds, goods, facilities or services are provided to support a particular NPP Program/Event, in exchange for some appropriate non-monetary benefit of approximately equal value.

Figure 4. Sponsorship Model



Sponsorship is a business transaction with mutual benefits and a way for businesses to directly reach the CAF consumer market. The sponsorship fee comes from their advertising, marketing, public relations or branding budget, not their donation or philanthropic funds' budget.

### Sponsorship Examples:

- A bank sponsors a Family Day Event. The Bank pays a benefit fee of \$10K to NPP and, in return, the Bank receives promotional rights, recognition at the event, and on-site signage.
- A local grocery store sponsors a Wing Welcome. The local grocery store provides a benefit of \$500 worth of hamburgers/hot dogs for the event and, in return, the grocery store receives recognition and on-site signage.

### Sponsorship is not ...

Sponsorship is not philanthropy as philanthropy is support of a cause without any commercial incentive.

Sponsorship is not advertising. Advertising is the direct promotion of a company through space or airtime bought for that specific purpose. Advertising is sold and evaluated in terms of cost per thousand. On the other hand, sponsorship promotes a company in association with the sponsee. The benefits sponsorship typically offers that advertising does not are access to a live audience, on-site sampling and opportunities for client entertainment. Notwithstanding, one of the benefits offered to a sponsor may include a form of actual advertising.

Sponsorship is undertaken for the purpose of achieving commercial objectives.

## NPP Fundraising Guide

Sponsorship is not:

- ◆ Philanthropy
- ◆ Advertising
- ◆ Donations

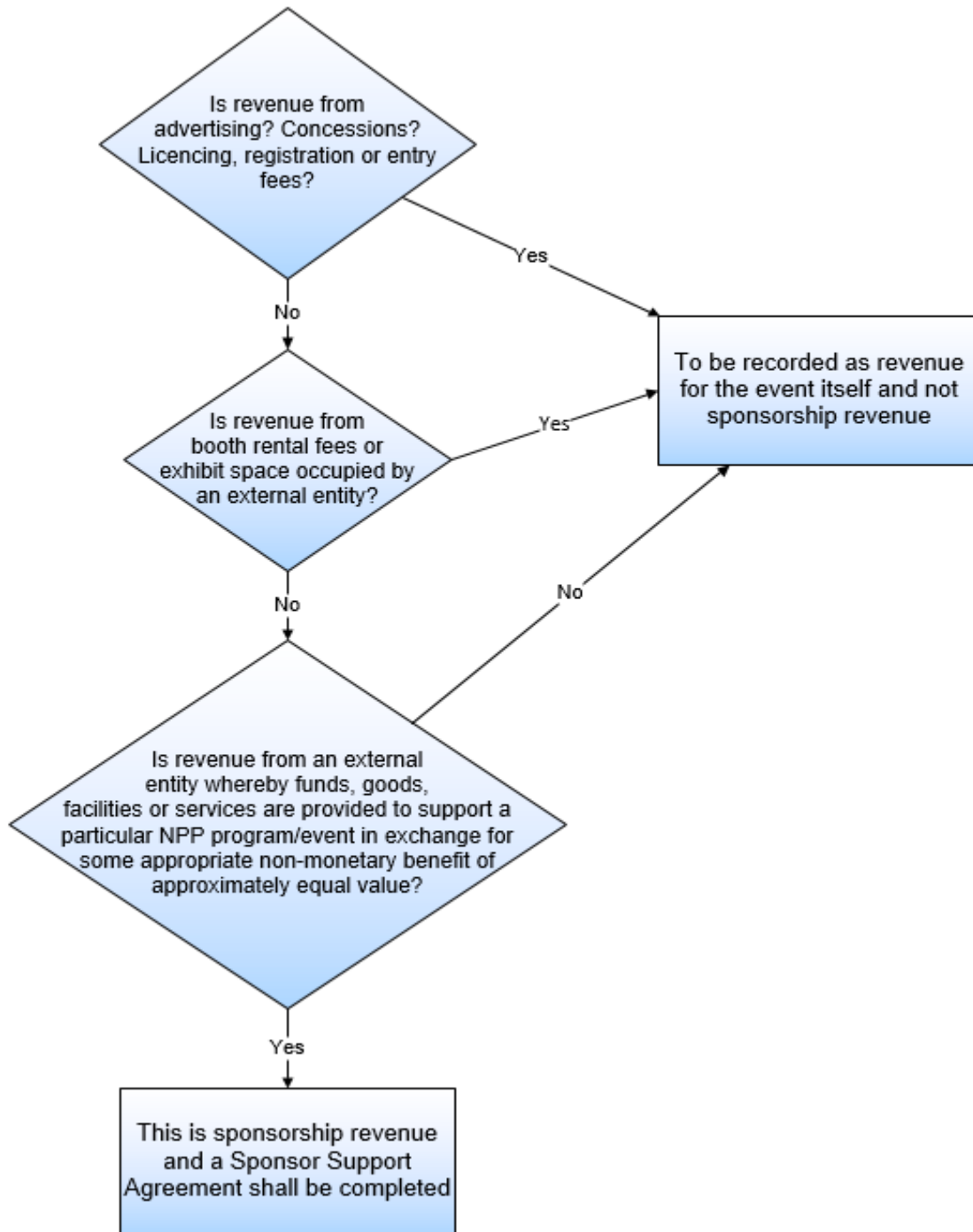
On their own, the following revenue/expenses do not qualify as a donation or a sponsorship, as they are revenues from the event itself rather than sponsorship revenue:

- a. concession fees and revenues;
- b. licensing fees and royalties;
- c. advertising revenue;
- d. registration and entry fees; and
- e. fees for booth or exhibit space.

## NPP Fundraising Guide

The following decision tree can help determine whether revenue received is from sponsorship or the NPP event itself.

Figure 5. NPP Sponsorship Revenue Decision Tree



## NPP Fundraising Guide

CFMWS/Non-Public Property organizations do not sponsor nor endorse the activities, products or services of any external person or organization.

Sponsorship revenues (cash and product in kind) are subject to GST and/or HST in all provinces and territories and also QST in Quebec (QST rules mirror GST/HST rules). The Sponsor Support Agreement (SSA) must clearly state the amount of tax that is included in the sponsorship amount. If tax is not collected from the sponsor, it must be deducted from the amount received reducing the amount of sponsorship revenue.

### Example:

The SSA states the sponsor agrees to pay \$1,000 in sponsorship **plus** HST at 14% (Nova Scotia HST Rate) for a total payment of \$1,140. Alternatively, if taxes are not accounted for in the SSA, taxes shall be deducted from the amount received. In this case, the amount received would be tax inclusive (114%) - net sponsorship amount 100% + 14% tax (114%) the net sponsorship amount (100%) would be equal to \$877.19 (\$1,000 divided by 114%) and the tax payable amount would be \$122.81 (\$1000.00 - \$877.19).

When receiving sponsorship, the PAA/AA must negotiate and complete the applicable Sponsor Support Agreement (SSA): either [Annex A \(NPP Sponsor Support Agreement\)](#) or [Annex B \(Low Value NPP Sponsor Support Agreement\)](#) (no greater than \$5K). SSAs are contractual agreements and must be approved and signed **in advance** of receiving funds.

Sponsorship revenues will only be recognized once a signed SSA is provided to the local NPP accounting office.

Sponsorship revenues are recorded **solely** in the general ledger account of the receiving entity.

### Contracting and Sponsorship

A sponsorship offer to provide a product, service or funds must not be accepted if it is linked to a requirement that the CFMWS purchase or contract to purchase goods or services in return. In other words, CFMWS must not be contractually obligated to sell a sponsor's goods at the specific Event. Sponsorship must not be used by organizations as means of avoiding competitive tendering with CFMWS. For example, a proposal to provide a motor vehicle to an installation on condition that the CAF contracts to purchase products from the sponsor shall be rejected.

A Sponsor Support Agreement is a contract and as such must be signed by the appropriate approval level with a current NPP Certification course and valid DOA Annex.

The Regional Accounting Manager/local NPP Accounting Staff shall be provided with a signed copy of all completed Sponsor Support Agreements. The accounting staff will store and archive all completed agreements in DocuShare. An approved SSA must be utilized for all sponsorship agreements (see Annex A for the standard approved SSA template and Annex B for the low value (up to \$5K) approved SSA template).

### 4.3 NPP SPONSORSHIPS - EXCLUSIVITIES

---

CFMWS provides life insurance, financial planning and investment products through SISIP Financial and The Personal Insurance Company home and auto insurance through CANEX, CFMWS has retained exclusivity right for sponsorship arrangements with these industries. This exclusivity right is to be respected within NPP at large. CFMWS is also in a partnership agreement with Bank of Montreal (BMO), therefore, a right of first refusal is to be exercised before proceeding with seeking sponsorship arrangements with other banks and this first right of refusal is to be documented (by email for example).

### 4.4 AUTHORIZED DONORS AND SPONSORS

---

#### Guidelines

The reputation of the CAF and CFMWS has great value and must be carefully guarded. It must be appropriate for the CAF and CFMWS to be associated with an external entity providing the donation or sponsorship. The following guidelines help PAAs and AAs determine appropriate donors and sponsors.

Donations and sponsorships must not be sought nor accepted:

- a. from companies listed on the Public Services and Procurement Canada (PSPC) formally Public Works and Government Service Canada Ineligibility List located at <http://www.tpsgc-pwgsc.gc.ca/ci-if/four-inel-eng.html>;
- b. if not respectful of contractual agreements in place between NPP entities;
- c. if not respectful of strategic relationships at the National CFMWS level;
- d. if donation or sponsorship is likely to reduce public confidence in CFMWS' ability to impartially perform its duties;
- e. if the timing is inappropriate and likely to create an apparent, real or potential conflict of interest (COI), i.e., if such issues as calls for contract tenders or requests for proposals, litigation issues, issues of future business, etc. are outstanding or significant with potential sponsors;
- f. in situations that imply government endorsement, or the appearance of such endorsement, of any donor's/sponsor's, product or service;
- g. if perceived to be detrimental to CAF's or CFMWS' public image and/or whose main business is derived from questionable affairs including tobacco or pornography;
- h. from the cannabis industry unless received as a cash donation, as only cash donations are permissible; and
- j. if a religious message that might be deemed prejudicial to religious, cultural or community groups is conveyed.

## **NPP Fundraising Guide**

A sponsor may gain the following benefits:

- a. a positive community image from having their name and, by extension, their product or service, favourably linked to CAF/CFMWS activity (but without CAF/CFMWS endorsement);
- b. increased employee morale and pride through association with the CAF/CFMWS;
- c. establishing links between the CAF/CFMWS and the community;
- d. opportunities for involvement in CAF/CFMWS media, advertising and promotional activities; and
- e. recognition of the sponsorship in the sponsor's publications, advertising and promotions (providing there is no implied or explicit endorsement of the sponsor's products or services by the CAF/CFMWS).

There are key considerations for alcohol, cannabis, tobacco and the Defence industry.

### **Alcohol**

The CFMWS shall be cognizant of the potential harmful effects of promoting alcohol to NPP Beneficiaries. When soliciting donations/sponsorships from alcohol related companies, the following guidelines shall be followed:

- a. do not undermine health promotion programs;
- b. do not direct promotions towards youth or during children's events;
- c. liaise with your local stakeholders (i.e., Health Promotion) to identify if the acceptance of sponsorship or donations is appropriate;
- d. explore alternative donors/sponsors first (i.e., non-alcohol);
- e. justify why alcohol sponsorship is an appropriate solution to your sponsorship event needs; and
- f. request as part of the agreement, that the alcohol company promote a responsible drinking message.

### **Cannabis**

*The Cannabis Act* forbids any type of sponsorship, promotion or inducements of any kind such as but not limited to the proceeds from sales and fundraising. The Act does not however forbid the acceptance of donations from the cannabis industry. Donations must be given voluntarily with no expectation of any consideration in return.

### **Tobacco**

The *Tobacco and Vaping Products Act* forbids any type of sponsorship, promotion or inducements of any kind. In addition, due to the negative impact of tobacco/vaping, donations

## NPP Fundraising Guide

from this industry are not to be accepted by NPP Programs or Events.

### Summary of Restrictions

Industry	Sponsorship	Donations
Tobacco	No	No
Alcohol	Yes	Yes
Cannabis	No	Yes

### Risks Associated with Soliciting/Accepting Donations and Sponsorship

There are risks associated with soliciting/accepting donations and sponsorships from external entities. These risks include:

- a. donor and sponsor fatigue; and
- b. adverse reputational consequences.

Attention should be paid to the necessity of searching out 'new money' and/or non-traditional sources of revenue as there could be a negative reaction from public and other organizations that traditionally rely on donations. These organizations may perceive - or even voice publicly - that the federal government, despite its broad taxation powers, is cutting into their donation revenues.

Solicitors should also be mindful of any actual or perceived partnerships and endorsements that may arise from sponsorship agreements.

Base/Wing/Unit Commanders, PAAs and AAs must conduct a general risk assessment on all sponsorships and donations with the aim of preventing real, perceived or potential conflicts of interest, **as per Step 3 of the Solicitation Process (section 4.8)**.

Each sponsorship and donation agreement shall be assessed in terms of the following:

#### Low-Risk

Fundraising Acceptance Low-Risk	No Greater Than
Single Donation from Defence Industry	\$50K
Single Sponsorship from Defence industry	\$25K
Single Donation or Sponsorship from non-Defence Industry	\$100K
Acceptance of Single Donation or Sponsorship for 3 <sup>rd</sup> Party Purposes	\$25K

## High Risk

<b>Fundraising Acceptance High-Risk</b>	<b>Greater Than</b>
Single Donation from Defence Industry	\$50K
Single Sponsorship from Defence industry	\$25K
Single Donation or Sponsorship from non-Defence Industry	\$100K
Acceptance of Single Donation or Sponsorship for 3 <sup>rd</sup> Party Purposes	\$25K

Low-risk sponsorship and donation arrangements require a general risk assessment only.

High-risk sponsorship and donation arrangements must be assessed using the Donation and Sponsorship High-Risk Assessment Matrix (Annex C).

### 4.5 CONFLICT OF INTEREST

---

The purpose of the conflict-of-interest section of the guide is to protect CFMWS' interest when it contemplates entering into an arrangement that might benefit the private interest of an AA and/or any other person empowered to make decisions on CFMWS' behalf. A conflict of interest (COI) occurs when CFMWS personnel is involved in multiple interests, one of which could possibly corrupt the motivation for an act in the other.

A conflict of interest can become a legal matter for example: when an individual tries (and/or succeeds in) influencing the outcome of a decision, for personal benefit. It is common for CAF and/or CFMWS personnel to have two functions. Sponsorship and purchasing decisions must be made independently from one another. A person with two roles may experience situations where those two roles conflict. These differing roles can potentially provide an incentive for improper acts in some circumstances.

Beware of companies offering gifts to get favourable attention and trying to influence purchasing decisions. For example, a company may offer a cash donation or a substantial sponsorship arrangement if you agree to buy from their company.

### 4.6 COMMON COMPLIANCE OBSERVATIONS TO BE AVOIDED

---

Based on past Compliance and Assurance reviews, the following issues have been noted as observations that must be avoided:

- a. Sponsor Support Agreements (SSAs) are completed after the event has taken place;
- b. Authorized Agents (AAs) who have signed a SSA but have not completed the NPP Fundraising Authorized Agent Certification Course;

## NPP Fundraising Guide

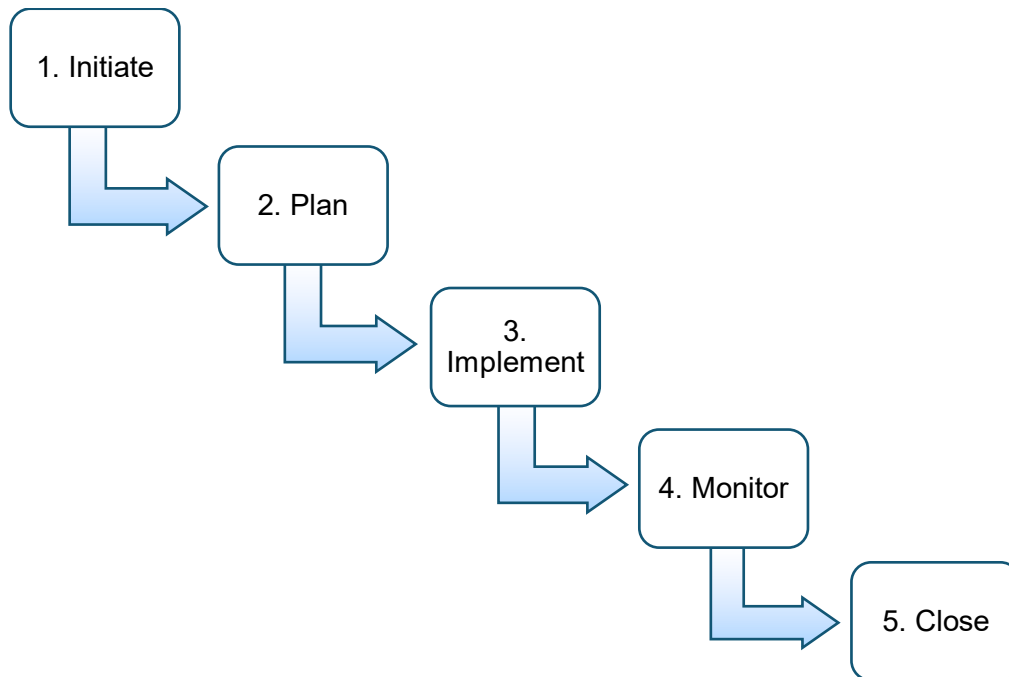
- c. AAs who have not been delegated authority (CDS Delegation of Authorities for Financial Administration of NPP [Annex C](#) or [D](#)) for the acceptance of donations and/or sponsorships;
- d. Failure to complete [Annex C](#) (Donation and Sponsorship High-Risk Assessment Matrix) for high-risk sponsorship and donation arrangements;
- e. Lack of documentation to support the Product In Kind (PIK) values assigned, or the number of items received (e.g. no packing slip, invoice or other verifiable document);
- f. Restricted contributions being recognized as revenue in the Fiscal Year received rather than in the Fiscal Year when the specified event takes place; and
- g. Failure to record PIK in the accounting records when the total PIK value of one event exceeds the materiality threshold of \$2K.

Keep these observations in mind throughout the NPP Fundraising process to ensure you avoid these common errors.

### 4.7 THE SOLICITATION PROCESS FOR NPP FUNDRAISING

---

The following step-by-step process provides guidance to those PAAs and AAs soliciting NPP Fundraising (Donations and Sponsorship) for NPP and external Programs/Events/Activities. The procedures are broken into five main steps:



### 1. INITIATE

#### Identify Need for NPP Fundraising Support

As per section 3.1 – NPP Fundraising Activities, the AA/PAA acting in their NPP capacity shall identify a NPP Program, Event or Activity that requires fundraising support. In addition, they shall seek financial advice from the local NPP accounting office for large events that require separate financial statements.

#### **Define NPP or external Program, Event, or Activity, identify requirements and seek approval in accordance with the *CDS Delegation of Authority for Financial Administration of NPP***

Once the need to support a particular NPP or external Program, Event, or Activity, has been identified, the specific requirements need to be determined and applicable approval obtained.

**Note:** For NPP Fundraising, multi-year donations and sponsorship agreements are considered to be single agreements. Therefore, the total amounts of these multi-year agreements are used to determine the applicable Delegation of Authority approval level and the corresponding Risk Assessment level.

Further, when donors and/or sponsors present a proposed amount for multiple events, this counts as a single event for authority to approve, including a single risk assessment and single sponsorship agreement, covering all events, or a single donation receipt. A 'bulk' or 'package' transaction may not be split.

To seek approval, the person responsible for overseeing the NPP or external Program, Event, or Activity requiring fundraising shall submit, through the proper chain of command, a current project plan that outlines the details, specific needs, intended benefits and expected costs of the NPP MW Program, Event or Activity in the format of a Briefing Note.

Only those NPP and external Programs/Events/Activities that have been approved in writing are permitted to seek donations and sponsorships in accordance with the approved plan.

### Example

- A program manager may identify a need for NPP Fundraising support for a Family Day event to help ensure that the cost of the event is reasonable for the NPP Beneficiaries. The delegated authority to approve the Family Day Event must be consulted. Approval to proceed with the planning process would be provided by the delegated authority.
- Capt. Jones is the Chair of the unit's 10<sup>th</sup> Anniversary NPP event. The committee identifies a need for NPP Fundraising support to help offset the costs of the event and help ensure that the cost of the event is reasonable for the NPP Beneficiaries. Capt. Jones must document this requirement and submit the proposal to the approval authority. Approval to proceed with the planning process would be provided by the delegated authority.

## 2. PLAN

### **PAA/AA shall implement in accordance with the approved Plan**

With the approved briefing note, the PAA/AA may / shall support the initiative in the following manner:

- May become a member of the event planning committee;
- Shall identify the requirement for authorized agents and coordinate training;
- May liaise with CFMWS subject matter expert to interpret policies and answer questions regarding procedures;
- May provide policy and procedure guidance to the committee and authorized agents; and
- Shall coordinate and de-conflict solicitation efforts with other NPP Programs and Events.

### **PAA/AA shall oversee the NPP Fundraising elements of the NPP/External Program/Event**

Formalize a Systematic Approach by setting partnering objectives, parameters and guidelines.

To start, you must understand three important points:

1. NPP Fundraising works best as part of a committed and systematic plan;
2. Program, Event, or Activity management must understand the role of fundraising for them – it is a strategic initiative to save on cost and not to bring in the most money; and

## NPP Fundraising Guide

3. Allowances need to be made for the flexibility to approach each situation differently and adapt to the specific Program/Event/Activity needs.

### 3. IMPLEMENT

The implementation stage involves the following:

**Step 1: Seek and select partners (sponsors and donors) IAW with the solicitation plan.**

**Step 2: Conduct risk assessment(s)**

Base/Wing/Unit Commanders and PAAs must conduct a general risk assessment on all sponsorships and donations with the aim of preventing real, perceived or potential conflict of interest.

General risks to consider:

- a. Conflict of interest and procurement (there is an inherent risk when soliciting donations or sponsorships from companies that have, or are in the process of negotiating, a contract with the CAF or CFMWS as procurement decisions could potentially be influenced by the receipt of a donation or sponsorship.);
- b. Financial dependency (unstable sources of funding destabilizes program delivery);
- c. Ethical concerns including but not limited to:
  - Alliances with organizations who may have poor environmental practices;
  - Alliances with organizations who may have questionable reputation affiliations; and
  - Inconsistency with CFMWS values or programs;
- d. Adverse reputational consequences;
- e. Unhappy partners (i.e. always under promise, over deliver); and
- f. Sponsor fatigue.

Base/Wing/Unit Commanders and PAAs **must complete** [Annex C](#) (NPP Donation and Sponsorship High-Risk Assessment Matrix) for all donations and sponsorships identified below as High-Risk:

#### High Risk

Fundraising Acceptance High-Risk	Greater Than
Single Donation from Defence Industry	\$50K
Single Sponsorship from Defence industry	\$25K

## NPP Fundraising Guide

Single Donation or Sponsorship from non-Defence Industry	\$100K
Acceptance of Single Donation or Sponsorship for 3 <sup>rd</sup> Party Purposes	\$25K

**Step 3: Create sponsorship package or fundraising plan, distribute and review with sponsor – adjust accordingly (for sponsorship only)**

**Step 4: Negotiate and finalize the appropriate Sponsor Support Agreement (SSA).**

This could be either [Annex A \(NPP Sponsor Support Agreement\)](#) or [Annex B \(Low Value \(no greater than \\$5K\) NPP Sponsor Support Agreement\)](#). These SSAs are contractual agreements that must be approved and signed before any funds are received.

**Step 5: Review SSA and submit to appropriate level for approval.**

PAA or AA assigns a unique SSA serial number to each SSA.

- The unique SSA serial number shall be created as follows:
  - For NPP Entities: entity number followed by the calendar year and then a sequential number e.g. 1700-2025-0001
  - For NPP entity trust accounts: base/wing entity number combined with the entity trust fund number followed by the calendar year and then a sequential number e.g. 106006342-2025-0001

PAA or AA reviews the Sponsor Support Agreement (SSA) to confirm all required fields are completed and the required authorizing signatures are obtained.

**Step 6: Submit signed SSA to local NPP Accounting Office for processing**

- AA/PAA forwards the completed SSA to the supporting NPP Accounting Office (NPPAO) for action.
- Upon receipt the NPPAO creates the Accounts Receivable (AR) invoice in the accounting system (PROPHET) based on the approved SSA with the reference number matching the SSA number.
- The NPPAO forwards the Invoice to the AA/PAA for review and in turn the AA/PAA forwards to the Sponsor for payment and advises the NPPAO when sent.
  - **Payment Options for Sponsors**
    1. Cheque
    2. Credit card
    3. E-Transfer
    4. Wire transfers (both within and outside Canada)
  -

## NPP Fundraising Guide

- The PAA/AA monitors the A/R through PROPHET Business Intelligence (BI) and initiates hastening action as required. The NPPAO reviews the A/R as part of month-end procedures and liaises with the PAA/AA to address any issues.
- Upon receipt of funds a receipt is created in PROPHET which is applied to the AR invoice to mark it paid.
  - For cheque payment, the cheque is deposited at the local BMO branch (or other local bank, or cash machine as per local requirements) then a receipt is created in PROPHET which is applied to the AR invoice to mark it paid.

*Note: Verify the local deposit procedures with the supporting NPP Accounting Office.*

### 4. MONITOR

The monitoring stage involves the following:

#### **Step 1: Manage the relationship(s)**

- Invoices, tax receipts (donations only) and accounts receivable.

*Note: Always maintain the ongoing program report in order to submit After Action Plan to PAA during closing phase.*

### 5. CLOSE

The closing stage involves the following:

**Step 1: Recognition & stewardship (thank you letters, recognition gifts, cheque presentations etc.).**

**Step 2: Collect/reconcile outstanding payments.**

**Step 3: Measure performance & report (e.g.: analytics, sponsor visibility reports).**

**Step 4: Establish lessons learned from events for future reference to be included in the After-Action Plan.**

**Step 5: Completion the NPP Fundraising Activities Listing** in the format of Appendix 1 to Annex B of the [NPP Fundraising Policy](#) for their area of responsibility reporting **ALL** sponsorship and donation revenues and disbursement of proceeds, including (Product in Kind (PIK)) and providing a reconciled copy to the RAM and/or CFO by 30 April each year.

**Note 1:** As per Chapter 29 (Accounting for NPP Fundraising) the recording of PIK that has a total value assessed lower than \$2K, in the accounting system and in the NPP Fundraising Activities Listing is not mandatory. However, in circumstances where PIK valued under \$2K is recorded in the accounting system it must also be recorded in the NPP Activities listing to enable the reconciliation process.

**Note 2:** Although not mandatory, completing an NPP Donation Form ([Annex D](#)) when donations

## **NPP Fundraising Guide**

are received is strongly recommended. This will help maintain proper control and ensure donation details are accurately recorded in the NPP Fundraising Activities Listing.

[Annex A – NPP Sponsor Support Agreement Template](#)

[Appendix 1 – Intellectual Property Marks Listing](#)

[Appendix 2 – Trademark Usage Guidelines and Quality Control Standards](#)

[Annex B – Low Value NPP Sponsor Support Agreement Template](#)

[Annex C – NPP Donation and Sponsorship High-Risk Acceptance Matrix](#)

[Annex D – NPP Donation Form](#)