

Date of Issue:

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### GENERAL

1. The overall financial responsibility for Non-Public Property (NPP) operations is vested in the Chief of the Defence Staff (CDS) through Sections 2 and 38 to 41 of the National Defence Act (NDA).

### OPERATING AUTHORITY

2. The delegation of financial and operating authorities for NPP flow from the CDS through the Managing Director NPP to officers in command of Bases, Wings, Units and Ships. The CDS delegates to the Managing Director NPP overall operating authority for the administration and management of NPP, including the authority to:
  - a. Operate the NPP accountability framework in accordance with the strategic direction of the NPP Board to safeguard and efficiently use NPP;
  - b. Implement strategic plans to achieve the approved strategy of the NPP Board;
  - c. Approve NPP capital and operations and maintenance (O&M) projects up to \$5M;
  - d. Propose amendments to the NPP Board concerning the CDS Delegation of Authorities for Financial Administration of Non-Public Property;
  - e. Authorize the alienation of NPP real property and tangible property up to a value of \$100K. Such alienations are to be reported to the CDS in arrears at the end of each fiscal year, in accordance with 7331-1 (DGPFS) 18 May 2010; and
  - f. Establish an investment committee and other standing and ad hoc operational committees as required.

### PUBLIC SUPPORT TO MORALE AND WELFARE (MW)

3. The Chief of Military Personnel (CMP) is designated by the CDS as responsible to:
  - a. determine the level of Public support for NPP programs and services supported jointly from NPP and Public resources; and
  - b. ensure that Public funding requirements in support of MW activities are addressed through the departmental business planning process.

### RESPONSIBILITY AT HEADQUARTERS

4. Chaired by the CDS, the NPP Board exists to assist the DGMWS in exercising NPP responsibilities as delegated by the CDS, and shall provide stakeholder input and advice to the DGMWS regarding:
  - a. NPP strategic plans, policies, and directions;
  - b. NPP investments; and
  - c. Acceptance of the audited financial statements.

5. The Chief Review Services (CRS) is responsible to the CDS for the audit and evaluation of NPP programs, activities and financial statements. An NPP Audit Committee has also been established by the CDS to provide independent, objective assessment and assurance on the adequacy on risk management, control and accountability as they relate to NPP. The Chair of the Audit Committee is appointed by CDS and reports directly to CDS. Annually, the Chair of the NPP Audit Committee is to report the results of the Committee's activities to the CDS. CRS and DGMWS are ex-officio members of the NPP Audit Committee.
6. The Senior Vice-President, Commercial Services, oversees SISIP Financial Services (SISIP) and CANEX retail operations. SISIP, a division of the Canadian Forces Morale and Welfare Services (CFMWS), is responsible for securing the financial health and security of every CAF member and their family with financial solutions tailored to meet their needs. Programs, products and services include term life insurance plans (Long Term Disability and Vocational Rehabilitation Program, available to CAF members only), comprehensive financial planning, financial counselling and financial education, along with the Canadian Forces Group Retirement Savings Plan (CF-Group-RSP), an online savings and investment service. The CDS or Managing Director NPP may direct the use of SISIP surpluses to support NPP programs, capital and operations and maintenance (O&M) projects.”
7. Under the CANEX portfolio he is responsible for directing CANEX strategy, policies and operations. The Canadian Forces Exchange System (CANEX) a division of the CFMWS is organized as a field unit of the CF, embodied in the Regular Force and assigned to CMP under Canadian Forces Organization Order (CFOO) 1.9.
8. The Senior Vice-President, Personnel and Support Programs (Snr VP PSP) is responsible for both Public Morale and Welfare (MW) Programs and NPP MW Programs that support the operational readiness and effectiveness of Canadian Forces members. Public MW includes Messes and Service Clubs, Military Fitness and Sports, Health Promotion, and support for Deployed Operations. NPP MW programs include community Recreation programs and Specialty Interest Activities.
9. The Director Military Family Services (MFS) is responsible to manage the Military Family Services Program. Military Family Services develops policies and standards, invests financial resources, offers professional guidance and makes available performance measurement tools to promote and sustain the excellence, relevance and accountability of both programs.
10. The Vice President Human Resources is responsible to provide program development covering all aspects of the Employee Assistance Program, Group Benefits, Pension, Return to Work Support Program and manages the National Payroll Office, Official Languages, Occupational Health and Safety, and Employment Equity and Diversity.
11. The Vice President Information Services/Chief Information Officer is responsible to provide information technology solutions and services to the operation divisions within CFMWS and other support divisions
12. The Chief Financial Officer (CFO) is responsible for
  - a. the management and administration of CFCF and all NPP accounting records;
  - b. the operation of the NPP consolidated banking program;
  - c. the operation of the loan programs of the CFCF;
  - d. the development, in conjunction with CANEX, SISIP and PSP, of financial policies and procedures relating to NPP operations;

- e. the compliance assurance review is to advise senior management within (CFMWS) and Base/Wing Commanders on inconsistencies of current practices and established NPP policies, or where practices fail to provide the necessary controls for the safeguarding of assets.

## RESPONSIBILITY OF NATIONAL ACCOUNTING OFFICES

13. There are four national accounting offices as follows: accounts receivable, accounts payable, fixed assets and treasury, and financial reporting. The national offices provide all financial support for all NPP activities.
  - a. The National Accounts Payable Office (NAPO) is located at the CFMWS Headquarters in Ottawa and is primarily responsible for managing supplier accounts, printing cheques and transmitting payments by electronic funds transfer;
  - b. The National Accounts Receivable Office (NARO) is located at CFB Borden and is primarily responsible for collecting Non-Public Funds, receivables, reconciling local bank accounts and credit/debit card terminals, and processing payments received;
  - c. The National Fixed Assets and Treasury Office (NFATO) is located at BFC Valcartier and is primarily responsible for coordinating the accounting records of NPP throughout the fixed asset life cycle (i.e. From cradle to grave) and for most of the Canadian Forces Central Fund (CFCF) bank functions; and
  - d. The National Financial Reporting Office (NFRO) is located at CFB Halifax and is primarily responsible for the production of monthly financial statements. It is also responsible for, among other things, the creation and maintenance of general ledger (GL) accounts within ABACIS, generating the monthly PowerPlay report, producing ad hoc management reports, and uploading budgets.

## RESPONSIBILITY OF THE REGIONAL ACCOUNTING MANAGER (RAM)

14. The RAM shall review the financial statements prepared in accordance with Chapter 14 (Financial Statements), and advise the BComd on the financial position of NPP operations within the region. This shall include recommendations pertaining to write-offs. The RAM, shall be responsible for:
  - a. administrating of NPP accounting activities in compliance with financial policies and regulations;
  - b. advising the CO's on the cash position of individual NPP operations in relation to Unit NPP activities;
  - c. briefing and presenting financial results at Base Fund meetings, at least once a year and at any other occasions required by Base authorities; and
  - d. provide NPP subject matter expertise on any NPP issues and investigations.

## RESPONSIBILITY AT THE UNIT

15. The CO is the directing authority, and is responsible for the overall financial position of all Unit NPP activities, excluding CANEX and SISIP. The CO shall exercise financial authority as per the CDS Delegation of Authorities for Financial Administration of Non-Public Property.
16. The Base NPP Accounting Manager (NPPAM), who is directly responsible to the RAM, shall be responsible for the accurate and prompt recording of all NPP financial transactions. The NPPAM shall provide accounting control over all assets, liabilities and in particular shall be responsible for:
  - a. the receipt, safeguarding, and disbursement of non-public funds;
  - b. the production of timely financial reports as required;

- c. monitoring all approved capital expenditures;
  - d. providing to the Entity Manager, analyses on the financial position of NPP activities;
  - e. maintaining adequate stocks of the accountable forms listed in Chapter 6 (Control of Accountable Documents); and
  - f. briefing and presenting financial results at all Base/Wing/Station Fund meetings, and other Unit NPP activity meetings on demand.
17. The Entity Manager, with the assistance of the NPPAM, shall provide the CO with analysis and advice on all NPP financial matters.

## FINANCIAL ADMINISTRATION

### CDS DELEGATION

18. The "[CDS Delegation of Authorities for Financial Administration of Non-Public Property](#)", is an essential component of the NPP accountability framework, setting out there in the CDS delegation policy and standards for the Financial Administration of NPP, including "write-off" authorities.
19. Effective 1 October 2012, any individual who occupies a position that has delegation authority must complete one of two e-courses before they are eligible to have NPP financial signing authority. Recertification is required every three years to continue to exercise financial signing authorities.
20. The e-course "*The Fundamentals of NPP*" provides NPP awareness required by those who have been delegated financial signing authorities. This course is mandatory for Base/Wing/Unit Commanders (including the CO National Support Element (CO NSE) during deployment) and for CFMWS Division Heads.
21. The e-course "*The NPP Financial Delegated Authorities and Contracting Course*", provides individuals with the essential knowledge to discharge their NPP signing authority responsibilities without delving into the fundamentals that senior NPP decision makers require. This course is a mandatory certification prerequisite for any individual who by virtue of his/her job description needs NPP delegated financial signing authority and who is not mandated to take "*The Fundamentals of NPP*". "*The NPP Financial Delegated Authorities and Contracting Course*" is a direct extract from "*The Fundamentals of NPP*".

### NON-PUBLIC AUDIT AND COMPLIANCE/ASSURANCE

22. The policy and procedures for internal and external inspections/audits are contained in Chapter 4 (Non-Public Audit and Compliance/Assurance).
23. CFMWS provides compliance and assurance services from CFO to provide assistance or review of NPP operations. CO's may request special investigative teams through the Managing Director NPP to conduct ad hoc review of NPP operations