

## CFAO 27-6 -- BASE AND STATION FUNDS -REGULAR FORCE

### SECTION 1 – GENERAL

#### AIM

1. This order prescribes the policy and procedures for the establishment and operation of base, station and, unit funds in the Regular Force.

#### TERMINOLOGY

2. For the purposes of this order, unless the context requires otherwise:

#### ACQUISITION OF REAL PROPERTY

means the addition of real property to the NPP inventory by purchase, lease, exchange, or gift;

#### BASE COMMANDER (B COMD)

shall in respect to a station be construed as meaning a "Station Commanding Officer";

#### BASE FUND

shall, in respect to a station, be construed as meaning a "station fund";

#### DISPOSAL OF NPP

means the sale, trade-in, barter, consumption of NPP by an NPF activity for its own use or deletion from NPP records as a result of fair wear and tear.

#### NET BOOK VALUE

means the acquisition cost less accrued depreciation charges;

#### NON-PUBLIC PROPERTY (NPP)

shall be as defined in QR&O article 1.02;

#### REAL PROPERTY

means land, works, and buildings;

#### UNIT FUND

-(see paragraphs 27, 28 and 29 of this order); and

#### WRITE-OFF

means the approval for deletion from the non-public fund (NPF) inventory of NPF property that has been lost;

## POLICY

3. Each B Comd shall establish a base fund to provide a medium whereby he can administer all NPP vested in him except that administered through a mess.

## SOURCES OF INCOME

4. Base fund income is derived from:
- a. revenue from base exchange (BX) operations;
  - b. assessments against gross bar sales in messes (see paragraph 5), clubs, and other facilities;
  - c. assessments against individuals participating in or attending a base activity for which funds are administered through the base fund;
  - d. assessments against base activities to recover funds advanced by the base fund for facility development or capital purchase;
  - e. public fund grants and allowances, eg, library grants, physical fitness grants, band grants;
  - f. money contributed to a base for the collective benefit of all officers and non-commissioned members of the base; and
  - g. any other NPF revenue or contribution received by a base.
5. The B Comd may direct that up to 7 per cent of the gross sales of the bar operation of a mess or facility established in accordance with 27-1 be transferred to the base fund. In making such direction he should take into consideration any outstanding obligation requiring repayment of loans from the Canadian Forces Central Fund (CFCF).

## SECTION 2 -- BASE FUND COMMITTEE

### ADMINISTRATION

6. Administration of the base fund is the responsibility of the B Comd. To advise and assist him in the management and supervision of the assets of the base fund the B Comd shall establish a base fund committee.

### COMPOSITION

7. The base fund committee shall consist of military members, as follows:
  - a. a chairman, who shall be the B Comd or his representative;
  - b. a secretary, appointed by the B Comd;
  - c. the chairman of the base recreation council;
  - d. the Base Physical Education and Recreation Officer (BPERO);
  - e. the Base Exchange Officer (BXO); and
  - f. the non-public funds Accounting Officer (NPFAO), who shall serve in an ex officio capacity.
  
8. The following additional members may be appointed to the base fund committee:
  - a. the head of each branch, or his representative;
  - b. the Commanding Officer (CO), or his representative, of each unit at the base, including lodger and assigned units;
  - c. the president, or a representative, of the Married Quarters Community Council;
  - d. a representative from such other committees established by the B Comd for the supervision of NPF activities; and
  - e. members as required at the discretion of the B Comd.

#### TERMS OF REFERENCE

9. The B Comd shall issue detailed terms of reference which shall include:
  - a. duties and responsibilities of committee members; and
  - b. procedures for -
    - (1) expenditure of funds on his behalf;
    - (2) administration and control of all base fund NPP,
    - (3) control of property when similar items are held on both public and NPF distribution accounts in the same facility,

- (4) maintenance of a minute book to record the proceedings of all committee meetings,
- (5) submission of the minutes of each committee meeting for his approval, and
- (6) conduct of correspondence.

10. Base fund committee meetings shall be held at least quarterly to consider business related to the administration of the base fund.

## BUDGET

11. An annual budget shall be prepared and resources shall be allocated for projects and purposes in a manner that will provide maximum benefit. The budget year shall coincide with the NPF fiscal year.

## SECTION 3 – EXPENDITURES

### GENERAL

12. All money received by the base shall fund be used for the benefit of military personnel of the base except as specified in paragraphs 13 and 14 or, with the express approval of the Chief of the Defence Staff (CDS), in the manner and to the extent approved by him

### REPRESENTATIONAL EXPENSES

13. A B Comd may authorize the use of base funds to meet obligations to represent the department, the command, or the base provided that:
- a. the expenditure is such that it does not qualify for reimbursement from public funds;
  - b. it is not an expenditure listed in paragraph 15, except that items of a symbolic or commemorative nature may be presented to honoured guests on occasions of special significance; and
  - c. the cumulative amount does not exceed the maximum for an NPF fiscal year determined by the NPF Board of Directors.

## FUNDS PROVIDED FOR A SPECIFIC PURPOSE

14. Funds received by the base fund for a specific purpose shall be used only for that purpose. Such funds include:

- a. public fund grants, eg, physical fitness maintenance grants, band grant, library grant; and
- b. donations received for a specific purpose.

## RESTRICTIONS ON EXPENDITURES

15. The NPP of the base fund or any of its components, including the BX, shall not be alienated:

- a. by gifts to private or public institutions;
- b. to relieve an officer or non-commissioned member of his personal responsibility for loss or damage to NPP;
- c. for testimonials or gifts;
- d. for national appeals for financial assistance; or
- e. for the provision of anything connected with religious services.

16. A grant or transfer of base funds to a charitable or other organization that is not specifically part of base personnel support programs is prohibited. This does not preclude the establishment of a separate trust account to administer funds donated by individuals for a specific purpose or obtained from fund raising events or activities held for that purpose.

## CAPITAL EXPENDITURES

17. Approving authorities for expenditures for a capital or non-recurring purpose are contained in 2-12, Annex A.

## ACQUISITION OF REAL PROPERTY

18. The acquisition of real property requires prior approval of NDHQ/Director General Personnel Services (NDHQ/DGPS), whose authority is applicable only where the ownership of the real property is to remain in NPF hands. If, as is the usual case, ownership is to be transferred to the name of the Crown public or is to be taken directly in the name of the Crown public with NPF providing the funds for the acquisition, then, in

addition to obtaining NDHQ/DGPS approval, the procedures set forth in C-08-005-120/AG-000, Canadian Forces Construction Engineering Manual (CFCEM), Chapter 50, and in particular sections 3 and 4 thereof which deal with the acquisition of real property by the Crown public and with the transfer of non-public fund facilities to the Crown public will also apply.

#### SECTION 4 -- DISPOSAL OF NPPDEFINITIONS

19. The definitions in paragraph 2 are essential to the application of this section of the order.

#### APPROVAL AUTHORITIES

20. Except as otherwise specifically authorized by the CDS, the authority required for the disposal of NPP, other than real property (paragraph 21 refers), or money, shall be as follows:

- a. the Base or Station Commander, where disposal of the NPP is for its net book value or greater value;
- b. the Station Commander, where disposal is for less than the net book value and the net book value does not exceed \$5,000;
- c. the B Comd, where disposal is for less than the net book value and the net book value does not exceed \$10,000;
- d. the Officer Commanding a Command (OCC), where the disposal is for less than the net book value and the net book value does not exceed \$25,000; and
- e. DGPS/NDHQ in all other cases.

#### DISPOSAL OF NON-PUBLIC REAL PROPERTY

21. The disposal of non-publicly owned real property requires approval by NDHQ/DGPS regardless of the net book value of the property.

#### ARTEFACTS AND MEMORABILIA

22. The control and disposal of artefacts and memorabilia is governed by 27-10.

#### DISPOSAL ON DISBANDMENT AND ALTERED CIRCUMSTANCES

23. The disposal of the NPP of a unit on disbandment or in altered circumstances is governed by 27-9.

## LOSS OR DAMAGE

24. A loss or damage to NPP shall be reported and investigated in accordance with QR&O 21.72 and 21.73.

## WRITE-OFF

25. The write-off of a loss of NPP shall not prejudice disciplinary or other action against any person.

26. The write-off of a loss of NPP may be approved by:

- a. the CO of a station or other unit if the loss in any single occurrence does not exceed \$500;
- b. the B Comd if the loss in any single occurrence does not exceed \$1,000; or
- c. the OCC in any other case.

## SECTION 5 -- LODGER, INTEGRAL, AND SATELLITE UNITS

### UNIT FUNDS

27. While all NPP of a base vests in the B Comd, a B Comd may authorize the CO of a lodger, satellite, or integral unit to establish a unit fund where:

- a. the unit is located in an area so remote from its support base that it is impractical to share base amenities; or
- b. in other circumstances where the B Comd considers it practical and advantageous to do so.

28. Where a unit is authorized to operate a unit fund, the Base Commander may authorize a grant to the unit fund from the base fund. A unit fund, to the extent practicable, shall be administered by the CO of the unit in the same manner as if it were a base fund.

29. If a unit or other element is not authorized to operate its own fund but the B Comd is of the opinion that there is a requirement for the unit to have funds available for the specific benefit of members of the unit or element, he may authorize a specific amount from within the base fund to be used for that purpose.

## SUPPORT DURING TEMPORARY MOVES

30. When a unit moves temporarily from one base to another, it is the responsibility of the B Comd at the new location to provide for the requirements of the visiting unit. Where resources at the temporary location are inadequate, the B Comd of the home base may arrange for a loan of equipment and provide funds to support, in part, the cost of social and other activities required by the unit.

31. When a unit moves temporarily from a support base to an area remote from a base from which NPF support can be obtained, the support base B Comd may authorize a grant from the base fund to the unit to provide recreational facilities and other NPF assistance normally supplied through a base fund. On these occasions the provision of recreation and sports equipment is also the responsibility of the support base fund.

32. Subject to the nature and locale of the deployment, in accordance with A-PS-110-001/AG-003, Administration of Personnel Support Programs in the Canadian Forces Vol. 2, Chapter 6, units may be eligible for additional resources to ensure that a suitable level of personnel support programs (including the provision of CANEX and mess-type resale goods, recreational opportunities, and other types of amenities) is available to CF personnel.

(C) 1605-27-6 (DPERA)

Issued 7 Feb 86

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