

## **CDS Guidance**

### **Canadian Forces Morale and Welfare Programs**

#### **AIM**

1. This document provides guidance for the development of morale and welfare (MW) policies and programs for the Canadian Forces (CF) that are conducted under the auspices of the Canadian Forces Personnel Support Agency (CFPSA). This guidance shall be implemented through applicable orders, instructions and directives. A list of current documents that relate to MW programs is attached at Annex A.

#### **INTRODUCTION**

##### **Background**

2. The importance of maintaining the physical, emotional and spiritual well-being of our sailors, soldiers and air personnel and their families has long been recognized as essential to the success of the military mission. For that reason, a wide variety of programs that enhance personnel MW has been provided throughout the history of Canada's military forces.

3. In earlier times, these services were provided under arrangements with auxiliary organizations such as the Salvation Army and the YMCA, or within the military organization by a combination of public and non-public entities. Since 1996, MW programs have been provided by or with the assistance of the Canadian Forces Personnel Support Agency (CFPSA), an organization developed specifically for that purpose, using both public and non-public funds.

##### **Rationale**

4. The main reason for providing MW programs is that they contribute directly and indirectly to military operational readiness and effectiveness. Complementing this operational focus is the commitment to ensure that, wherever they are required to serve, CF members and their families have access to an adequate range of support programs and services. This commitment is made in acknowledgement of the inherent personal hardships and disruption created by the exigencies of military life that can disadvantage our members and their families in comparison to others within Canadian society.

5. MW programs provide facilities and instruction to maintain military physical fitness and health. They promote unit cohesion through individual and team sports. They contribute to interaction, learning and personal growth through recreational programs, clubs and associations as well as specialty interest activities. They provide amenities and entertainment for members deployed on operations and specialized resource centres for the families who remain behind. They provide financial counselling, education and planning services as well as loans and grants to help relieve financial pressures. They provide convenient outlets for consumer goods and services and for the provision of

information and education necessary for members to acquire a range of insurance products to meet their needs. They provide messes, clubs, canteens and social entertainment. Income generated by MW programs also serves as a source of funds to support these programs and services that benefit CF members and their families at the local and national levels. Finally, MW programs are supported by the organizational and command infrastructure necessary to ensure that programs of considerable scope, diversity, complexity and financial worth are managed and delivered efficiently.

## **Funding Sources**

6. MW programs are supported from two main sources: public funds appropriated by Parliament through the Defence Services Program and non-public funds (NPF) generated for the collective benefit of CF members. In addition, the Treasury Board provides public funding for government sponsored life and disability insurance programs. Programs that are a shared responsibility are supported by a combination of public funds and NPF. Public funds may be expended on those programs that are officially designated as either a public or shared responsibility. NPF may provide for other programs with the approval of the Non-Public Property Board of Directors (BOD) at the national level, and the Commanding Officer (CO) at the local level.

7. NPF are derived from non-public property (NPP), a concept defined in Section 2 of the *National Defence Act* that is unique to the CF. Sections 38 to 41 of the *National Defence Act* set out the NPP framework and the duties and functions of the Minister of National Defence, the Chief of the Defence Staff, and COs with respect to NPP. Among its defining characteristics is that NPP is, in general, not subject to the *Financial Administration Act* and is, therefore, administered outside the framework for Crown public funds. NPF employees are also administered in a human resource framework that is distinct from those in DND and the CF.

## **GUIDING PRINCIPLES**

### **8. Responsibilities and Reporting**

- a. COs of static and deployed units, under the guidance of the chain of command, are responsible for the morale and welfare of CF members within their units and, where applicable, their families. CFPSA exists to support the chain of command in that role by delivering an approved range of programs, services, guidance and technical support.
- b. The VCDS shall designate those MW programs and services that may be supported with public resources and define the associated levels of spending authority. The VCDS shall also formalize the arrangements through which CFPSA receives public funds to provide MW programs.

- c. The ADM(HR-Mil) has overall responsibility for policies and programs that support the physical and spiritual fitness, morale and quality of life of CF members, in Canada or deployed.
- d. The NPP Board of Directors (BOD) is chaired by and assists the CDS as the governing authority on NPP, and will exercise authority as delegated by the CDS. ADM(HR-Mil) is deputy chair of the BOD and in that capacity is empowered to provide guidance to the President and CEO of the CFPSA on behalf of the BOD and the CDS.
- e. The President and CEO is accountable to the CDS, through the BOD, for the operation and administration of CFPSA and the delivery of NPF programs. The President and CEO of the CFPSA is accountable to ADM(HR-Mil) for publicly funded MW programs.
- f. While COs are accountable to the chain of command for the morale and welfare of their personnel, direct liaison between CFPSA and units or other elements may be necessary on matters related to MW support at the local level. Matters of MW policy or program issues that have wide or national implications will be addressed through the chain of command.

9. Level of Service

- a. Wherever they are required to serve, CF members and their families should have access to a reasonable level of goods, services, facilities and programs that contribute to their financial, physical, emotional and spiritual well-being.
- b. MW programs and services should be adapted to the specific needs of each military community. Therefore, not all programs and services will be offered in all military communities. A CO need not provide a program or service to which members and families have access through the local community.
- c. In terms of range and availability, the standards for MW programs should, wherever practicable, be comparable to that for a progressive community in Canada.

10. Recipients

- a. MW programs are primarily intended to benefit CF members and, where applicable, their families.
- b. The requirements, conditions and impacts of service vary between Regular Force and Reserve Force members, and among members of the three sub-components of the Reserve Force (Primary Reserve, Canadian Rangers and the Cadet Instructor Cadre). Therefore not all MW programs and services will necessarily apply or be applied equally to all CF members and their families.

- c. In appropriate circumstances, other members of the extended military community such as former CF members and their families, DND employees and NPF employees may be given access to specified non-public MW programs and services.
- d. Subject to applicable law and government policy, COs may permit members of the civilian community access to specified NPF programs or services if it is considered beneficial to the military community, does not unfairly compete with program or service providers within the local community and does not reduce the level of service to CF members and their families.

11. Funding

- a. Subject to paragraph 8b and any limitations that may be imposed by the VCDS or the BOD, COs may support MW programs using public funds, NPF or a combination of the two. The amount and composition of funding for MW programs may vary over time and between locations depending on the resources available and the CO's assessment of MW needs in the context of other priorities.
- b. Sponsorship and donations may be obtained from the private sector to help offset the costs of NPF programs and services in accordance with the policy on sponsorships and donations.
- c. A portion of NPF revenues that accrue at the national level will normally be re-allocated to COs for use on local MW programs.
- d. Revenues generated by NPF activities may only be used for the benefit of former and serving CF members and their families unless otherwise authorized by the CDS.
- e. A portion of the revenues generated by NPF activities that are patronized by persons other than CF members or their families may be used for the benefit of those patrons or shared with the organizations that represent them.
- f. The BOD may authorize CFPSA to invest NPF for the purpose of generating income for MW programs and activities.
- g. The President and CEO of the CFPSA will propose the annual CFPSA budget of public funds and NPF for approval. CFPSA requests for and allocations of public funding will be administered by ADM(HR-Mil). Budget allocations of NPF will be subject to approval by the NPP BOD. CFPSA will not budget for a deficit unless approved by the CDS.

12. Management of NPP

- a. All non-publicly funded activities in the CF are under CDS authority and are to be carried out within the approved framework for NPP.
- b. NPF programs at the local and national levels will be managed responsibly and conducted in accordance with normal business practices.
- c. CFPSA will provide guidance and assistance to COs on the management of NPP.
- d. The primary objective of NPF retail activities is to provide a service to members and the secondary objective is to generate revenue for other MW programs. Retail activities should at least break even when the activity is operating at 'steady state'.
- e. The allocation of NPF that accrue at the national level will be subject to approval by the BOD.

13. Cost to Recipients

- a. CFPSA will determine the pricing policies for retail services administered at the national level, subject to guidance that may be provided by the BOD.
- b. Subject to applicable law, government policy and BOD guidance, COs may charge fees for users of community and recreation programs, specialty interest activities and the like. The fees charged should not exceed those that would apply to comparable programs in a progressive community in Canada.
- c. COs may not charge military personnel a fee to offset public costs for programs that are a public responsibility.

14. Approval of New Programs

- a. Subject to applicable law and government policy, and with the recommendation of ADM(HR-Mil) and approval of the BOD, CFPSA may take on other MW programs for which the public is responsible and will provide funding.
- b. With the approval of the NPP BOD, CFPSA may enter into new NPF business lines that will provide a useful service to members and families.

**CONCLUSION**

15. The chain of command must ensure that CF members and their families have access to the range of MW programs and services that meets the military operational

requirement and contributes to a quality of life that is appropriate for these members of Canadian society. To discharge this important responsibility, COs require direction from superior authority as well as the support and assistance of CFPSA. The development of orders, instructions, policies, programs and directives that constitute such direction is to be based on the guidance provided herein. As circumstances change over time, amendments to this guidance will be issued as required.

Attachment: ANNEX A – GOVERNING DOCUMENTS

ANNEX A to  
CDS Guidance on CF Morale and Welfare Programs

## **GOVERNING DOCUMENTS**

The following references detail the regulatory and procedural framework for the provision of MW programs to the CF. Those responsible for internal DND/CF orders, instructions or directives pertaining to MW programs are to ensure that the spirit and intent of this strategic guidance are reflected therein.

- NDA Sections 2 and 38 – 41 define and set the statutory and legal framework for NPP.
- QR&O Ch 27 deals with Messes, Institutes and Canteens, and Ch 38 deals with Liability for Public and Non-Public Property.
- DAOD 9003-1 is the Governance Framework for the NPP Board of Directors (BOD) and the Canadian Forces Personnel Support Agency (CFPSA).
- VCDS Instruction 3/96 or its replacement defines the programs, prescribes the levels of service, outlines reporting relationships and identifies mechanisms for public funding of MW Programs in the CF.
- A-PS-110-001 or its replacement provides the policy on public support to MW programs.
- When promulgated, a series of Morale and Welfare Policy Manuals will provide policy guidance applicable to NPP and NPF employees, as follows:
  - Vol 1: Governance and Administration
  - Vol 2: Programs
  - Vol 3: CANEX
  - Vol 4: SISIP
  - Vol 5: Human Resources
  - Vol 6: Accounting
  - Vol 7: Review and Audit
- The following CFAOs that apply to NPP activities will remain in effect until replaced or superseded by applicable volumes of Morale and Welfare Policy Manuals or other guidance documents:
  - 20-46 Annex H – Personnel Support Programs
  - 27-1 Messes
  - 27-4 Fraudulent Cashing of Personal Cheques
  - 27-6 Base and Station Funds
  - 27-8 Branch, Regimental and Group Funds

- 27-9 Disposal of NPP
- 27-10 Artifacts and Memorabilia
- 50-20 Recreation Clubs
- 50-21 Married Quarters Community Councils
- 56-2 Credit Unions – Defence Establishments
- 210-17 Advances to Messes and Canteens
- DCDS Directive 2/2000 – International Operations
- CFP 262 Mess Administration
- CFP 105 Policies and Procedures for NPF Accounting
- The Naval Non-public Funds Manual directs the policy to be followed in the administration of an accounting for non-public fund activities in HMC Ships and Naval Reserve Divisions
- NDHQ Action Directive D8/89
- Ministerial Organization Order 4/90 - CANEX.