



APPLICATION

1. This chapter outlines the necessary controls and procedures for the security and accounting for Non-Public Funds (NPF).
2. Except as indicated in this chapter, orders in relation to the security of Public funds, and in particular, National Defence Security Orders and Directives (NDSODs) Physical Security Technical Standards apply equally to NPF. Public support for security of NPF is covered under [A-PS-110-001/AG-002](#).

ENQUIRIES

3. Enquiries should be directed to the local [NPP Accounting Office](#) or the [Senior Manager, Financial Policies](#).

DEFINITIONS

4. **Cash Control Systems** – include cash registers and point of sale (POS) systems that secure and report the cash used during daily operations. These systems are recommended for all retail operations and should have the capability of providing a non-resettable locked-in accumulated group total. More information on cash control system procedures can be found in [Annex C](#).

Note: Alternative forms of cash control such as serial numbered tickets and inventory control/accountability may also be used in smaller retail operations that do not have access to a POS system or cash register.

5. **Cash receipts** may be classified as follows:
 - a. Cash sales through NPP retail activities;
 - b. Cash collected by personnel appointed to collect revenue; and
 - c. Cash received at the local accounting office not covered above in sub para a or b.
6. **Cash Transmittal Slip (CTS)** – are used only by NPP activities and trust funds to report cash inflows that are not derived from sales of merchandise or services (such as chapel funds). More information on CTS procedures can be found in [Annex C](#).
7. **Credit sales** may be classified as follows:
 - a. VISA, MasterCard, Debit card and AMEX Credit Card Sales (note these items are considered credit sales since the VISA, MasterCard, AMEX and debit card funds are not deposited into the Canadian Forces Central Fund (CFCF) bank account until 48 hours after the close of business);
 - b. CANEX Credit Plan Conditional sales contracts;
 - c. Memberships or sales transactions processed by a payment deduction authorization form or nominal role recovery form; and
 - d. Any other types approved by CFO.

Note: Details concerning the application and control of credit can be found in [Chapter 36 \(Bar Operations\)](#) and [Chapter 52 \(Credit Sales\)](#).

8. **Daily Sales Report (DSR)** - is used to report entity/outlet/activity sales activities each day. The DSR can be the NPP provided document, found at [Appendix 1 to Annex C](#) or an equivalent cash control system report. More information on DSR procedures can be found in [Annex C](#).

9. **First Cash Concentrator Service (FCCS)** – is the process whereby deposits made at local Bank of Montreal (BMO) branches are deposited directly into the CFCF BMO Consolidated Bank Account (CBA) in Ottawa.

Note: Using the BMO FCCS process is the preferred process for all NPP entities/outlets/activities.

10. **Nominal Roll Recovery Form (NRRF)** – is used to authorize payroll deductions for NPP goods and/or services such as Unit Functions, Barber Shop sales, Ship's Canteen and/or mess sales when it is impractical to process payments via a credit or debit card. The NRRF process also provides the capability for Canadian Armed Forces (CAF) and Staff of the Non-Public Funds (SNPF) employees to purchase local currency in theatre at Bank of Canada rates (providing the Task Force NPP Fund has sufficient Foreign Currency on hand).
 - a. NRRFs can be used for Regular Force members, Reserve Class C Force members and SNPF payroll deductions;
 - b. NRRFs can be used for Canadian and foreign currencies; and
 - c. NRRF procedures can be found in [Annex F](#).

Note: NRRFs are “cash vouchers” and as such shall be secured in the same manner as cash until they are processed.

11. **Non-Public Funds (NPF)** refers to the money component of Non-Public Property (NPP) and includes, but is not limited to:
 - a. Cash, cheques, gift cards and other negotiable instruments/near cash items such as ski passes, movie passes etc.
12. **Payment Deduction Authorization (PDA) form** – is the official form that authorizes NPP to take deductions from Regular Force members, Reserve Personnel, DND and NPF employees (Staff of the Non-Public Funds, Canadian Forces) for all NPP activities (such as Golf Memberships, Charitable Donations, Mess Dues etc.). The PDA form may also be used by the general public for voluntary payments to such things as the CAF Charitable Funds.
 - a. PDA forms can be used for a fixed or indefinite term monthly deductions.
 - b. PDA payment methods include:
 - i. Regular Force Military Pay Deduction;
 - ii. NPF Employee payroll deduction;
 - iii. Credit card payments;
 - iv. Pre-Authorized Deduction (PAD) from an individual's bank account.

Note: Reserve Force Military pay deduction is not available.

- c. The PDA form can be found in [Annex F, Appendix 1](#).
13. **Secured Repository** – is an approved secured place (building or receptacle) where Non-Public Funds can be held. Approved secured repositories include:
- a. safes with combination locks;
 - b. filing cabinets with an integrated Sargent and Greenleaf (S&G) dial lock, built-in hasp or equipped with a locking bar and secured with an approved padlock with a minimum of 8 mm shackle diameter and 25 mm shackle clearance. For more details see NDSOD Physical Security Technical Standards Q “Security Containers and Locks” and/or contact the Military Police; and
 - c. local base depository including authorized Cash Management Systems/Automated Deposit Machines.

POLICY

- 14. Non-Public Funds shall be secured in accordance with NDSOD Physical Security Technical Standard S: “*Security of Public Funds*”.
- 15. Whenever possible, Gift cards purchased for disbursement as gifts and/or prizes shall be purchased and distributed within the same month and shall be accounted for as per [Annex G](#).
Note: Gift cards received from sponsorship and/or donation shall be controlled as cash IAW this chapter and accounted for IAW [Chapter 29 \(Accounting for Non-Public Property Fundraising\)](#).
- 16. Cash, negotiable instruments and cash vouchers not in excess of \$1,000 may be kept in an approved filing cabinet as described in para 13.b.
- 17. Cash, negotiable instruments and cash vouchers in excess of \$1,000 shall be kept in an approved safe, as described in para 13.a.
- 18. When the amount of cash, negotiable instruments and cash vouchers exceeds \$50K on a consistent basis additional security measures such as intrusion alarms and more frequent security checks during silent hours should be provided.
- 19. Public and Non-Public Funds shall not normally be kept in the same secure repository and in circumstances where it is impractical or separate facilities do not exist, storage of Public and Non-Public Funds in the same repository requires written Commanding Officer (CO) authorization.
- 20. Funds must be maintained at all times within a secure location. At no time shall funds be transported to a private residence for safekeeping.
- 21. The procedures for depositing and transporting cash receipts/Non-Public Funds, (including the requirements to safeguard cash receipts/Non-Public Funds pending deposit) can be found at [Annex A](#) (Depositing and Transporting Cash Receipts/Non-Public Funds).
- 22. The procedures concerning safe combinations and locking devices can be found at [Annex B](#).
- 23. Cash used for daily operations of the entity/outlet/activity must be secured in an approved secure repository with access limited to the cashier/clerk on duty. At the end of each day, the cash shall be counted and reconciled then returned to the approved secure repository for safekeeping.

24. Immediately upon receipt, ALL cheques must be stamped “for deposit only”. For BMO FCCS deposits, use the stamp provided by the local NPP Accounting Office. For local bank accounts, this information is manually written on the back of each cheque. More details can be found in [Appendix 4 of Annex A](#).
25. Except when revenues can be adequately controlled through cash registers, Point of Sale or other cash control systems, serial numbered tickets, inventory accountability, or confirmed through e-Transfer, a receipt must be issued to the payer by the designated personnel whenever funds are received. Receipts may be issued either manually via form CF 602, through a CFO/IT approved software program such as DonorPerfect, or for NPP Accounting, via PROPHET.
26. To ensure that sales are properly recorded and controlled a manual Daily Sales Report (DSR), in the format of [Appendix 1, to Annex C](#), or an equivalent cash control system DSR shall be submitted daily to the NPPAM by all outlets and reported separately for each cash control system. [Annex C](#) (Receipt and Control of Cash Receipts) provides a detailed overview of cash control systems along with sales and cash receipts report formats and submission requirements/procedures.

Note: Exceptions to the requirement for daily submissions of DSRs must be approved by the RAM.

27. All entities/outlets/activities whose daily sales normally exceed \$1,000 must deposit all cash receipts, including any overages, daily in accordance with Non-Public Property Accounting Manager (NPPAM) direction. If/when daily sales do not exceed \$1,000 and the facility is equipped with an appropriate secure repository, deposits may be held on site but must be deposited when cumulative daily sales exceed \$1,000 and at a **minimum, weekly and at the end of the accounting period**.

Note 1: This limit does not preclude entity/outlet/activity managers from setting a lesser amount at which deposits must be made.

Note 2: If a secure repository is not available, deposits must be made daily.

28. Personnel appointed to collect funds not classified as sales, (for example: mess subscriptions, membership dues etc.) shall make deposits when the cumulative amount at close of business exceeds \$1,000 and **at a minimum weekly**.

Note 1: This limit does not preclude entity/outlet/activity managers from setting a lesser amount at which deposits must be made.

Note 2: If a secure repository is not available, deposits must be made daily.

29. All incidents involving the loss of Non-Public Funds, regardless of amount, shall be reported to the responsible RAM through the local NPPAM and through the fraud hotline at fraud@cfmws.com as directed in the [NPP Fraud Prevention Policy](#). This requirement is in support of identifying internal control shortcomings and initiating the appropriate corrective action. Write-off, reporting, and loss/damage of NPP procedures are outlined in [Chapter 30 \(Write-off, Reporting, and Loss/Damage of NPP\)](#).

AUTHORITIES / RESPONSIBILITIES

30. The following positions are authorized to appoint individuals to accept the collection of cash and other receipts:
 - a. Base/Wing/Ship/Small Unit Commanders or delegate (Regular Force & Reserve);
 - b. Deployed Ops Task Force Comd or delegate;
 - c. CANEX Managers;

- d. Senior Managers, PSP
 - e. Entity Managers;
 - f. SISIP Financial Managers;
 - g. NPPAM;
 - h. RAM;
 - i. DRAM; and
 - j. Canadian Forces Morale and Welfare Services (CFMWS) Division Heads.
31. Cash receipts and other instruments of sale are the responsibility of the person in charge of the outlet until such time as they can be transferred to another holder for safekeeping or deposited to a bank.
 32. NPP entity/outlet/activity managers are responsible to ensure that all cashiers/clerks are advised of their custodial responsibilities and trained on the proper methods of operating the entity/outlet/activity's cash control system.
 33. All personnel who are responsible for NPP including but not limited to stock, furniture and effects (F&E) and/or Non-Public Funds (cash or cash equivalents) are to acknowledge their responsibility for the handling of cash, recovery of NPP shortages/financial losses on a locally produced form in the format of [Annex D](#). The completed forms are maintained by the local accounting office and are used IAW QR&O 38.01 *"Every officer or non-commissioned member who wilfully or negligently causes, permits or contributes to damage to or the loss, deficiency, theft, destruction, deterioration or improper expenditure of any non-public property is liable to reimburse the non-public property organization concerned for the financial loss incurred"* and the [NPP Fraud Prevention Policy](#).
 34. NPPAMs shall monitor each entity's over/short GL accounts monthly and notify entity managers of any excessive credit or debit balances. In turn, entity managers shall take applicable action.
 35. NPPAMs shall review the accumulated group totals and DSRs submitted for the period to ensure all sales have been accounted for. Entity managers shall be notified of any discrepancies for immediate investigation and remediation as required.
 36. Each NPP entity/outlet/activity using a cash control system shall maintain a cash over/short record to enable the manager to monitor cash overages/shortages.
 37. All requests for acquiring and replacing existing cash control systems (i.e. POS) that will be connected to the NPP network must be made through CFMWS Information Technology Support Services (ITSS) team.

Note: Before contacting ITSS, all POS purchases must be reviewed and recommended by the local NPPAM.
 38. Local NPP Accounting Offices are responsible to ensure all sensitive information is properly masked after the data has been verified. Secure information may include, but is not limited to:
 - a. Credit card numbers
 - b. Social Insurance Numbers
 - c. Credit scores

ANNEXES

[Annex A – Procedures for Depositing and Transporting Cash Receipts/Non-Public Funds](#)

[Appendix 1 – Cash Bag Handover Register](#)

[Appendix 2 – Base Night Depository Recap](#)

[Appendix 3 – NPPAM Summary of Cash Receipts](#)

[Appendix 4 – Cashing of Cheques](#)

[Annex B – Procedures for Safe Combinations and Locking Devices](#)

[Annex C – Procedures for Cash Control Systems and DSR/CTS Reports](#)

[Appendix 1 – Standard NPP DSR Template](#)

[Appendix 2 – Standard Cash Transmittal Slip \(CTS\) Template](#)

[Appendix 3 – Refund and overrings/Void Voucher](#)

[Annex D – Recovery of NPP shortages/Financial Losses](#)

[Annex E – Cash Reconciliation Procedures](#)

[Appendix 1 – Cash Receipts Reconciliation](#)

[Appendix 2 – Hand Over Certificate](#)

[Annex F – Payment Deduction Process](#)

[Appendix 1 – Payment Deduction Authorization \(PDA\) Form](#)

[Appendix 2 – CAF NRRF – Foreign Currency](#)

[Appendix 3 – CAF NRRF – Canadian Currency](#)

[Appendix 4 – CFMWS NRRF – Foreign Currency](#)

[Appendix 5 – CFMWS NRRF – Canadian Currency](#)

[Annex G – Procedures for Gift Cards](#)

[Appendix 1 – Gift Card Tracking Register](#)

[Appendix 2 – Gift Card Distribution Register](#)