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Evaluation of the Royal Canadian Naval Benevolent Fund (RCNBF) Grant Program

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Acronyms and Abbreviations

C Navy	Chief of Naval Staff
CAF	Canadian Armed Forces
CFMWS	Canadian Forces Morale and Welfare Services
CFPAF	Canadian Forces Personnel Assistance Fund
CFSU(O)	Canadian Forces Support Unit (Ottawa)
CRS	Chief Review Services
DND	Department of National Defence
Fin Svcs	Financial Services
FTE	Full-Time Equivalent
FY	Fiscal Year
PAA	Program Alignment Architecture
RCN	Royal Canadian Navy
RCNBF	Royal Canadian Naval Benevolent Fund
TBS	Treasury Board Secretariat of Canada



Executive Summary

The Royal Canadian Naval Benevolent Fund (RCNBF) grant was evaluated by Chief Review Services (CRS) to assess the relevance and performance of the RCNBF grant, as part of an assessment for funding renewal. The current term of the RCNBF grant is effective until March 31, 2015.

Program Description

The RCNBF grant was established to offset, fully or partly, rent and telecommunications expenses incurred when the organization had to vacate Department of National Defence (DND) property in 1959. The RCNBF is a charitable organization that provides financial assistance (counselling, loans, grants and educational bursaries and scholarships) to in-need eligible recipients with the intent to relieve distress and promote well-being. Eligible recipients include current and former serving members of the Naval Forces of Canada (now Royal Canadian Navy (RCN)); current and former serving Canadian Armed Forces (CAF) members with significant service in Maritime Command operational units, or who had a Navy or Sea Element rank designation; and all dependents of each group. The current RCNBF grant agreement is for \$127,700 (approximately \$25,700 annually) from Fiscal Years (FY) 2010/11 to 2014/15.

Relevance

The evaluation team found that support to the RCNBF remains relevant to address the RCNBF's need for facilities cost assistance. Without the Department's support, the RCNBF would have to divert its charitable funds to pay rent and telecommunications costs at the expense of funds available for assistance to eligible recipients. Over the evaluation period of FYs 2008/09 to 2012/13, the RCNBF provided assistance to over 1,000 eligible recipients. While the provision of support is not an express role of the government or DND/CAF, it does continue a rent-free philosophy established between the department and RCNBF dating back to 1959. Likewise, the grant does not align explicitly with DND/CAF priorities, although the benefits from RCNBF assistance contribute to Defence Strategic Outcomes regarding morale and welfare support of CAF members and their families.

Overall Assessment

- RCNBF support is relevant and has achieved the expected outcomes related to offsetting facilities costs for the RCNBF. The RCNBF effectively focuses its charitable funds on assistance to eligible, in-need recipients and contributes to their distress relief and promotion of well-being.
- Canadian Forces Morale and Welfare Services (CFMWS) has offered alternate accommodation at no cost for the RCNBF in existing CFMWS facilities. Therefore, the RCNBF grant should be discontinued on March 31, 2015.



Performance

Evidence also indicates that the RCNBF grant is meeting the expectations of its Terms and Conditions. The grant has covered most rent and telecommunications expenses for the RCNBF. This has allowed the organization to focus its charitable funds on providing assistance to eligible members and contributes to the RCNBF mandate to relieve distress and promote well-being. The RCNBF has implemented actions to increase administrative efficiency and extend the longevity of its charitable funds. Compared to the cost of the grant, the benefit the organization provides to eligible recipients is significant. However, departmental economies related to administration and individual grant monitoring would be gained by providing alternate accommodation for the RCNBF in existing DND/CAF facilities. As CFMWS has provisions for supporting accommodation for charitable organizations, accommodation within CFMWS has been extended to the RCNBF. Therefore, the RCNBF grant should be discontinued on March 2015.

Key Findings and Recommendations

Key Finding 1: The RCNBF grant continues to address a need for support to cover ongoing facilities expenses for the RCNBF.

Key Finding 2: Financial subsidy to the RCNBF is not a stated federal or departmental role, but does enhance this charitable organization's capacity to fulfill its mandate, which does align with morale and welfare responsibilities of the DND/CAF.

Key Finding 3: The benefits of the RCNBF grant indirectly align with Defence Strategic Outcomes related to care and support of CAF members and their families.

Key Finding 4: The grant has offset most facilities' expenses incurred by the RCNBF. Ambiguity over the meaning of "rent expenses" in current agreement documents has resulted in a funding shortfall for 2013 rent-related municipal tax expenses for the RCNBF.

Recommendation 1: To ensure consistency across the current funding period, funds should be released to the RCNBF to cover municipal tax expenses for 2013 and for each remaining year of the current grant term. **OPI:** Chief of Naval Staff (C Navy)

Key Finding 5: Receipt of the grant enables the RCNBF to focus its charitable funds towards assistance.

Key Finding 6: The RCNBF has implemented practices to optimize the effectiveness and responsiveness of funding assistance to eligible recipients.

Key Finding 7: Anecdotal evidence indicates that the RCNBF contributes to distress relief and the promotion of well-being of eligible recipients.

Key Finding 8: The RCNBF has implemented strategies to increase administrative efficiency and to extend the longevity of its remaining charitable funds.



Key Finding 9: For the cost of the grant, the RCNBF has provided significant benefit to eligible recipients.

Key Finding 10: Alternate accommodation options that reduce the Department's administrative overhead associated with the grant exist through the Morale and Welfare portfolio within DND/CAF.

Recommendation 2: Advise the RCNBF that alternate facilities offered by CFMWS at no cost to the RCNBF will replace the RCNBF grant. **OPI:** C Navy

Recommendation 3: The RCNBF grant should be discontinued on March 31, 2015.
OPI: C Navy

Note: Refer to Annex A—Management Action Plan for a complete list of recommendations and management responses.



1.0 Introduction

1.1 Profile of the Royal Canadian Naval Benevolent Fund Grant Program

This report presents the findings and recommendations of the evaluation of the RCNBF grant¹ program, covering the evaluation period of FYs 2008/09 to 2012/13. This evaluation was completed by CRS in accordance with TBS policies² and approval authority.³ The evaluation is necessary prior to the end of the current 5-year funding term (March 31, 2015) for funding renewal to be considered by TBS. Specifically, the evaluation study sought to assess if the RCNBF remains relevant and effective (performance towards expected outcomes), as well as if resources have been used efficiently and economically towards achieving expected outcomes. A risk assessment conducted by C Navy⁴ concluded that the Department considered the RCNBF grant to be of very low financial and operational risk.

1.1.1 Program Description

The RCNBF grant (or “the grant”) offsets, fully or partly, the organization’s rent and telecommunication⁵ expenses. Grant funds are paid to the RCNBF in one instalment annually.⁶ Starting in 1945, the RCNBF occupied a rent-free space at DND headquarters in Ottawa. Then in 1959, due to departmental requirements for office space, the RCNBF was required to vacate DND property. The grant was initiated in 1959 to maintain the long-established “rent-free” philosophy and to compensate the RCNBF for ongoing facility costs incurred as a result of the move.⁷

1.1.2 Program Objectives

The objective of the grant is to offset facility costs of the RCNBF in order to allow them to focus on their mandate. The RCNBF is a charitable corporation that provides

¹ Grant is defined as “a transfer payment subject to pre-established eligibility (i.e., “class” of eligible recipients) and other entitlement criteria.” Treasury Board of Canada Secretariat (TBS) Policy on Transfer Payments, 2012.

² TBS Policy on Evaluation, 2009. Accessed: <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=15024§ion=text> on January 8, 2015; “Policy on Transfer Payments”, 2012. Accessed: <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=13525§ion=text> on January 8, 2015.

³ CRS (February 2013) DND/CAF Five-Year Plan for Evaluation 2013/14 to 2017/18, File 1000-10-4 (CRS).

⁴ At the time the risk assessment was conducted, the organization was Chief of Maritime Staff; the date of the assessment is unspecified but is current to this evaluation period.

⁵ In 2005, telecommunications services were added on a cost-recovery basis to the grant, in accordance with the DND policy in effect on provision of services to non-defence agencies (Policy B-GS-055-000/AG-001).

⁶ Grant agreement document.

⁷ DND/CAF cannot provide departmental real property accommodations to the RCNBF or any non-DND/CAF charitable organization, in accordance with the Terms of Provision of Service, B-GS-055-000/AG-001.

assistance to eligible recipients⁸ with the intent to relieve distress⁹ and promote well-being. Assistance is provided by means of: advice; financial grants; interest-free loans; and educational bursaries and scholarships. Regarding the grants and loans, the RCNBF has positioned itself as a “fund of last resort,” focusing on those eligible applicants who have been unsuccessful securing assistance from all other viable means. The Fund is generated and maintained through private charitable donations and is administered independently of DND/CAF under the governance of an RCNBF Board of twelve Directors and three supporting regional committees (the total membership is forty-five).

The immediate outcome for this grant is that financial support provided by the grant will partly or fully cover the RCNBF rent and telecommunications expenses. This will contribute to: supporting the RCNBF to optimize its charitable funds towards the assistance of eligible recipients, its target population, and thereby, to relieve distress and promote well-being for that target population. A results chain for this grant is presented in Figure 1.

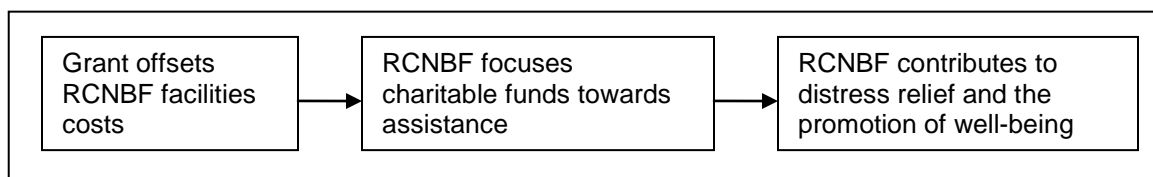


Figure 1. Results Chain Model for the RCNBF Grant. This diagram shows the logical relationship between the three expected outcomes of the RCNBF grant.

1.1.3 Stakeholders

The primary stakeholder is the RCNBF organization itself. The target groups for the RCNBF are eligible recipients for assistance. The grant is delivered by the DND/CAF through C Navy¹⁰ by RCN Financial Services (Fin Svcs) in the office of the Naval Staff Comptroller.

1.2 Evaluation Scope

1.2.1 Coverage and Responsibilities

The grant is included in the Program Alignment Architecture’s (PAA)¹¹ Personnel Support program area in the sub-sub activity, 4.1.1.5 Individual Well-being and Work

⁸ “Eligible recipients” includes in-need current and former serving members of the Naval Forces of Canada (now RCN); current and former serving CAF members with significant service in Maritime Command operational units, or who had a Navy or Sea Element rank designation; and dependants of all these groups. Eligibility and needs assessments are conducted by RCNBF officials based on established RCNBF criteria.

⁹ For the RCNBF, “distress” is defined as existing “when an applicant or dependants are suffering hardship due to the lack of the ordinary necessities of life, e.g., food, clothing, shelter, and medical care including hospitalization.” RCNBF website. Accessed <http://www.rcnbf.ca/rcnbf03.htm> on January 31, 2014.

¹⁰ Agreement documents cite the Chief of Maritime Staff, which is now C Navy.

¹¹ DND PAA, April 2010.

Environment.¹² In accordance with the grant's Terms and Conditions, the Chief of Maritime Staff (now C Navy) is responsible for the grant based on the approved funding schedule and once eligibility criteria are satisfied. In this regard, the RCNBF is responsible for providing the DND/CAF Program Manager (i.e., RCN Fin Svcs) with annual supporting documents of eligibility.¹³

1.2.2 Resources

The total approved spending for the current grant agreement is \$127,700 for the period between FYs 2010/11 and 2014/15. A summary of annual approved funding is presented in Table 1. As the grant covers only facility costs, there are no designated personnel (i.e., full-time equivalents (FTE)) costs associated with the RCNBF grant.

FY	Approved Funding
2010/11	\$25,300
2011/12	\$25,300
2012/13	\$25,700
2013/14	\$25,700
2014/15	\$25,700
Total	\$127,700

Table 1. Summary of Approved Funding, for the RCNBF Grant for FYs 2010/11 to 2014/15. This table displays the annual amount of approved funding dollars for each of the five years, and total approved funding dollars of the current term for the RCNBF grant.

1.2.3 Issues and Questions

In accordance with the TBS Directive on the Evaluation Function (2009),¹⁴ this Evaluation addresses the five core issues related to relevance and performance. The methodology used to gather evidence in support of the evaluation is located at Annex B.

Relevance

Question 1: Does the RCNBF grant continue to address an actual and **ongoing need**?

Question 2: Is the RCNBF grant aligned with Defence Strategic Outcomes and federal government **priorities**?

Question 3: Is the delivery of the RCNBF grant consistent with the **roles and responsibilities** of the federal government and, more specifically, the roles and responsibilities of DND/CAF?

¹² The corresponding sub-sub activity in the updated PAA (2013) is 4.1.7 Military Personnel-Morale & Well Being, effective FY 2014-15.

¹³ The supporting documents of eligibility are: annual review report, audited financial statements, signed lease agreement, proof of telecommunications payment, RCNBF constitution, and patent letter attesting to non-profit organization status.

¹⁴ TBS, Directive on the Evaluation Function, April 1, 2009, retrieved December 5, 2013 from <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=15681§ion=text>.

Performance

Question 4: Does the RCNBF grant meet the expected outcomes?

Question 5: Are resources from the RCNBF grant utilized in the most efficient/economical way to produce outputs and achieve results?



2.0 Findings and Recommendations

Evaluation findings and recommendations are outlined in Sections 2.1 through 2.5. To make determinations of the relevance and performance of the RCNBF grant, the following data sources were assessed:

- empirical data on financial assistance numbers from 2009–2013;
- RCNBF annual reviews and financial statements;
- DND/CAF program documents (e.g., lease agreements, e-mails, risk assessments, payment information);
- qualitative opinions of grant program managers and primary grant stakeholders regarding the need for the Program;
- foundational documents (e.g., agreements, terms and conditions, program charter) for the grant; and
- federal and departmental accountability documents (e.g., Departmental Performance Reports, Reports on Plans and Priorities, Throne speeches).

Findings of both relevance and performance are based on evidence from document reviews and key informant interviews.

2.1 Continued Need

Evaluation Question 1: Does the RCNBF grant continue to address an actual and ongoing need?

Key Finding 1: The RCNBF grant continues to address a need for support to cover ongoing facilities expenses for the RCNBF.

The RCNBF grant provides compensation for rent and telecommunications expenses for the RCNBF. Key informant interviews indicated that in the absence of the grant, the RCNBF would have to divert its charitable funds towards payment of these ongoing facilities expenses, which would thereby reduce available funds for supporting eligible recipients. If DND/CAF intends to continue its “rent-free” philosophy established when the RCNBF was required to move out of DND facilities in the late 1950s, financial support or in-kind accommodations will continue to be required to address the facilities requirements of the RCNBF.

The work of the RCNBF continues to contribute to the relief of distress and promotion of well-being of eligible recipients. Over the last five years, over 1,000 people have received financial assistance valued at over \$2 million from the RCNBF. Table 2 provides a

summary of the number of applicants and recipients¹⁵ of RCNBF grants, loans, minor disbursements, bursaries and scholarships, as well as the monetary value of assistance provided over the last five years.¹⁶ As Table 2 shows, the number of applications from former serving members and their dependants has slowly declined over this period, and applications from currently-serving members and their dependants have increased. RCNBF staff who were interviewed indicated that an overall decline in applicants of all categories may be linked to the aging population of the former serving members and their spouses, who have historically been the most frequent recipients of RCNBF funds. The proliferation and prominence of other charitable and public financial support mechanisms now available may also be a factor in the decline of RCNBF applicants. RCNBF staff indicated that they anticipate a continued decline in grant, loan and minor disbursement fund applications, down to a steady state of approximately 100 total applicants per year.¹⁷

RCNBF Financial Assistance: All types	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Currently Serving Applicants	0	0	0	13	1	14
Currently Serving Recipients	0	0	0	11	1	12
Formerly Serving Applicants	305	264	252	265	246	1,332
Formerly Serving Recipients	245	201	234	196	165	1,041
Total Value	\$479,056	\$438,954	\$391,055	\$520,515	\$285,506	\$2,115,086

Table 2. Summary of all Types of RCNBF Financial Assistance Over the 5-year Evaluation Period.

This table shows the number of applicants and recipients (serving currently and formerly) of all types of financial assistance provided by the RCNBF between 2008/09 and 2012/13, as well as the total number for each category and total dollar value by year.

Due to the declining number of applicants for other types of assistance, the RCNBF indicated that they have begun focusing on educational assistance. The RCNBF feels that this strategy will permit a focus on the younger demographic of eligible dependants in support their pursuit of education and training. DND/CAF offers grants and loans to relieve distress and promote well-being to current and former¹⁸ CAF members and their families from all environments through the Canadian Forces Personnel Assistance Fund (CFPAF). However, at the time of this Evaluation, CFPAF offered education loans but no education scholarships or bursaries. The non-repayable education assistance remains unique to RCNBF.

The number of applicants to RCNBF educational assistance has risen over the last 5 years, as shown Table 3. Applications for educational assistance were received only from formerly serving members and their dependants. No applications for educational assistance were received from currently serving members or their dependants.

¹⁵ Counts include eligible dependants.

¹⁶ Applications withdrawn or deferred were not counted in applicant totals presented.

¹⁷ Estimate includes both former and current serving members and dependents.

¹⁸ Former members apply through Veterans Affairs Canada and the Legions.

RCNBF Educational Assistance	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Total Applicants	85	90	71	107	123	476
Total Recipients	31	35	30	46	45	187
Total Value	\$56,000	\$70,000	\$57,000	\$61,500	\$55,900	\$300,400

Table 3. Summary of RCNBF Educational Assistance Over the 5-year Evaluation Period. This table shows the number of applicants and recipients of educational assistance provided by the RCNBF between 2008/09 and 2012/13, as well as the total number for each category and total dollar value by year.

2.2 Alignment with Federal Roles and Responsibilities

Evaluation Question 2: Is the delivery of the RCNBF grant consistent with the roles and responsibilities of the federal government and, more specifically, the roles and responsibilities of DND/CAF?

Key Finding 2: Financial subsidy to the RCNBF is not a stated federal or departmental role, but does enhance this charitable organization's capacity to fulfill its mandate, which does align with morale and welfare responsibilities of the DND/CAF.

The provision of facility cost subsidies to a charitable organization like the RCNBF does not fall under the express roles and responsibilities of the federal government nor of DND/CAF. However, the RCNBF has a clear mandate, specific to eligible current and former serving members of the CAF, to relieve distress and promote well-being through financial assistance. Similarly, the DND/CAF has a responsibility regarding morale and welfare of its current members and their families.¹⁹ By enabling the RCNBF to offset facilities costs through the grant, the organization can devote more of its funds to its mandated activities and indirectly assist the DND/CAF with morale and welfare support to CAF members and their families.

2.3 Alignment with Government Priorities

Evaluation Question 3: Is the RCNBF grant aligned with Defence Strategic Outcomes and federal government priorities?

Key Finding 3: The benefits of the RCNBF grant indirectly align with Defence Strategic Outcomes related to care and support of CAF members and their families.

As the grant provides facility expense compensation, the RCNBF can devote more of its charitable funds to its mandate to relieve distress and promote the well-being of eligible recipients and their dependants. These activities align with the Department's current priority of "Strengthening the Defence Team,"²⁰ as well as stated priorities related to the

¹⁹ DND (2012–13; 2013–14). Report on Plans and Priorities, Minister's Message.

²⁰ Defence Priorities 2013–2017. The Defence Team (Online). <http://national.mil.ca/about-apropos/pri/dp-pd/index-eng.asp> last accessed January 31, 2014.

Strategic Outcome of “Care and Support to the Canadian Forces and Contribution to Canadian Society,”²¹ therefore the RCNBF grant indirectly supports a Defence Strategic Outcome. By the same logic, the benefits gained by supporting the RCNBF through a grant program to compensate for facilities expenses also indirectly align with federal priorities. The most recent Speech from the Throne²² included priorities for “supporting and protecting Canadian families” and “supporting our Armed Forces,” and both priorities are supported by the work of the RCNBF.

2.4 Achievement of Expected Outcomes (Effectiveness)

Evaluation Question 4: Does the RCNBF grant meet the expected outcomes?

2.4.1 Grant covers eligible RCNBF facility expenses

Key Finding 4: The grant has offset most facilities’ expenses incurred by the RCNBF. Ambiguity over the meaning of “rent expenses” in current agreement documents has resulted in a funding shortfall for 2013 rent-related municipal tax expenses for the RCNBF.

According to the Terms and Conditions²³ of the RCNBF grant, the expected result of the grant is to offset the RCNBF’s facilities costs, specifically rent and telecommunications expenses. The RCNBF currently occupies modest office space in a centrally-located building owned by Public Works and Government Services Canada, as confirmed through a site visit. Internal documents confirmed that the RCNBF is in good standing with lease payments. Telecommunications expenses continue to be reimbursed to the RCNBF on a cost-recovery basis. To date, the Department has had no concerns with telecommunications expenses submitted, and the amount of expenses appears reasonable given the RCNBF’s business.²⁴ Furthermore, interviews with RCN Fin Svcs staff revealed no concerns with the administration of the grant, as the RCNBF has continued to provide all documentation as required.

The term “rent expenses”²⁵ is not explicitly defined in current agreement documents for the grant. This has led to ambiguity over the eligibility of rent-related municipal tax expenses within the grant’s provisions. In 2013, RCN Fin Svcs staff interpreted the grant’s Terms and Conditions to not include rent-related municipal taxes. Therefore, the Department paid to RCNBF only the portion of grant funds equivalent to the RCNBF’s direct rent expense paid to Public Works and Government Services Canada (namely, \$23,800). The RCNBF was thereby required to cover the shortfall of over \$800²⁶ in

²¹ DND (2012–13) Report on Plans and Priorities, page 47.

²² Governor General of Canada (October 2013) Speech from the Throne: Seizing Canada’s Moment Prosperity and Opportunity in an Uncertain World.

²³ Grant funding agreement.

²⁴ At the time of writing, DND had not charged the RCNBF for telecommunication costs since 2009/2010.

²⁵ Grant agreement documents also refer to “facilities costs” and “accommodation costs.”

²⁶ Sum established in consultation with RCNBF and compared with RCN Fin Svcs grant payment data for FY 2013/14.



municipal tax expenses associated with tenancy of their leased office space. Prior to 2013, the Department had paid the RCNBF grant funds equivalent to the full amount of rent and municipal taxes (equivalent to the balance after charity rebate issued by the City of Ottawa to the RCNBF).

As the grant was established to offset rent expenses associated with vacating DND-owned property (i.e., the rent-free philosophy), municipal taxes associated with renting alternate office space should be considered part of rent expenses. This had historically been the case between DND/CAF and the RCNBF, until 2013. To remain consistent throughout the current agreement's term (FYs 2010/11 to 2014/15), DND/CAF should release funding to the RCNBF to cover municipal tax expenses for the full term of the grant, to be consistent with previous years.

CRS Recommendation

1. To ensure consistency across the current funding period, release funds to the RCNBF to cover municipal tax expenses for 2013 and for each remaining year of the current grant term.

OPI: C Navy

2.4.2 RCNBF focuses charitable funds towards assistance

Key Finding 5: Receipt of the grant enables the RCNBF to focus its charitable funds towards assistance.

The financial support provided by the grant to the RCNBF allows the organization to direct the equivalent amount of its charitable funds annually to financial assistance for eligible applicants. In turn, the RCNBF has implemented practices to optimize the effectiveness of access to, and expediency of, its charitable funds for assistance. For example, the RCNBF's activities are supported by clearly-defined eligibility criteria for each category of financial assistance available, and these appear to be followed when applications are reviewed. Application and eligibility information is accessible from the organization's website. Although web-based information was only available in English at the time of the evaluation, the RCNBF is actively working towards providing information in both official languages.

Key Finding 6: The RCNBF has implemented practices to optimize the effectiveness and responsiveness of funding assistance to eligible recipients.

The RCNBF is intended as a fund of "last resort." To ensure this, all eligible applicants who are current, serving CAF members seeking grants and loans must first have applied for assistance to the Department's morale and welfare programs, including CFPAF. Where possible, the RCNBF works with any applicants (current and former serving) to access any other mode of financial assistance first, or provide financial counselling. The

RCNBF Board of Directors meets routinely, in accordance with the RCNBF's Charter, to review applications and respond quickly to eligible requests for assistance. Expediency of assistance is further enhanced through partnerships with the Royal Canadian Legion, which has been granted discretionary access to RCNBF minor disbursement funds (to a maximum of \$200). This arrangement allows for emergency assistance to applicants who meet eligibility criteria, in between application review dates. The RCNBF has employed reasonable means to promote its services and raise charitable funds through Base and Wing communications (e.g., newspapers), paystub inserts and posted information in Royal Canadian Legion offices, as well as through direct referrals from Director General Personnel and Family Support Services and Royal Canadian Legion staff.

2.4.3 Contribution to distress-relief and promoting well-being

Key Finding 7: Anecdotal evidence indicates that the RCNBF contributes to distress relief and the promotion of well-being of eligible recipients.

The RCNBF does not maintain follow-up information with any of its clients. Once funds are disbursed on behalf of a client, there is no further formal communication between the client and the organization. Therefore, it was not possible to empirically evaluate the long-term outcome of relieving distress and promoting well-being to which the RCNBF strives to contribute. However, the RCNBF does receive some unsolicited feedback from successful applicants, typically in the form of appreciation letters and thank-you cards. The overwhelming majority of feedback indicates that assistance provided by the RCNBF has provided relief from some distress for the individual applicant, which could be reasonably expected to also contribute to their well-being. A sample of client testimonials is below:

"I can now get around more easily and safely." (A veteran, 2008)

"You give a better life for your help and caring." (A widow, 2008)

"I would like to thank the RCN Benevolent Fund...with helping in my time of need; it has taken a big load off my shoulder." (A veteran, 2009)

"[Your support] has helped to contribute in a very tangible way to a better quality of life for myself." (Ex-serviceman, 2010)

2.5 Demonstration of Efficiency and Economy

Evaluation Question 5: Are resources from the RCNBF grant utilized in the most efficient/economical way to produce outputs and achieve results?

Key Finding 8: The RCNBF has implemented strategies to increase administrative efficiency and to extend the longevity of its remaining charitable funds.



RCNBF staff identified that RCNBF funding is depleting over time and that the fund is expected to be fully expended within the next 10 years. In an effort to maximize the longevity of the charitable funds, RCNBF staff have been working to minimize administrative costs which they have previously identified as an inefficiency²⁷. Initiatives include reducing FTEs²⁸ where RCNBF retains “store front” locations at CFB Esquimalt and CFB Halifax. The organization is also looking to reduce its membership (viz., to fewer than forty-five members) in an effort to reduce administrative expenses associated with mailings, travel and per diems.

The RCNBF has a working practice to disburse financial assistance directly to a claimant’s expense (e.g., optician, hearing specialist, home heating fuel company, etc.) where possible, instead of to the claimant personally. From the client’s perspective, this efficiency expedites payment of expenses and the time until they get what they need, while removing the onus on them to ensure payment transactions are completed. For the RCNBF, this measure helps to safeguard that disbursed funds are used as intended.

Key Finding 9: For the cost of the grant, the RCNBF has provided significant benefit to eligible recipients.

Overall, the assistance provided by the RCNBF to eligible recipients continues to be of benefit. For an annual DND investment of approximately \$25,700 annually towards facilities expenses, the RCNBF historically provides, on average, approximately \$400,000 annually of charitable funds to its clients.

Key Finding 10: Alternate accommodation options that reduce the Department’s administrative overhead associated with the grant exist through the Morale and Welfare portfolio within DND/CAF.

While the benefit of the assistance provided to eligible recipients by the RCNBF is well understood, the current grant creates an ongoing administrative burden for DND that is disproportional to the overall sum of the grant itself. This administrative burden is borne primarily from resources required to satisfy TBS requirements for the individual grant, specifically the 5-year cyclical evaluation, renewal submissions and/or change approvals to the grant’s Terms and Conditions. As an alternative to the grant, the CFMWS portfolio has mechanisms to provide accommodation support to charitable organizations. Under the Morale and Welfare Services portfolio, TBS requirements specific to the individual grant would be eliminated and administrative overhead in the Department economized. Administration for RCNBF support would be incorporated into current Morale and Welfare Services portfolio administration and monitoring, with fewer resources required for the portfolio than currently for the individual grant. Therefore, DGMWS has offered alternate accommodation at no cost to the RCNBF within existing CFMWS facilities.

²⁷ RCNBF. Annual Review 2012-2013.

²⁸ These FTE costs are borne by the RCNBF.

This accommodation provides an alternative to the individual grant provided to the RCNBF.²⁹

CRS Recommendation

2. Advise the RCNBF that alternate facilities offered by CFMWS at no cost to the RCNBF will replace the RCNBF grant.

OPI: C Navy

2.6 Conclusion

The results of this evaluation indicate that the RCNBF grant is a relevant investment for DND/CAF. This was evident through a continued need for facilities expenses support to the RCNBF and alignment with DND/CAF responsibilities and Strategic Defence Outcomes related to morale and welfare support to CAF members and their families. The RCNBF grant is effective in meeting expectations for performance towards program outcomes, namely that the grant covers most RCNBF facilities costs. This enables the RCNBF to contribute to its outcomes of providing responsive assistance to eligible recipients in order to relieve distress and promote well-being. The grant has been administered efficiently, and support to the RCNBF represents a strong cost-benefit to the Department. However, the RCNBF's utilization of existing accommodation within CFMWS facilities could economize administration resources currently applied to this grant. As such, the RCNBF grant should be concluded as alternative accommodation support to the RCNBF has been offered through DND's CFMWS organization.

CRS Recommendation

3. The RCNBF grant should be discontinued on March 31, 2015.

OPI: C Navy

²⁹ At the conclusion of the evaluation, the CFMWS offer to provide the RCNBF with alternate accommodation was declined by the RCNBF.

Annex A—Management Action Plan

Funding Shortfall for Municipal Taxes

CRS Recommendation

1. To ensure consistency across the current funding period, release funds to the RCNBF to cover municipal tax expenses for 2013 and for each remaining year of the current grant term.

OPI: C Navy

Management Action

Agreed. In accordance with the RCNBF Grant Agreement, RCN Financial Services made a second payment (\$878.96) to bring the total paid to the maximum amount payable of \$25,700 for FY 2013/14. The additional amount offset a portion of the annual municipal taxes. The RCNBF acknowledged receipt of this amount in June 2014. For FY 2014/15, the maximum amount of \$25,700 was paid to, and acknowledged by, the RCNBF in September 2014. All financial and non-financial requirements for the current grant term have been satisfied by both the RCN and the RCNBF.

OPI: C Navy

Target Date: September 2014

Provision of Alternate Accommodation

CRS Recommendation

2. Advise the RCNBF that alternate facilities offered by CFMWS at no cost to the RCNBF will replace the RCNBF grant.

OPI: C Navy

Management Action

Agreed. A letter addressed to the President of the RCNBF and signed by the Commander RCN will be sent to the RCNBF informing them that alternate facilities have been offered at no additional cost, and will remain available to the RCNBF for an indeterminate period. Any further discussion regarding these alternate facilities will occur directly between the RCNBF and CFMWS.

OPI: C Navy

Target Date: November 2014

Discontinue the RCNBF Grant

CRS Recommendation

3. The RCNBF grant should be discontinued on March 31, 2015.

OPI: C Navy

Management Action

Agreed. In the letter referred to for CRS recommendation 2, the President of the RCNBF will be advised by the Commander RCN that the grant will be discontinued effective March 31, 2015. An internal request to Director Budget for the conversion of funds from Vote 10 Grants and Contributions to Vote 5 Capital will be submitted. All RCN RCNBF Grant reporting requirements will be satisfied in FY 2014/15.

OPI: C Navy

Target Date: November 2014



Annex B—Evaluation Methodology and Limitations

1. Methodology

1.1. Overview of Data Collection Methods

The evaluation of the RCNBF grant employed multiple lines of evidence to assess the grant's relevance and performance. The methodology established a consistent approach in the collection and the analysis of data to help ensure the reliability of the evaluation findings, conclusions and recommendations. Quantitative and qualitative data collection methods were used and included program data and document review, key informant interviews and a site visit. Qualitative information was used to establish the profile and context for the grant as well as to interpret the significance of numerical data assessed. Comparison of both methods was used to validate the overall analysis and to develop the evaluation findings and recommendations.

1.1.1. Program Data and Document Review

A review of program documents was conducted in the initial phase of the evaluation to establish an understanding of the background and context of the RCNBF grant. These program documents included grant agreement documents, rent and lease agreements, grant Terms of Reference, TB submissions, annual financial reports, and RCNBF annual historical reports. Program data was reviewed to assess trends in grant-eligible RCNBF costs and in the quantity and demographics of applicants and recipients of RCNBF assistance.

1.1.2. Key Informant Interviews

Interviews were conducted with departmental staff responsible for administration of the grant (i.e., RCN Fin Svcs) and representatives of the RCNBF. Both groups were consulted to discuss any issues identified with grant administration, delivery or processing. Interviews also provided context and elaboration of trends observed in the program and financial data.

1.1.3. Site Visit

A site visit was conducted at the office of the RCNBF. The visit was used to establish the size, location and appropriateness of the leased office space for which the grant money is being used.

2. Limitations

The following table shows the limitations related to the data sources used in the assessment of the RCNBF grant and the mitigation strategies applied to them.

Limitation	Mitigation Strategy
Attribution of activities and outputs of the program to ultimate outcomes was difficult due a lack of data.	Focus was placed on measuring the immediate and intermediate outcomes to establish findings. Deductions were made from these findings to assess the achievement towards the ultimate outcome.
Possibility of the interviewees to provide biased information.	A comparison was made between interview data from both groups (i.e., departmental versus RCNBF representatives) and other information sources (e.g., documents and files).
Different terminologies used in program documents in reference to “rent expenses.”	The evaluator referred to the interpretation used in previous evaluations of the same grant.

Table B- 1. Evaluation Limitations and Mitigation Strategies. This table lists the limitations of the evaluation and each corresponding mitigation strategy.