

Memorandum of Understanding on the funding of the activities  
of the Coast Guard Auxiliary (National) Inc.

Between:

Canadian Coast Guard Auxiliary (National) Inc.  
(CCGA National Corporation)

and:

Canadian Coast Guard Auxiliary (Central and Arctic) Inc.  
Canadian Coast Guard Auxiliary (Quebec) Inc.  
Canadian Coast Guard Auxiliary (Newfoundland and Labrador) Inc.  
Canadian Coast Guard Auxiliary (Maritimes) Inc.  
Canadian Coast Guard Auxiliary (Pacific) Inc.  
(CCGA Regional Corporations)

Objectives of the MOU:

The objectives of the MOU are to establish the terms and conditions for the financing of the National Corporation of the CCGA by the regional auxiliary corporations.

Policies Related to the Memorandum of Understanding:

The terms and conditions of this MOU are subject to the terms and conditions of *Contribution agreements* between the Canadian Coast Guard and the regional CCGA Corporations and the *CCGA National Guidelines*.

Level and Sharing of Funding:

The level of funding provided to the National Corporation will be established on an annual basis and correspond to the budget of CCGA National Inc. jointly approved by the CCGA National Board and the Canadian Coast Guard (CCG).

Contribution to the financing of the CCGA National Corporation will be shared equally by each of the five regional CCGA corporations from the budgetary allocations received from the CCG.

Duration of the MOU and Opting Out:

The term of this agreement corresponds to the period covered by the Contribution Agreement between the regional CCGA Corporations and the CCG.

In the event of any dispute in connection with or arising out of this Agreement, the Parties shall use their best efforts to settle any such dispute. If the Parties fail to reach an agreement within a period of thirty (30) days or such greater period as may be mutually agreed upon after such dispute arises, then the Parties may agree to refer the dispute to mediation or arbitration under the Commercial Arbitration Act, R.S.C. 1985, C. 17 (2nd Supp.) or such other arbitration rules as may be agreed upon by the Auxiliary Associations.

### Conditions to Receive Funding :

To receive funding, the National CCGA Corporation must fulfil the following conditions:

- Prepare, submit and have approved by the CCGA National Board and by CCG an Annual Business Plan and a Budget, no later than March 31 of the previous fiscal year.
- Meet all requirements in terms of financial reporting, auditing, production of financial statements and documents to justify expenses.

### Payments:

Each regional CCGA corporation will make the following payments to the CCGA National Corporation according to the following schedule:

#### **Payment 1**

On April 15 of the current fiscal year or, failing that, no later than two weeks after the region has received its first contribution agreement payment.

- 20 percent of the funding provided by the CCG for the payment of the entire CCGA insurance premiums;
- 5 per cent of the approved budget for the National Corporation (other than insurance premiums).

#### **Payment 2**

On July 15 of the current fiscal year or, failing that, no later than two weeks after the region has received its second contribution agreement payment.

- 5 per cent of the approved budget for the National Corporation (other than insurance premiums).

#### **Payment 3**

On October 15 of the current fiscal year or, failing that, no later than two weeks after the region has received its third contribution agreement payment.

- 5 per cent of the approved budget for the National Corporation (other than insurance premiums).

#### **Payment 4**

On January 15 of the current fiscal year or, failing that, no later than two weeks after the region has received its fourth contribution agreement payment.

- 5 per cent of the approved budget for the National Corporation (other than insurance premiums).

### Responsibilities of CCGA (National) Inc.

The Board of Directors of CCGA (National) Inc. is committed to comply with the terms and conditions set out in the following documents:

- Bylaws of CCGA National Inc.
- CCGA National Guidelines
- Approved National Business Plan and budget

Surplus/Deficits

In the event where the National CCGA (Inc.) shows a surplus or a deficit, it is the responsibility of the National Board jointly with the Canadian Coast Guard to determine how the surplus/deficit will be treated.

Signatures of the authorized representatives:

Signatories

Date

Canadian Coast Guard Auxiliary (National) Inc.

Canadian Coast Guard Auxiliary (Central and Arctic) Inc.

Canadian Coast Guard Auxiliary (Quebec) Inc.

Canadian Coast Guard Auxiliary (Newfoundland and Labrador) Inc.

Canadian Coast Guard Auxiliary (Maritimes) Inc.

Canadian Coast Guard Auxiliary (Pacific) Inc.