

Finance Committee Report

NEC Finance Committee

12 May 2006

Additional Funding

- Additional \$850k is available to increase training in fiscal 2006

Finance Committee recommends:

Additional funding of \$850K be reallocated to the Wings/Regions for training.

Corporate Budget Comparison FY06 to FY07

• BUDGET:	+14%	(FY06 = \$2,054,998; FY07 = \$2,349,855)
• MEMBERSHIP:	FY07 based upon actual members as of 31 Mar 06 Seniors = 34,081 Cadets = 22,949 Total = 57,030	
• ADDS:	NCASE	+\$140,000
	Picture ID Cards	+\$ 38,000
	Corporate Learning Course	+\$ 7,280
	Squadron Leadership School	+\$ 12,480
	Commission Income	+\$ 60,000
• INCREASES:	CAP Magazine	+ 15%
	Cash Reserve Fund	+ 139%
	Program Development	+ 54%
• DECREASES:	Glider Flights (appropriated funds)	- 100%

FY 2007 Corporate Budget

Finance Committee recommends:

2007 Corporate budget be accepted and approved as presented.

Cadet College Scholarships

Finance Committee recommends:

Retaining funds in investments and transfer \$86k from the designated scholarship fund to the Reserve account.

Puerto Rico Wing Request

Finance Committee recommends:

Funds are provided in the form of a "grant" to Puerto Rico Wing to pay the delinquent invoice.

FEMA Mission Reimbursements

Finance Committee recommends:

The Reimbursement Procedures for AF Approved Disaster Missions (Support of FEMA) policy for expense reimbursement be adopted.

Fuel Cards for Gippslands

Finance Committee recommends:

One Multiservice fuel card be obtained per one GA-8 aircraft. The cards will be controlled by the Wing CC for his/her designee only to be used in federally declared relief missions. One refueling per year is authorized to insure the card remains open and active.

Minor Maintenance Test Program

Finance Committee recommends:

The current maintenance test program be expanded and developed into a unified and standardized maintenance program to be phased in over a period of time.

Audit Opinion Update

- Wilson Price conducted a site visit at Virginia Wing to determine if this process provides internal controls and is “auditable”
- Initial analysis indicates this process provides the controls necessary to audit the squadron assets and financial transactions
- Process would be the least expensive route towards obtaining an unqualified audit opinion

Unqualified Audit Opinion

Finance Committee recommends:

A plan to extend the “Virginia Solution” to other Wings and establish a three year goal of obtaining an unqualified audit opinion

Region Accounting

Finance committee recommends:

Regions may elect to have their accounting functions performed an NHQ.

Wing Financial Assessments

Finance committee recommends:

That WFA reports are to be completed within 30 days of visit, reports are to be sent to the Wing and Region CCs simultaneously. Wing CCs are expected to respond within 30 days. If there is no response Region CCs are to be notified.

CAPR173-2

Finance Committee recommends:

A change to CAPR 173-2 providing clarification to establish NHQ as the system administrator of QuickBooks

Financial Assessment Update

- **Percentage of total Wing Ratings which:**

Decreased	2
Remained the same	50
Increased	0

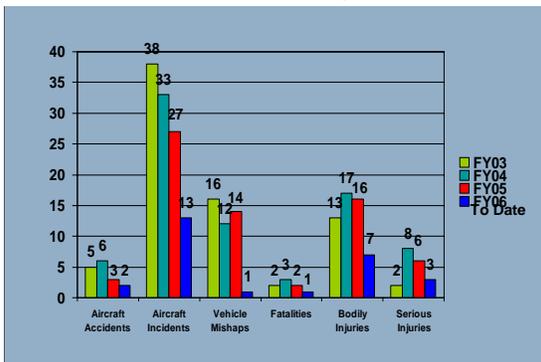
- **WFA's are noting that some of the new requirements have contributed to the increase in the assessment ratings**

Safety Update

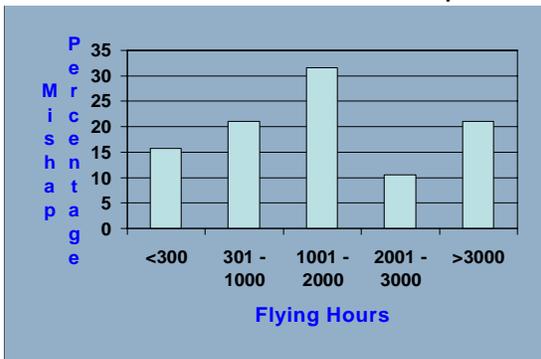
Safety Update

Col Lyle Letteer
National Safety Officer
w4ke@mindspring.com
1-888-211-1812 x 350
678-859-6298

Yearly Mishap Comparison
Current as of: 9 May 06



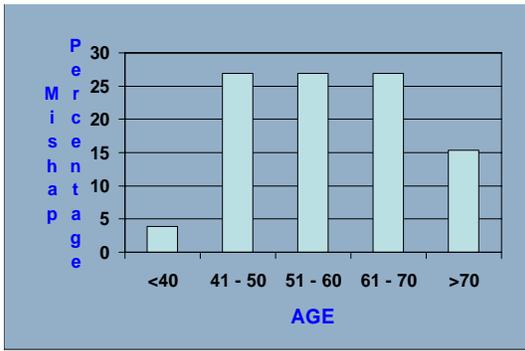
FY 2006 Hours vs. Mishaps



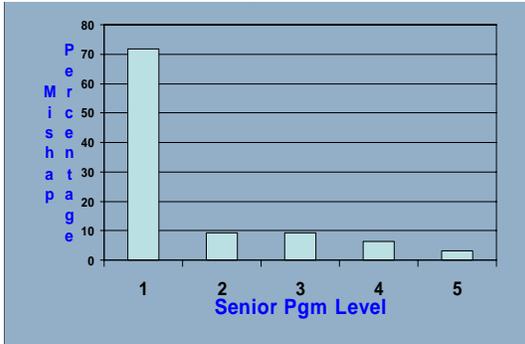
FY 98 – 06 Hrs vs. Mishaps



FY 2006 Age vs. Mishap Rate



FY 2006 Senior Pgms vs. Mishap Rate



FY 2006 Members Having A Mishap



FY 2005 Aircraft Repair

\$293,000

FY 2006 Mishaps

- 9 Taxi mishaps
- 6 Damaged going in or out of a hangar
- 8 Landing mishaps

Taxi Mishap – Pilot

- When a pilot is found negligent in a Taxi accident/incident, the pilot will have his/her flying privileges permanently revoked.

Taxi Mishap – Crew

- When other fully qualified Scanners or Observers are on board, and they have not notified the pilot as to the close proximity of an obstruction, they will have their flying privileges suspended one year for the first offense and permanently revoked for a second offense.

Aircraft Securing

- If an aircraft is hangared or tied down, all of that aircraft's flight crew, to include the pilot, any other pilots, scanner or observer, will not leave the aircraft until it is safely inside the hangar or secured in it's tie down area.

Hangar Incidents

- If a flight crew, which includes the pilot, any other pilots, scanner or observer for that flight, is found negligent in moving a CAP aircraft into or out of a hangar.

First Hangar Mishap

- For a first offense, before you are allowed back on flying status, each member of the flight crew, must receive one hour of instruction from a non CAP, Certified Flight Instructor (CFI) on how to safely move an aircraft out of and into a hangar. The CFI will be required to make an entry into your logbook stating that you have received this training. You must then send a copy of this logbook entry to Wing HQ for entry into your pilot records.

Second Hangar Mishap

- For a second hangar related offense, their flight privileges will be permanently revoked.

FAA 709 Flight Checks

- Any CAP member that has violated a Federal Aviation Regulation (FAR) and is required to take a check ride under 49 U. S. C. VII, Part A, iii, Chapter 447, 44709, will have all flight privileges both as a pilot and crew member immediately suspended pending the outcome of the "709" check ride. If the required check ride was required due to pilot proficiency, the Wing or Region Commander may also require a CAPF5/5G flight check given by a designated CAP Check Pilot prior to resuming participation in CAP flight activities.

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- Pilots must accept responsibility for their own actions.

Remember

When you look in the mirror, you see the person most responsible for your safety.

Professional Development Committee Report

Professional Development Committee Update

The military and most universities have already incorporated distributed learning into their curricula. CAP can capitalize on their lessons learned as we embark on a measured plan to have a distributed learning component of all of our educational programs by 2015. To reduce potential start-up costs, CAP's national headquarters, in concert with the national PD and IT Committees, is developing an MOU with the Air Force Institute for Advanced Distributed Learning. A full report will be given at the August National Board meeting, along with the draft MOU for board approval.

May 2006 NEC

MARB New Business Item

AGENDA ITEM	NLO	Action
SUBJECT: Membership Action Review Board CAP/NLO – Col Palermo		

INFORMATION BACKGROUND:

The Commander requested policy changes and clarification to the current Membership Action Review Board (MARB) directives (CAP Constitution Article XIV paragraph 1.f. and CAP Regulation *Membership Action Review Board* [MARB] 35-8). The directives presently call for participation of NHQ staff in the MARB decision making process and the preference appears to be that such process be strictly a volunteer function. Furthermore, there is an apparent conflict between CAP Constitution Article XIV paragraph 1.f. (Wing Commanders' term of office and probationary period) and Article XVI (MARB.)

National Legal Officer was tasked to provide language (1) to remove National Headquarters Staff from the decision making process and (2) to provide that relief of a wing commander during the probationary period was not subject to appeal to the MARB and (b) The attached documents provide the necessary changes to the Constitution and CAPR 35-8, to complete this assignment. Language to satisfy this tasking is attached.

Change 1 is a simple policy decision. However, Change 2 is more complex and calls for some deliberation.

A. Abuse of Authority. At present Article XIV paragraph 1.f. provides, in pertinent part: "Wing commanders shall serve a probationary period of one year followed by a three-year term of office. . . .Any time during the probationary period, the region commander may remove the wing commander with or without cause and without a right of appeal except as provided in Article XVI. "

Article XV paragraph 3 provides "Removal or suspension from corporate office may be only for cause such as gross inefficiency in office or misconduct. Prior written notice and opportunity to correct must be given to a corporate officer before gross inefficiency may be used to suspend or remove from office."

Before these two provisions were adopted, removals were at the will of the appointing commander. This language came about because of the perception that a National Commander had relieved a subordinate corporate officer because of the subordinate's lobbying other board members in opposition to the Commander's position. This perceived abuse of power was guarded against by permitting only "removal for cause." The probationary period supported other policy aims.

The probationary period was intended to provide appointing commanders an opportunity to review their appointees' performance and ensure they were up to the challenges of service as a corporate officer.

As corporate officers, every member of the National Board has a fiduciary duty to exercise independent judgment in serving the best interests of the corporation. The probationary period was not intended to interfere with that independence.

The language provided has no safeguards against the abuses of power, such as the abuses envisioned by those who drafted the present language.

B. Relief Valve. The MARB serves the important role of providing CAP and its members with a relief valve. It is an opportunity to address issues internally, without resorting to the cost and expense of litigation. The language provided denies CAP the opportunity to self-police conduct which allegedly violates legal rights of wing commanders on probation.

PROPOSED NEC ACTION:

ESTIMATED FUNDING IMPACT:

None.

CAP NATIONAL HEADQUARTERS' COMMENTS:

Concur.

CAP-USAF HEADQUARTERS' COMMENTS:

This item is under review by CAP-USAF.

COMMITTEE RECOMMENDATION:

None.

REGULATIONS AND FORMS AFFECTED:

CAPR 35-8, *Membership Action Review Board*.

NEC ACTION:

CAPR 50-17: New Business

AGENDA ITEM

Action

SUBJECT: *CAPR 50-17, CAP Senior Member Professional Development Program*

Chief of Chaplain Services - Col Sharp

INFORMATION BACKGROUND:

The Chaplain Service Advisory council, in its regular meeting on 2 February 2006, voted to recommend that section 9-2 be removed from CAPR 50-17. See copy of document page.

PROPOSED NEC ACTION:

That the National Executive Committee vote to delete section 9-2 of CAPR 50-17.

ESTIMATED FUNDING IMPACT:

Cost of printing policy letter to announce the change.

CAP NATIONAL HEADQUARTERS' COMMENTS:

None.

CAP-USAF HEADQUARTERS' COMMENTS:

This item is under review by CAP-USAF.

COMMITTEE RECOMMENDATION:

None.

REGULATIONS AND FORMS AFFECTED:

CAPR 50-17, CAP Senior Member Professional Development Program

NEC ACTION