

# OPERATIONS AND PROCEDURES MANUAL

Approved by the Executive Committee 2/21/2018, 9/13/2018 and 11/29/18, the Board of Directors 2/23/2018, 9/14/2018 and 12/11/2018, and the Convention Delegates 9/15/2018 (contracting level increase to be briefed to 2019 Convention)

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## INTRODUCTION

This manual contains operational Air Force Association rules and procedures which expand upon and amplify the provisions of the Association Constitution. In cases where any conflict exists, the Constitution will govern as determined by the Executive Committee with the advice of the Constitution Committee (when formed). Throughout this manual, pronouns referring to a specific gender shall be deemed to apply equally to both genders.

## DISTRIBUTION

Members of the Board of Directors and the Presidents of the Regions, States and Chapters will receive this manual upon election to office. This manual will be distributed as further required.

## CHANGES TO THIS MANUAL

Proposed changes to this manual may be initiated by any member of the Association through the Resolution process. Changes to this manual will be approved by the Executive Committee and ratified by the Board of Directors unless otherwise specified, and when required, presented to the Convention for final approval.

Exceptions are as indicated below:

### Duties and Responsibilities

Chairman of the Board	Board of Directors
Vice Chairman of the Board for Field Operations	Board of Directors
Vice Chairman of the Board for Aerospace Education	Board of Directors
Secretary	Board of Directors
Treasurer	Board of Directors
Directors	Board of Directors
Chaplain	Executive Committee
President	Board of Directors
Board of Directors	National Convention Delegates
Executive Committee	Board of Directors
President Search Committee	Board of Directors
Field Council	Board of Directors
Aerospace Education Council (AEC)	Board of Directors
Audit Committee	Board of Directors
Development Committee	Board of Directors
Finance Committee	Board of Directors
Strategic Planning Committee	Chairman of the Board

Membership Committee	Vice Chairman of the Board for Field Operations
Constitution Committee	Chairman of the Board
Nominating Committee	Board of Directors
AFMF Advisory Committee	Chairman of the Board
FCAG and SLAG	Chairman of the Board
Wounded Airman Committee	Vice Chairman of the Board for Field Operations
Awards Committee	Chairman of the Board
Ad Hoc Committees	Appointing Authority
All Advisory Councils	Chairman of the Board
<b>Rules &amp; Procedures</b>	
Disciplinary	Board of Directors
Nominating Committee	Board of Directors
National Convention	Board of Directors or National Convention Delegates
Credentials Committee	Board of Directors
Election of Voting Directors	Board of Directors
Attendance Requirements	Board of Directors
Election of National Officers and Directors	Board of Directors
Should a National Convention be Can- celled	
Officer/Director Code Of Ethics	Board of Directors
Gift Acceptance Policy	Board of Directors
Board Policy on President Compensation & Evaluation	Board of Directors
Scholarship, Scholastic Awards, and Grants Policy	Board of Directors
<b>Expense Reimbursement Policies</b>	
National Officer Expense	Executive Committee
Region President Expense	Executive Committee
Board, Committee and Council Expense	Executive Committee

Administrative and non-substantive changes may be made by the President and the Executive Committee will be informed of specific changes made.

# **I. DUTIES OF NATIONAL OFFICERS AND DIRECTORS**

## **A. CHAIRMAN OF THE BOARD**

### **1. Board of Directors Meetings**

- a. Designates the time and place for the meetings of the Board of Directors.
- b. Approves requests from board members to be absent from a Board of Directors meeting.
- c. Presides at the meetings of the Board of Directors.
- d. Has the authority to call a special meeting of the Board of Directors.

### **2. Appointments, Nominations, and Assignments**

- a. Appoints the Association Chaplain, who shall be an ordained clergyman and a member of the Association.
- b. Fills by appointment, until the next Convention, any vacancy among the elected or appointed members of the Board of Directors.
- c. Fills any vacancy among the elected national officers of the Association with the concurrence of the Board of Directors or Executive Committee as specified in the Constitution.
- d. Appoints the Chairman (except for the Finance and PECC Committees), members (except constitutionally mandated members), fills vacancies, and serves as a nonvoting member of the following committees:

Audit Committee  
Constitution Committee (when formed)  
Finance Committee  
Development Committee  
President Evaluation and Compensation Committee (PECC)  
Strategic Planning Committee  
Force Capabilities Advisory Group  
Senior Leader Advisory Group  
Ad Hoc Committees

- e. Appoints the Chairman, members, and fills vacancies of the Veterans/Retiree Advisory Council, and serves as a nonvoting member of the following committees and councils:

Air National Guard Advisory Council  
Air Force Reserve Advisory Council  
Civilian Advisory Council  
Enlisted Advisory Council  
Company Grade Officers' Council  
Veterans/Retiree Advisory Council

- f. Serves as Chairman of the Executive Committee, which is known as a Committee of the Board, may appoint up to two (2) voting members of the Board of Directors to the Executive Committee and fills vacancies in those positions.
- g. Serves as a nonvoting observer of the Nominating Committee in the final year of office.
- h. Following adjournment of each National Convention, with the approval of the Board of Directors, is authorized to appoint up to three (3) additional voting members of the board who will serve through the next Convention and will, by reason of their expertise in matters of particular and current concerns of the Association, enhance the overall effectiveness of the Board of Directors.
- i. Appoints, when required, the Chairman and members of the President Search Committee which is known as a Committee of the Board.
- j. Assigns duties of the Secretary not otherwise defined in the Constitution and the Operations and Procedures Manual.
- k. Has the authority to appoint subordinate officers as may be needed for the proper administration of the affairs of the Association.

### **3. Committees and Councils**

- a. Specifies times and places of meetings for Committees of the Board, after due notice to the members.
- b. Has the authority to set the duties and define jurisdiction of Committees of the Board.
- c. Approves the removal of a member of a Committee of the Board or a member of a council, after receiving a recommendation from the Committee's Chairman or the Council's Chairman.
- d. Has the authority to create ad hoc committees or councils, and unless otherwise provided by the appointing authority, annually fix the number of each said committee or council, define their respective powers and du-

ties, set the size, assign members, designate the chairman and fill vacancies. Serves as a nonvoting member of all ad hoc committees and councils.

#### **4. General**

- a. Exercises the powers and performs the duties assigned the office by the Constitution and the Operations and Procedures Manual, and shall perform such other duties related to the mission of the Association as are usually incident to the Chairman of the Board.
- b. Serves as the principal representative of the Association in all matters pertaining to its affairs.
- c. Guides the policy, philosophy and overall direction of the Association within the mandates of the Constitution, the Convention, the Board of Directors and the Executive Committee.
- d. Insures the will of the membership as a whole, within stated mandates, is faithfully reflected in the management and operation of Association affairs.
- e. Assumes the duties of either of the Vice Chairmen of the Board in conjunction with the remaining Vice Chairman, in the case of an absence, vacancy, or misconduct in the office, until such time as charges are dismissed or a new Vice Chairman of the Board is elected by the Board of Directors.
- f. Presides over the annual Convention.
- g. Consults with the President and the Vice Chairmen of the Board prior to the President employing senior staff members reporting directly to the President and consultants to be placed on salary or retainer status by the Association.
- h. Submits any unresolved conflicts with the President to the Executive Committee.
- i. Develops a strong relationship with and represents the Association to Congress, as well as to industry, government and USAF leaders.
- j. Testifies or appoints others to testify before congressional committees and appointed commissions regarding AFA's position on issues of concern to the Association.
- k. Represents or appoints others to represent the AFA membership at national events of significant nature, for example, White House breakfast meetings, Congressional receptions, DoD and USAF delegation trips,



and Secretary of the Air Force and Chief of Staff of the Air Force sponsored events.

- l. May meet with the Presidents of the Regions to help ensure they are accomplishing the Association's objectives.
- m. May attend and speak to AFA Regional Workshops and State Conventions or Chapter functions.
- n. Communicates AFA's message on Association concerns to non-AFA entities, for example, civic and professional organizations.
- o. May meet periodically with the Military Coalition to express AFA's position on matters affecting the membership or items of national concern.
- p. Serves as Chairman of the Board of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
- q. Annually reviews the performance of the President with the incumbent and then with the Executive Committee.
- r. Signs membership services understanding of agreements programs to enhance membership benefits when those agreements would obligate the Association to commitments in excess of limits set for the President.
- s. Confers and consults regularly with the President in implementation of Association policies.
- t. Coordinates with the President and Treasurer concerning the issuance and reissue of mortgage bonds relative to AFA's fixed assets.
- u. Reviews with the President and Treasurer the proposed operating budgets of the Association and consults regularly with the President and Treasurer regarding all proposed long-term obligations of the Association.

## **B. VICE CHAIRMAN OF THE BOARD FOR FIELD OPERATIONS (VCoB-FO)**

### **1. Board of Directors Meetings**

- a. Has the authority to call a special meeting of the Board of Directors.
- b. Assumes the duties of the Chairman of the Board or Vice Chairman of the Board for Aerospace Education in case of an absence, vacancy, or misconduct in the office of Chairman of the Board or Vice Chairman of

the Board for Aerospace Education until such time as charges are dismissed or a new Chairman or Vice Chairman for Aerospace Education is elected by the Board of Directors.

## **2. Appointments, Nominations, and Assignments**

- a. Serves as Chairman of the Executive Committee in the absence of the Chairman of the Board.
- b. Chairs the Field Council; develops agendas for meetings; and specifies after due notice to the members, the time and place of meetings.
- c. Appoints the Chairman, members, and fills vacancies and specifies, after due notice to the members, the time and place of meetings for the following committees of the Association.

Membership Committee  
Wounded Airman Committee  
Ad Hoc Committees

- d. Assigns the duties of the Presidents of the Regions not otherwise defined in the Operations and Procedures Manual and the Field Operations Guide.
- e. May attend White House functions, Congressional receptions, and Air Force occasions and events.

## **3. Committees**

- a. Has the authority to create ad hoc committees, define their respective powers and duties, set the size, assign members, designate the chairman and fill vacancies.
- b. Serves as a nonvoting member of the committees (except the Executive Committee) and councils for which appointment authority exists and any authorized committee or council as to which status is not otherwise prescribed in the Constitution or the Operations and Procedures Manual.
- c. Has the authority to call a meeting of the Executive Committee.
- d. After recommendation by the committee chairman, approves the removal of a member of a committee for which he has the appointing authority.
- e. Sets the duties and defines the jurisdiction of committees or councils for which the Vice Chairman of the Board for Field Operations has appointing authority.

- f. Appoints a Credentials Committee and its chairman annually to certify Convention delegates.
- g. Appoints not less than three (3) Inspectors of Election to supervise and conduct elections if required during the Convention.

#### **4. Field Council (FC)**

- a. In consultation with the Chairman of the Board and the Region Presidents and confirmed by the Board of Directors, appoints all members of the Field Council. Fills all vacancies in the Council in a similar manner. Persons appointed to the FC should have exceptional field leadership skills, and up to one-half of the council may be Region Presidents serving in their second term. Up to two participants of the Emerging Leaders Program (ELP) may be appointed to the Field Council annually.
- b. Chairs the FC, to guide overall direction of the Association's field activities. The Field Council will work closely with the Aerospace Education Council, Development Committee, and other Board committees, and may establish and populate subcommittees as appropriate.

#### **5. State and Chapter Organizations**

- a. Issues charter suspension letters to a State Organization or Chapter which has been inactive or, in the case of a State Organization, which fails to maintain at least two (2) chartered Chapters, for a period of nine (9) consecutive months. After thirty (30) days, if two (2) chartered Chapters are not established or if plans for activity which are satisfactory to the Vice Chairman of the Board for Field Operations have not been adopted by the State Organization or Chapter, the Vice Chairman of the Board for Field Operations shall determine whether to revoke the charter in question or retain it in suspended status for an indefinite period.
- b. Schedules and conducts the State Presidents' Orientation Program to ensure quality leadership training for AFA's field leaders.
- c. Issues State Organization and Chapter Charters.
- d. Is the administrator of all chartered organizations located in other countries.
- e. Has final approval of Chapter mergers.

#### **6. General**

- a. Exercises the powers and performs the duties assigned the office by the Constitution and the Operations and Procedures Manual, and shall perform such other duties related to the mission of the Association as are incident to the office of Vice Chairman of the Board for Field Operations.
- b. Serves as the primary interface with, and manager of, the Association field activities in consultation with the Field Council.
- c. Articulates the established policies and objectives of the Association.
- d. Conducts the business meetings at the National Convention and presides in the absence of the Chairman.
- e. Confers and consults regularly with the President in implementation of Association policies.
- f. Consults with the President, the Chairman of the Board, and the Vice Chairman of the Board for Aerospace Education prior to the President employing senior staff members reporting directly to the President and consultants to be placed on salary or retainer status by the Association.
- g. Submits any unresolved conflicts with the President to the Chairman of the Board.
- h. May provide liaison to develop a strong relationship with and represents the Association to the Congress, as well as to industry, government and USAF leadership.
- i. May testify before congressional committees and appointed commissions regarding AFA's position on issues of concern to the Association.
- j. Responds to the queries and concerns from the AFA membership in coordination with the Association staff.
- k. Meets with the Presidents of the Regions on a regular basis to ensure they and their respective Regions are accomplishing the Association objectives.
- l. Attends and speaks to AFA members at Regional workshops and State conventions or chapter functions.
- m. Communicates AFA's message on Association concerns to non-AFA entities, for example, civic and professional organizations.
- n. May periodically meet with the Military Coalition to express AFA's position on matters affecting the membership or items of national concern.
- o. Any unresolved conflicts with the Chairman or Vice Chairman for Aerospace Education will be referred to the Executive Committee.

- p. Serves as Vice Chairman of the Board for Field Operations of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
- q. Reviews with the Treasurer the proposed operating budgets of the Association and consults regularly with the Treasurer regarding all proposed long-term obligations of the Association.
- r. In coordination with the President, approves, in writing prior to, any agreements, leases, commitments or involvements of any kind or nature whatsoever of subordinate units, the direct or indirect effect of which shall be to legally obligate or constrain the Association.

## **C. VICE CHAIRMAN OF THE BOARD FOR AEROSPACE EDUCATION (VCoB-AE)**

### **1. Board of Directors Meetings**

- a. Has the authority to call a special meeting of the Board of Directors.
- b. Presides at the meetings of the Board of Directors in the absence of the Chairman of the Board and Vice Chairman of the Board for Field Operations.
- c. Assumes the duties of the Chairman of the Board or Vice Chairman of the Board for Field Operations in case of an absence, vacancy, or misconduct in the office of Chairman of the Board or Vice Chairman of the Board for Field Operations until such time as charges are dismissed or a new Chairman or Vice Chairman for Field Operations is elected by the Board of Directors.

### **2. Appointments, Nominations, and Assignments**

- a. Serves as Chairman of the Executive Committee in the absence of the Chairman of the Board and Vice Chairman of the Board for Field Operations.
- b. Chairs the Aerospace Education Council (AEC); develops agendas for meetings; and specifies after due notice to the members, the time and place of meetings.
- c. Appoints the Chairman, members, and fills vacancies and specifies, after due notice to the members, the time and place of meetings for the following committees of the Association.

#### **Ad Hoc Committees**

### **3. Committees**

- a. Has the authority to create ad hoc committees, define their respective powers and duties, set the size, assign members, designate the chairman and fill vacancies.
- b. Serves as a nonvoting member of the committees (except the Executive Committee) and councils for which appointment authority exists and any authorized committee or council as to which status is not otherwise prescribed in the Constitution or the Operations and Procedures Manual.
- c. Has the authority to call a meeting of the Executive Committee.
- d. After recommendation by the committee chairman, approves the removal of a member of a committee for which he has the appointing authority.
- e. Sets the duties and defines the jurisdiction of committees or councils for which the Vice Chairman of the Board for Aerospace Education has appointing authority.

### **4. Aerospace Education Council (AEC)**

- a. In consultation with the Chairman of the Board and with confirmation by the Board of Directors, appoints all members of the Aerospace Education Council. Fills all vacancies in the Council in a similar manner. Persons should be appointed to the AEC to ensure a balanced representation from within the diverse educational communities of the country.
- b. Chairs the AEC to guide overall direction of the Association's education mission. The Aerospace Education Council shall work closely with the Field Council, Development Committee, and other Board committees, and may establish and populate subcommittees as appropriate.

### **5. General**

- a. Exercises the powers and performs the duties assigned the office by the Constitution and the Operations and Procedures Manual, and shall perform such other duties related to the mission of the Association as are incident to the office of the Vice Chairman of the Board for Aerospace Education.
- b. Serves as the primary interface with, and manager of, the Association educational activities in consultation with the Aerospace Education Council.
- c. Articulates the established policies and objectives of the Association.

- d. Presides at Board and Executive Committee meetings in the absence of the Chairman and Vice Chairman of the Board for Field Operations.
- e. Confers and consults regularly with the President in implementation of Association policies.
- f. Consults with the President and the Chairman of the Board and Vice Chairman of the Board for Field Operations prior to the President employing senior staff members reporting directly to the President and consultants to be placed on salary or retainer status by the Association.
- g. Submits any unresolved conflicts with the President to the Chairman of the Board.
- h. May provide liaison to develop a strong relationship with and represents the Association to the Congress; educational, scientific, industrial, and business communities; military and government agencies; and related non-profit organizations.
- i. May testify before congressional committees and appointed commissions regarding AFA's position on issues of concern to the Association.
- j. Responds to the queries and concerns from the AFA membership in coordination with the Association staff.
- k. Attends and speaks to AFA members at Regional workshops and State conventions or chapter functions.
- l. Communicates AFA's message on Association concerns to non-AFA entities, for example, civic, educational, and professional organizations.
- m. May periodically meet with the Military Coalition to express AFA's position on matters or items of national concern.
- n. Any unresolved conflicts with the Chairman or Vice Chairman of the Board for Field Operations will be referred to the Executive Committee
- o. Serves as the Vice Chairman of the Board for Aerospace Education of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
- p. Reviews with the Treasurer the proposed operating budgets of the Association, especially those segments associated with the education mission of the Association, and consults regularly with the Treasurer regarding all proposed long-term obligations of the Association.

## **D. SECRETARY**

### **1. General**

- a. Performs duties pursuant to the mandates of the Convention, the Board of Directors and the Executive Committee.
- b. Responsible to the Chairman and the Board of Directors for the discharge of all duties.
- c. Serves as a voting member of the Board of Directors and the Executive Committee.

### **2. Committees and Other Duties**

- a. Issues the Call for Special Sessions of the Board of Directors.
- b. Ensures the timely and accurate preparation and approval of the annual Policy Papers and Resolutions, consistent with an Association policy formulation process.
- c. Presents the resolutions for review and approval to the Executive Committee; the recommendation of the Executive Committee to the Board of Directors; and the recommendation of the Board of Directors to the National Convention delegates ensuring that each level of review and approval is based upon the latest and most accurate revision.
- d. Serves as the Secretary of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
- e. Notifies national officers and directors and State and Chapter Presidents concerning the delegate voting strength allocation, selection, and certification procedures to be followed for the National Convention.
- f. Receives “consent to serve” letters from candidates for national officer or director positions.
- g. Responsible for the Board of Directors orientation and training program.
- h. Oversees Board of Directors compliance with the ethics and gift policy.
- i. Works closely with the AFA staff and senior Association officers to ensure compliance with AFA corporate communications policies.
- j. Acts as “AFA Ombudsman” to provide both employees and members an independent channel of communication to resolve concerns or dispute.



- k. Responsible for the AFA Parliamentarian function.
- l. Serves as the Chairperson of the Constitution Committee.
- m. Performs other duties as requested by the Chairman.

## **E. TREASURER**

### **1. Board of Directors Meetings**

- a. Reports on financial condition of Association.
- b. Reports on long-range planning.

### **2. Committees**

- a. Serves as Chairman of the Finance Committee.
- b. Serves as member of Executive Committee.
- c. May form subcommittee(s) of the Finance Committee.
- d. Chairs the President Evaluation and Compensation Committee (PECC).

### **3. General**

- a. Exercises the power and performs the duties assigned by the Constitution and the Operations and Procedures Manual.
- b. Oversees the financial affairs of the association, subject to the approval of the Board of Directors and Executive Committee.
- c. Reviews with the Chairman and Vice Chairmen of the Board the proposed operating budgets of the Association and consults regularly with the Chairman and Vice Chairmen regarding all proposed long term obligations of the Association.
- d. After consideration of inputs from the President, Field Operations and Aerospace Education Councils and the Development Committee, submits proposed operating budgets to the Finance Committee for review and recommendation to the Executive Committee.
- e. Submits Finance Committee recommendations to Executive Committee for approval.

- f. Makes annual Financial Report to the National Convention.
- g. Makes required interim reports to Finance and Executive Committees.
- h. Confers regularly with President, Chief Financial Officer, Executive Vice President, and those staff members concerned with financial affairs of the Association designated by the President.
- i. Reviews insurance policies annually to determine the adequacy of coverage and reasonableness of costs relative to the Association's property (real property, personal property, business income, and crime) and casualty (general liability, workers compensation, directors' and officers' liability, and fiduciary liability) coverages.
- j. Confers as needed with outside investment advisors and managers.
- k. Keeps members of Finance Committee informed on any important financial matters of the Association.
- l. Serves as the Treasurer of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
- m. Works closely with the Development Committee and Association staff to consider realistic estimates and projections of income resulting from the Association's fund raising programs.
- n. Receives and considers information concerning financial requirements for the programs of the Association's education mission as provided by the Aerospace Education Council.
- o. Serves as a trustee on all association Qualified Retirement Plans.
- p. Performs other duties as requested by the Chairman.

## **F. CHAPLAIN**

### **1. Meetings**

- a. Provides invocations, memorial services, and other religious functions as directed by the Chairman.
- b. Serves as counselor to the Chairman and Board of Directors on matters involving morals, morale, and spiritual concerns of the Association and the United States Air Force.

## **2. General**

- a. Provides invocations and other religious functions at the national level at the direction of the Chairman.
- b. Provides liaison with the Chief of the Chaplains of the United States Air Force and the various civilian religious groups when directed by the Chairman.
- c. Serves on committees or councils when appointed by the Chairman.

## **G. PRESIDENT**

1. Performs duties pursuant to the mandates of the Convention, the Board of Directors and the Executive Committee. Reports directly to the Chairman of the Board, who is the principal representative of the Association in all matters pertaining to its affairs. Serves as the President of the Association. Performs duties enumerated in the Constitution and the Operations and Procedures Manual and other such duties as are usually incident to a President.
2. Serves as a nonvoting member of the Board of Directors and the Executive Committee.
3. Serves as the President of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
4. Serves as the Publisher of *AIR FORCE* Magazine.
5. Maintains liaison between Association headquarters and all elements of the Association, government, Congress, industry and other organizations.
6. In coordination with the Chairman of the Board, develops a strong relationship with and represents the Association to Congress, as well as to industry, government and USAF leaders.
7. In coordination with the Chairman of the Board, testifies or appoints others to testify before congressional committees and appointed commissions regarding AFA's position on issues of concern to the Association.
8. Meets periodically with the Military Coalition to express AFA's position on matters affecting the membership or items of national concern.
9. Consults regularly with the Chairman and Vice Chairmen of the Board in the implementation of Association policies.

10. Submits unresolved conflicts with the Chairman to the Executive Committee.
11. Organizes and directs the operations of the Association headquarters office and its related activities.
12. Employs and discharges all employees within established guidelines.
  - a. Fixes the rate of compensation and allowances of all employees and consultants within approved budget totals for salaries and consultant fees.
  - b. Consults with the Chairman of the Board and Vice Chairmen of the Board prior to employing senior staff members reporting directly to the President and consultants to be placed on salary or retainer status by the Association.
13. Requests and considers inputs on proposed budget matters from the Field Operations and Aerospace Education Councils and the Development Committee. Prepares and submits through the Treasurer to the Finance Committee a proposed annual budget itemizing and justifying estimated revenues and expenditures for the ensuing twelve month period.
14. Reviews with the Chairman of the Board and Treasurer the proposed operating budgets of the Association and consults regularly with the Treasurer regarding all proposed long-term obligations of the Association. The President shall provide a summary of all multiyear contracts and other long-term financial obligations semiannually to the Finance Committee in June and December.
15. Directs the planning and execution of those portions of the AFA Strategic Plan requiring National Headquarters' action. Oversees Association staff actions required to facilitate the field actions required by the AFA Strategic Plan.
16. Negotiates and signs agreements, leases, contract amendments, and other commitments on behalf of the Association. This authority can be delegated to the Executive Vice President.
  - a. Provided that such amounts are not more than \$150,000, or are within approved budget, including approved contingency funds.
  - b. Provided further that if any of said negotiations or commitments shall exceed such sum, or be unbudgeted, they shall require the

prior approval of the Treasurer, the Finance Committee and the Executive Committee.

- c. Multiyear contracts or multiyear contract extensions in support of ongoing programs or activities funded within the current-year budget and included in the semiannual summaries may be executed without the specific approvals referenced in 16b unless they extend the obligation of the association by over one year.
17. In coordination with the Vice Chairman of the Board for Field Operations approves, in writing prior to, any agreements, leases, commitments or involvements of any kind or nature whatsoever of subordinate units, the direct or indirect effect of which shall be to legally obligate or constrain the Association.
  18. Signs membership services understanding of agreements programs to enhance membership benefits.
  19. Coordinates with the Chairman of the Board and Treasurer concerning the issuance and reissue of mortgage bonds relative to AFA's fixed assets.
  20. Makes periodic reports to the Board of Directors as to the nature and extent of staff activities in furthering the mission of the Association.
  21. Responsible to the Chairman and the Board of Directors for the competent discharge of the above duties.

## **H. DIRECTORS**

### **1. Elected and Appointed (Voting)**

- a. Attends Board of Directors meetings as a voting member and participates in the deliberations on issues before the Board. Supports the mission of the Association with their time, talent, and financial contributions.
- b. Makes every effort to stay abreast of national defense matters, particularly as such matters are affected by congressional legislation, advanced technology, changes in the structure and missions of the nation's Armed Forces, etc.
- c. Supports the mission, current policies and goals of the Association by reviewing, making recommended changes to, and disseminating information on the mission, polices and goals.

- d. Establishes a rapport with their respective Region Presidents (especially if a director elected on a geographical basis) and assists when requested. Assists Regions, States and local Chapters in the areas of leadership development and membership recruiting/retention. Serves on Regional Special Assistance Teams (RSAT) and with any other AFA program when requested.
- e. Actively serves on committees of the Association when requested by the appointing authority.
- f. Strives to be known by and be helpful to military and government leaders, as well as civilian leaders of their community.
- g. Participates in the activities of Association's Regional, State and local Chapter organizations. It is especially important for directors, especially those elected on a geographical basis, to attend these meetings as often as possible in order to stay abreast of issues and problems affecting the "grassroots."
- h. Imparts knowledge gained through board experience to Chapter, State and Region leaders.
- i. Serves on the Board of Directors for the AFA Veteran Benefits Association and Air Force Memorial Foundation.
- j. Communicates personally to local, state and national legislators on defense matters and issues affecting military personnel.
- k. Encourages civic groups to provide platforms from which Air Force and other government leaders might expound national defense matters.
- l. Maintains close contact with the Association staff to insure currency of mailing address for distribution of materials of interest to the Association.

## **2. Emeritus (Nonvoting)**

- a. An honorary title bestowed on:
  - 1) Members, who have expressed a desire to remain actively involved that have served ten years at the national level, six of which were service as a member of the Board. The Executive Committee will consider such requests and forward its recommendation to the Board of Directors for approval. There is no exception to the six year Board service requirement. Any exceptions to the ten-year service qualification would require a 76% affirmative vote of the Board present and voting.

- 2) The following who are eligible by virtue of position rather than aggregate service: Past Chairman of the Board; Former Executive Director/President (2007 and subsequent). In addition, persons having served as elected national officers who have at least five years on the Board of Directors and ten years accumulated service at the National level are also eligible by virtue of position.
  - 3) Comparable service in the former Aerospace Education Foundation or the Air Force Memorial Foundation will be counted toward these totals.
- b. Board Members Emeriti provide the Association with a highly qualified group of individuals with varied experience and valued wisdom. They are expected to be strong advocates for the objectives of the Association and serve, individually and collectively, in a senior advisory and consultant status. As a 501(c)(3) organization, it is essential that all Board members – active and emeriti – support the development objectives of the Association. Therefore, emeritus members are expected to contribute financially to the Association to demonstrate their commitment to its mission, objectives, and overall financial health. They may also:
- 1) Attend Board of Directors meetings and participate as desired. (Not eligible for expense reimbursement.)
  - 2) Chair or serve on committees, except the Executive Committee, if selected by the appointing authority.
  - 3) Serve as an appointed voting member of the Board of Directors if selected under the provisions of the Constitution.
  - 4) Seek election for national officer or director position and voting status.

### **3. Ex Officio (Nonvoting)**

- a. Attends Board of Directors meetings as a nonvoting member and participates in the deliberations on issues before the Board.
- b. Provides expertise of their office.
- c. Actively serves on committees of the Association when requested by the appointing authority.
- d. Supports the mission, current policies, and goals of the Association and fulfills other appropriate duties and responsibilities as listed in this manual.

## **II. DISCIPLINARY PROCEDURES**

### **A. STATE ORGANIZATION AND CHAPTER CHARTER SUSPENSION**

#### **1. Authority to Act**

Authority to act in this section shall rest with the chartering authority, specifically with the Vice Chairman of the Board for Field Operations (VCoB-FO).

#### **2. Violations**

The chartering authority, after notice and proper hearing, may suspend or revoke the charter of a State Organization or Chapter which violates the Constitution of the Association, or reflects discredit upon the Association.

#### **3. Inactivity**

The chartering authority, without notice or hearing, may suspend the charter of any State Organization or Chapter which has been inactive for a period of nine (9) consecutive months. Said suspension shall take effect upon notification by the VCoB-FO, in writing, and shall be in effect for thirty (30) days. If, at the end of said thirty (30) day period, the VCoB-FO has not been advised that plans for activity which are satisfactory to the VCoB-FO have been adopted by the State Organization or Chapter, as the case may be, the VCoB-FO shall determine whether to revoke the charter in question or retain it in suspended status for an indefinite period.

- a. State Activity. Each State Organization must have a current officer roster on file, maintain at least two (2) chartered Chapters, and regularly report on its activities on behalf of the Association.
- b. Chapter Activity. Each Chapter to be judged active must have a current officer roster on file, maintain the minimum number of members, and regularly report on its activities on behalf of the Association.
- c. Procedures. The VCoB-FO may ask for a survey of the reporting records of the Chapters in the Association as a basis for initiating action under this section. In addition the State President or President of the Region in which an inactive chapter or state is located may petition the VCoB-FO to initiate actions under this section.



#### 4. Governance, Records and Property

- a. When the charter of a State Organization is suspended or revoked, the President of the Region shall receive all its records and properties and govern its affairs.
- b. When the charter of a Chapter is suspended or revoked, the person or persons designated by the President of its State Organization shall receive all its records and properties and govern its affairs. If no State Organization exists, the President of the Region shall carry out these duties.
- c. Failure of an officer of a State Organization or Chapter whose charter has been suspended or revoked to deliver its records and properties to the individual designated to receive them shall constitute the basis for a complaint as outlined in the Constitution.

### B. ORIGINAL JURISDICTION

#### 1. General

Complaints against officers, directors, or members shall be received and considered by the next higher elected official or body as shown in the table below, who shall investigate and act thereon. All complaints under this section are to be acted upon within ninety (90) calendar days after receipt of the complaint except that the Board of Directors, through the Executive Committee, may extend this time until their next meeting.

<u>Complaint Against</u>	<u>Original Jurisdiction</u>
Elected National Officers Directors Presidents of the Regions	Board of Directors Chairman of the Board Vice Chairman of the Board for Field Operations
State President State Elected Officer (except President) Chapter President	Region President State President  State President (President of the Region if there is no State Organization)
Chapter Elected Officer (except President) Non-elective/Appointed Officer	Chapter President  Appointing Authority

Complaint Against

Original Jurisdiction

Other Affiliated Members  
Unaffiliated Members

Chapter President  
Vice Chairman of the Board for  
Field Operations

**2. Complaints**

Complaints must be filed in writing with the individual or body having original jurisdiction and shall specify the alleged violation of the Constitution.

**3. Disputes Among Officers**

In the case of disputes between officers at different levels of the Association, where the table above would require the complaint to be filed with the same person against whom it is made, original jurisdiction shall rest with the next higher individual or body in the table which is not a party to the dispute. In the case of multiple, related complaints or counter-complaints, original jurisdiction shall rest with the next higher level not a party to the complaints.

**4. Suspension or Expulsion of Members**

Members may be suspended or expelled from Chapter membership and activities by the executive body of the Chapter. Members may be suspended or expelled from individual membership in the Air Force Association only by the national Executive Committee, subject to appeal as outlined below.

**C. PROCEDURE**

**1. Notification and Hearing**

The individual or body having original jurisdiction as outlined in [Section B.1.](#) and [3.](#) above shall notify, in writing, and afford a hearing to the individual against whom a complaint is made. Said hearing shall be governed by rules prescribed by the individual or body having original jurisdiction.

## **2. Rules**

As a minimum, hearings for complaints made at the Chapter, Region, State or National level as defined in [Section B.1.](#) above (except against any national elected officer) shall be before the appropriate executive body as outlined in the Association's manuals. In the case of the national Executive Committee, the Chairman of the Board will preside for this portion of the meeting.

## **3. Board of Directors**

In the case where the Board of Directors has original jurisdiction, the Chairman of the Board shall determine whether the Board, the national Executive Committee or one or more individuals will hear the complaint, investigate and act on the matter. In the latter case, the Chairman will clearly outline the scope of authority for the designated agent. In the case where the complaint is against the Chairman of the Board, the most recent three Chairmen will be asked to investigate and recommend action to the entire board at its next regularly scheduled meeting, or at such special meeting chaired by the Vice Chairman of the Board for Field Operations as may be called in accordance with the Constitution

## **D. JUDGMENT**

1. Unless otherwise specified in the Constitution or the Operations and Procedures Manual, judgment shall be by a simple majority of a quorum of the Board of Directors or body acting in the case.
2. No member shall lose membership unless the charges made have been sustained by a two-thirds (2/3) vote of the Council, Board of Directors or Committee acting in the case.

## **E. APPEALS BY MEMBERS**

1. Any member against whom any penalty is imposed by a Chapter Executive Council shall have the right to appeal to the State Executive Committee whose determination shall be final. Any member against whom any penalty is imposed by the national Executive Committee shall have the right to appeal to the Board of Directors whose determination shall be final.

2. Any officer who has been removed from office shall have the right of appeal to the next higher level as specified in [Section B.1.](#), and such appeal to be heard by the appropriate executive body or full Board of Directors as the case may be and which shall be final.

3. Pending action upon any such appeal, the judgment of the Original Jurisdiction Authority as defined in [Section B.1.](#) above, shall be effective.

4. Action of the Board of Directors or by the Vice Chairman of the Board for Field Operations, as the case may be, which removes an officer or director, President of a region, or a State or Chapter Officer, or imposes suspension or revocation upon a State Organization, Chapter or member shall be final.

## **F. EXCEPTIONS**

The provisions of Sections II. [B](#), [C](#), [D](#), and [E](#) of this Manual shall not apply in the case of a State Organization or Chapter whose charter is revoked by direction of the Vice Chairman of the Board for Field Operations for inactivity, as provided in the Constitution.

### **III. RESPONSIBILITIES OF THE BOARD OF DIRECTORS, EM-POWERED COUNCILS, AND COMMITTEES**

#### **A. BOARD OF DIRECTORS**

1. Exercises the authority and performs the duties assigned by the Constitution and the Operations and Procedures Manual.
2. Has authority to act for the Association between National Conventions.
3. Has responsibility for the general management of the affairs of the Association.
4. Shall meet at least once per quarter during each year to carry out its responsibilities. Two meetings shall be face-to-face meetings. The remaining meetings may be conducted face-to-face, virtually via teleconference, or any other means as determined by the Chairman.
5. Keeps a record of its proceedings.
6. May make regulations it deems appropriate for proper management of the Association.
7. May change amount of membership dues by a two-thirds (2/3) vote which shall be subject to amendment or ratification by delegates at the following National Convention.
8. Has responsibility for the financial affairs of the Association.
9. Approves Certified Public Accounting firm for the annual audit.
10. Approves employment of the President.
11. Elects a replacement in the case of a vacancy in the office of Chairman of the Board, or either Vice Chairman of the Board.
12. Confirms members appointed to the Empowered Councils by the designated appointing authority.
13. Has authority to designate nonvoting Directors of the Board.
14. Approves a maximum of three (3) annual appointments to the Board of Directors.

15. May amend the Constitution by a two-thirds (2/3) vote which shall be subject to amendment or ratification by the delegates at the following National Convention.

16. Structures or forms the Regions of the Association and assigns regions to geographical areas for purposes of election of directors on a geographical basis. Sets order of election of directors elected on a geographical basis.

17. Fixes the time and place for the National Convention.

18. Has authority to amend or ratify Executive Committee decisions.

19. Supports the mission of the Association with their time, talent, and financial contributions. As a 501(c)(3) organization, it is essential that Board members – active and emeriti – support the development objectives of the Association. Therefore, all BOD members are expected to contribute financially to the Association to demonstrate their commitment to its mission, objectives, and overall financial health.

20. Acts as the Board of Directors of the AFA Veteran Benefits Association and Air Force Memorial Foundation.

21. Conduct an annual Board Effectiveness Assessment and Board Director Self-assessments.

## **B. EXECUTIVE COMMITTEE**

1. Acts as an extension of the Board of Directors. Within any restrictions imposed from time to time by the Board of Directors, the Executive Committee is vested with the full power and authority of the Board.

2. Performs all functions of the Board of Directors between Board meetings. Decisions of the Executive Committee shall be by majority vote and shall be subject to confirmation, revision, or reversal by the Board of Directors.

3. Acts on recommendations concerning the financial affairs of the Association to include approving the annual budget as presented by the Treasurer and recommended by the Finance Committee.

4. Reviews all policy matters of the Association and makes recommendations to the Board of Directors.

5. Approves minimum membership requirements of a chapter located outside the continental limits of the United States.

6. With Board of Directors' approval, employs the President.
7. May terminate the employment of the President.
8. Reviews and makes recommendations to the Board on resolutions submitted by State Organizations, Chapters, Committees, Councils or Association members.
9. Reviews the Association's annual policy papers.
10. Completes the resolutions review process in accordance with National Convention Rules and Procedures.
11. Acts as the Executive Committee of the Board of Directors of the AFA Veteran Benefits Association and Air Force Memorial Foundation.

### **C. PRESIDENT SEARCH COMMITTEE**

1. Acts as an extension of the Executive Committee, consists of three (3) AFA members appointed by the Chairman of the Board, and makes recommendations concerning applicants seeking the position of the Association's President.
2. With the authorization of the Executive Committee, acquires the assistance of executive search professionals as may be required.
3. Presents for review and interview by the Executive Committee at least three (3) individuals for the position of President.
4. Follows procedures to protect the privacy of all applicants and the information provided by each applicant.
5. Performs other duties as may be assigned by the Chairman of the Board.

### **D. FIELD COUNCIL (FC)<sup>1</sup>**

1. Acts on behalf of the Association concerning the field operations, consistent with direction from the Board of Directors or the Executive Committee.

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<sup>1</sup> Approved by the Board of Directors 08/27/13

2. Develops policy recommendations affecting AFA field operations, to include leadership development, chapter reporting requirements, chapter support payments, membership development, etc.
3. Serves as the primary focal point for the Strategic Planning Committee on long range goals and objectives to strengthen field performance in support of the AFA mission and vision.
4. Establishes, implements, and monitors Leadership Development programs at all levels of the AFA field. Establishes policy, guidance, program structure, and administers the Emerging Leaders Program under the direction of the VCOB-FO. Ensures ELP participants are assigned to councils and committees IAW the procedures outlined in this manual.
5. Reviews field performance in support of AFA goals and objectives and provides a summary and assessment to the AFA Board of Directors.
6. In coordination with the Association staff, develops policy recommendations for AFA Field Awards.
7. In coordination with the Development Committee and Association staff, develops recommendations for annual budget to support field operations. Prepares budget recommendations for the Association's field operations and submits to the Treasurer and President for consideration in the Association's budgeting process. May adjust funding allocations within an approved budget as necessary due to program changes and other requirements.
8. Works closely with the Aerospace Education Council to promote Field participation and support of the Association's education mission.

#### **E. AEROSPACE EDUCATION COUNCIL (AEC)**

1. Acts on behalf of the Association concerning the education mission, consistent with direction from the Board of Directors or the Executive Committee.
2. Establishes partnerships and provides professional development opportunities, scholarships, financial assistance, symposia, special studies, and programs that involve schools and universities.
3. Facilitates interaction with educational institutions, scientific organizations, government agencies and others necessary to achieve the Association's education objectives.



4. Works closely with the Field Council to promote field support of the Association's education mission. Recognizes outstanding contributions to aerospace education and supports the educational efforts of Regions, States, and Chapters; provides National and Local legislative educational advocacy programs; and expands effective use of all mass media in furtherance of the Association's education mission.
5. In coordination with the Development Committee, establishes fund raising objectives that support the Association's educational programs.
6. Conducts a timely annual Program Evaluation of the Association's education program based upon established standards of excellence.
7. In coordination with the Development Committee and Association staff, develops recommendations for annual budget to support the Association's education mission and submits to the Treasurer and President for consideration in the Association's budgeting process. May adjust funding allocations within an approved budget as necessary due to program changes and other requirements.
8. From time to time as necessary, the Chairman of the AEC may appoint advisors with specific expertise (e.g., CAP, ROTC, education experts, etc.) to assist the council.

#### **F. AUDIT COMMITTEE**

1. Acts as an advisory group to the Board of Directors and is responsible for overseeing the annual external audit of the Association. The Committee Chairman shall report directly to the Chairman of the Board.
2. Acquires an understanding of the quality and effectiveness of the independent auditor's services and recommends to the Executive Committee the selection or termination of the independent auditor on a year-to-year basis.
3. Establishes and maintains direct contact and continuing communication between the Board of Directors and the Association's independent auditors.
4. Reviews and discusses with the independent auditor the auditors' proposed scope of the audit prior to the start of the examination and, if necessary, informs the auditor of any selected areas to which special attention should be given.

5. Discusses with the independent auditor the nature and extent of any problems that they may have experienced in completing their examination, and determines if such problems warrant the Board's consideration.
6. Reviews the results of the audit with the independent auditor, discusses the meaning and significance of footnotes to the audited figures, and obtains all other relevant information about the audit that should be communicated to the Board of Directors.
7. Discusses internal controls with the independent auditors, assesses their effectiveness and, if necessary, obtains the auditors' recommendations to strengthen such controls and improve efficiency of operations.
8. Reviews the independent auditor's current management letter and determines if management has taken appropriate action on recommendations included in the prior year's letter.
9. As necessary, assumes other responsibilities within the context of the audit examination in order to further ensure the propriety and effectiveness of accounting principles and procedures employed and the fairness of the Association's financial statements are presented.
10. Reviews selected activities other than those normally addressed by the independent auditor when directed by the Chairman of the Board and the Executive Committee.
11. Meets separately with the volunteer leadership and executive staff to discuss any matters that the Committee, the independent auditors or management believes should be discussed privately with the Committee. Meets in executive session with the independent auditor without management being present, to provide the auditors an opportunity to report any significant observations not contained in the annual reports or management letter.
12. Addresses any matter brought to the attention of the Audit Committee to include issues addressed to the Audit Committee Chairman covered under the Whistle Blower Policy related to financial issues.
13. Reviews and discusses with the volunteer leadership and executive staff significant risks or exposures and the actions taken to minimize such risks to include the use of insurance to minimize risk.
14. Reviews with the volunteer leadership and executive staff and independent auditor's changes to Generally Accepted Accounting Principles that impact the organization.

15. Reports its findings directly to the Board of Directors.
16. Acts as the Audit Committee of the Board of Directors of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
17. Performs other duties that may be assigned by the Chairman of the Board.

## **G. DEVELOPMENT COMMITTEE**

1. Reviews and makes recommendations concerning the philanthropic affairs of the Association to the Executive Committee.
2. Develops proposals for major Association fund raising efforts, for example, capital campaigns, etc., to be submitted for approval to the Executive Committee and Board of Directors.
3. Works closely with the Empowered Councils, Committees of the Board, and Association staff to acquire funds to support the Association's mission.
4. The committee interfaces with the staff Director of Development to coordinate the Development Plan, and monitors and supports the execution of the Development Plan. Some of these duties include:
  - a. Reviewing and evaluating long-range strategies for philanthropic funds generation;
  - b. Seeking out and cultivating new committee members and advisors;
  - c. Assessing and analyzing successful philanthropic strategies of other organizations;
  - d. Monitoring the goals and objectives established in the Development Plan to include: 1) Development goals and objectives; 2) the AFA Strategic Plan; and 3) the AFA budget; and
  - e. Assisting the Director of Development and Association staff with expert knowledge and be available to assist the Director of Development to coordinate philanthropic efforts.
5. Works closely with the Finance Committee and Association staff to provide realistic estimates and projections of income resulting from the Association's philanthropic programs.

## **H. FINANCE COMMITTEE**

1. Reviews and makes recommendations concerning the financial affairs of the Association to the Executive Committee.
2. Reviews, approves, and makes recommendations to the Executive Committee for approval of the operating budget of the Association or revisions thereto.
3. Reviews financial data of the Association and makes recommendations to the Executive Committee concerning financial planning of the Association. This review will include an evaluation annually of the sufficiency of dues revenue, with recommendations forwarded to the Board of Directors through the Executive Committee.
4. Reports on financial matters to the Executive Committee and Board of Directors at each meeting.
5. Acts as the Finance Committee of the Board of Directors of the AFA Veteran Benefits Association and Air Force Memorial Foundation.
6. Performs other duties that may be assigned by the Chairman of the Board.

## **I. CONSTITUTION COMMITTEE (When Formed)**

1. Provides recommendation to the Chairman of the Board for changes to the Constitution and the Operations and Procedures Manual as a result of policy changes made by governing bodies of the Association.
2. Develops a model Constitution for State Organizations and Chapters.
3. If requested by Association staff, reviews State Organization and Chapter Constitutions for inconsistency with the Association Constitution and the Operations and Procedures Manual.
4. Provides interpretation of the Constitution and the Operations and Procedures Manual when requested by governing bodies of the Association.
5. Performs other duties that may be assigned by the Chairman of the Board.

## J. STRATEGIC PLANNING COMMITTEE<sup>2</sup>

1. The Strategic Planning Committee (SPC) consists of a Chairman and at least three at-large members, plus a member from the Field Council, the Aerospace Education Council, and the Finance Committee, and one member from AFA National staff. The Chairman and all members of the SPC are appointed by the Chairman of the Board, who also serves as a non-voting member.

2. The SPC is the primary organization responsible for facilitating development of the strategies, approaches, and documents relating to the strategic course of the Association. The SPC reports to the Chairman of the Board and, when required, the Executive Committee and Board of Directors. It performs these duties:

- a. Implements the Association's strategic planning process, as approved by the Executive Committee.
- b. With inputs from the Strategic Oversight Council, develops a long-range strategic vision for the Association.
- c. Leads development of a mid-term strategic plan for the entire Association that supports the long-range vision.
- d. Assists the AFA National staff, Councils and Committees in developing the Association's operating plan that integrates activities across the Association in support of the strategic plan.
- e. Facilitates strategic discussions for the SOC and Executive Committee to identify critical strategic challenges and issues facing the Association, and facilitates analysis of strategic alternatives and options.
- f. Reports on Strategic Planning matters to the Executive Committee and Board of Directors.
- g. Presents its reports and findings to the Executive Committee for approval.
- h. Performs other duties that may be assigned by the Chairman of the Board.

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<sup>2</sup> Approved by the Chairman of the Board 09/11/2015

## **K. STRATEGIC OVERSIGHT COUNCIL<sup>3</sup>**

1. The Strategic Oversight Council (SOC) consists of: the elected National Officers, the President, Executive Vice President, and AFA Headquarters Senior Staff Directors (as appropriate). The Chairman of the Board and President co-chair meetings of the SOC. The SOC is responsible for reviewing the work of the Strategic Planning Committee to include ensuring the strategic themes and objectives are aligned with the mission, vision, and values of the Association; that relevant internal and external factors have been considered in the process; that HQ, Field Council and Aerospace Education Council planning is aligned; and formulates/updates strategic priorities and challenges. It serves as the final oversight body prior to presentation of the Strategic Plan to the Executive Committee and ultimately the Board of Directors.

2. The SOC advises the Executive Committee and provides high-level strategic insight for the entire Association. It reviews the efforts of the Councils, Committees, and Staff to ensure they are integrated and aligned with the Association's strategic direction. The SOC examines strategic issues to ensure their effects are fully understood by Association leadership. Specifically, the SOC:

- a. Conducts strategic reviews to ensure that the Association's efforts across the Councils, Committees, and National Staff are integrated and aligned to AFA's strategy.
- b. Deliberates on long-range strategy, and periodically evaluates and adopts changes to the Association's mission, vision, and values.
- c. Evaluates strategic options and courses of action regarding the direction of the Association, typically affecting the 3-10 year timeframe.
- d. Provides insight and perspectives on issues, challenges, courses of action, and reports presented by SOC members or the SPC.

## **L. MEMBERSHIP COMMITTEE**

1. Reviews the membership policies of the Association and provides oversight of the administration of the membership program at the national and local levels.

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<sup>3</sup> Approved by the Chairman of the Board 09/11/2015

2. Reports and makes recommendations to the Vice Chairman of the Board for Field Operations on the progress and relevance of existing programs and initiatives for membership development.
3. Performs other duties that may be assigned by the Vice Chairman of the Board for Field Operations.

#### **M. NOMINATING COMMITTEE**

1. Selects for the ensuing year at least one nominee for the national elected offices of the Association and at least one nominee for each vacant director position. If there is a single candidate for an open position that, after his/her selection, later must drop their candidacy, the nominating committee will reconvene to provide another candidate.
2. Discusses the leadership requirements of the Association.
3. Evaluates the candidates for nomination to determine the most qualified and best suited to meet the Association's needs.
4. Presents to the Convention the report and the nominations of the committee and reads the qualifications of the candidates, if requested, or if there is a candidate nominated from the floor for any office.

#### **N. AIR FORCE MEMORIAL ADVISORY COMMITTEE (AFMAC)**

The Chairman of the Board of the Air Force Association shall appoint a Chairman and no more than six individuals who support the goals of AFMF to an advisory committee to formally advise the Board on the management and stewardship of the Air Force Memorial. The former officers of the Air Force Memorial Foundation (i.e. the Chairman, Vice Chairmen and Secretary/Treasurer) shall be permanent members of the committee. The Chief Executive Officer of the Air Force Sergeants Association shall be an appointed member of the committee, and the AFA President and AFMF Managing Director shall be nonvoting members of the AFMAC. The AFA Chairman of the Board shall serve as an ex officio member of the AFMAC. The AFMAC shall adhere to procedures and standards of any other AFA standing committee and shall be considered a committee of the Board of Directors, with the sole exception that chairmanship or membership on the committee is not restricted to voting members of the Board of Directors.

The committee shall meet at the request of the AFA Chairman of the Board only at such times as there are issues to discuss; however, the

committee shall convene at least annually for a status update. Any member of the committee may identify issues, and meetings will be conducted via teleconference to the maximum extent practical. The AFMF Managing Director shall provide a written Memorial activities recap on at least a quarterly basis to the members of the AFMAC.

#### **O. FORCE CAPABILITIES ADVISORY GROUP**

1. The Force Capabilities Advisory Group is composed of very senior retired Air Force and national security leaders who accept the invitation of the Chairman of Board. The group provides a senior Air Force perspective that begins the process of formulating the annual Statement of Policy and Top Issues.
2. The Committee shall meet annually at a time as determined by the Chairman of the Board early enough in the calendar year to influence the Statement of Policy formulation process.
3. The FCAG will solicit inputs from the senior leadership of the Air Force to understand the key policy issues facing the Service.
4. The Chairman of the Board may appoint a Chairman to conduct the meeting, and AFA National staff will consider FCAG input into formulation of the initial draft Statement of Policy.

#### **P. SENIOR LEADER ADVISORY GROUP (SLAG)**

1. The Senior Leader Advisory Group is composed of former AFA/AEF Chairmen of the Board and other former AFA leaders who accept the invitation of the Chairman of Board. The committee provides a senior AFA volunteer leader perspective for the benefit of current Association leadership and serves as a venue to explain current significant Association issues to these influential volunteer leaders.
2. The Committee shall meet annually at a time as determined by the Chairman of the Board.
3. The Chairman of the Board shall Chair the meeting and may form subcommittees of the group to provide advice and counsel to current AFA leadership on issues as assigned by the Chairman.



## **Q. WOUNDED AIRMAN COMMITTEE (WAC)<sup>4</sup>**

1. Act on behalf of the Association in matters regarding the AFA Wounded Airman Program at the direction of the Vice Chairman of the Board for Field Operations consistent with intent of the Board of Directors and the Executive Committee.
2. Identify and provide or coordinate assistance to Airmen and the families of Airmen who have been wounded or otherwise treated for diseases or other medical conditions such as Post Traumatic Stress Disorder or Traumatic Brain Injury associated with combat or combat support operations, in cooperation with and as defined by the Air Force Wounded Airman Program.
3. Work closely with AFA Airman and Family Programs Staff to secure funding and conduct advocacy, education, outreach, and public relations efforts.
4. Establish relationships with AFA Chapters, the Air Force Aid Society and the Air Force Wounded Airman Program Office at AFPC, and other agencies and advocacy organizations to support the needs of wounded Airmen and their families in accordance with overall AFA support policy.
5. Work closely with the Field Council to promote field support of the WAP and ensure intervention and interaction when needed IAW AFA policy.
6. Expand effective use of all mass media in furtherance of the Association's Wounded Airmen advocacy mission.
7. In coordination with the Development Committee, establish fund raising objectives.
8. Conduct a timely annual program evaluation of the WAP's established program goals to ensure excellence.
9. Report to the VCoB-FO and Board on activities as directed, to include items as outlined in the MOU, funds status, activities, and special ethical reviews.
10. Carry out other duties as assigned by the VCoB-FO.

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<sup>4</sup> Approved by the Board of Directors 02/22/14

## **R. AWARDS COMMITTEE<sup>5</sup>**

The AFA Awards Committee is chaired by the Chairman of the Board. Other members shall be the two Vice Chairmen of the Board and two past Chairmen of the Board of the Association chosen by the Chairman. The committee will meet at the call of the Chairman and a quorum for this committee shall consist of at least four members. The committee may select individuals or units for an appropriate AFA award without regard to nominated status. No member of the committee shall be eligible for an AFA Individual Award during the awards cycle under consideration.

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<sup>5</sup> Approved by the Board of Directors 02/14/2015

## **IV. RESPONSIBILITIES OF ADVISORY COUNCILS**

### **A. AIR FORCE RESERVE ADVISORY COUNCIL**

1. Develops Air Force policy recommendations on quality of life and quality of service issues which impact Air Force Reserve members.
2. Identifies and prioritizes quality of life and quality of service issues, driven by legislative action, which impact Air Force Reserve members.
3. Prepares input, to include background information, and recommends action by the Air Force on these issues.
4. Makes recommendations to the Air Force through AF/RE on policy issues which impact Air Force Reservists.
5. Responds to Air Force Reserve requests for study, evaluation, and/or recommendation on issues affecting members of the Air Force Reserve.
6. Performs other such duties as may be assigned by the Air Force Reserve.

### **B. AIR NATIONAL GUARD ADVISORY COUNCIL**

1. Develops Air Force policy recommendations on quality of life and quality of service issues which impact Air National Guard Members.
2. Identifies and prioritizes quality of life and quality of service issues, driven by legislative action, which impact Air National Guard Members.
3. Prepares input, to include background information, and recommends action by the Air National Guard on these issues.
4. Makes recommendations to the Air National Guard on policy issues which impact Air National Guard members.
5. Responds to Air National Guard requests for study, evaluation, and/or recommendations on issues affecting Air National Guard members.
6. Performs other such duties as may be assigned by the Air National Guard.

### **C. CIVILIAN ADVISORY COUNCIL**

1. Develops Air Force policy recommendations on quality of life and quality of service issues which impact Department of Air Force employees.
2. Identifies and prioritizes quality of life and quality of service issues, driven by legislative action, which impact Department of Air Force employees.
3. Prepares input, to include background information, and recommends action by the Association on these issues.
4. Makes recommendations to the Air Force through the Air Force Deputy Chief of Staff for Personnel on policy issues which impact Air Force employees.
5. Responds to Air Force requests for study, evaluation, and/or recommendations on issues affecting department of Air Force civilian employees..
6. Performs other duties that may be assigned by the Air Force.

### **D. ENLISTED ADVISORY COUNCIL**

1. Develops Air Force policy recommendations on quality of life and quality of service issues which impact the enlisted force.
2. Identifies and prioritizes quality of life and quality of service issues, driven by legislative action, which impact the enlisted force.
3. Prepares input, to include background information, and recommends action by the Air Force on these issues.
4. Makes recommendations to the Air Force through the Chief Master Sergeant of the Air Force on policy issues which impact the enlisted force.
5. Responds to Air Force requests for study, evaluation, and/or recommendations on issues affecting the enlisted force.
6. Performs other duties that may be assigned by the Air Force.

## **E. COMPANY GRADE OFFICERS' COUNCIL**

1. Develops Air Force policy recommendations on quality of life and quality of service issues which impact Air Force company grade officers.
2. Identifies and prioritizes quality of life and quality of service issues, driven by legislative action, which impact company grade officers serving in the Air Force.
3. Prepares inputs, to include background information, and recommends action by the Association on these issues.
4. Makes recommendations to the Air Force through the Air Force Deputy Chief of Staff for Personnel on policy issues which impact Air Force company grade officers.
5. Responds to Air Force requests for study, evaluation, and/or recommendations on issues affecting Air Force company grade officers..
6. Performs other duties that may be assigned by the Air Force.

## **F. VETERANS/RETIREE ADVISORY COUNCIL**

1. Develops Association policy recommendations on quality of life issues which impact military veterans and retirees at Federal, state, and local levels.
2. Identifies and prioritizes quality of life issues which impact veterans and retirees.
3. Defines an action plan to address the issues defined above.
4. Represents the Association on issues which impact veterans and retirees at the request of the Chairman of the Board.
5. Makes recommendations to the Chairman of the Board on policy issues which impact veterans and retirees.
6. Identifies and makes recommendations to the Association to enhance more effective involvement of the Veteran and Retiree membership in the Association.
7. Performs other duties that may be assigned by the Chairman of the Board.

## **V. RESPONSIBILITIES OF REGION PRESIDENTS, STATE ORGANIZATIONS AND CHAPTERS**

### **A. RESPONSIBILITIES OF REGION PRESIDENTS, STATE ORGANIZATIONS AND CHAPTERS**

#### **1. Governing Documents**

- a. Each State Organization and Chapter shall have governing documents which shall not be inconsistent with the Constitution or the Operations and Procedures Manual of the Association and shall be subject to review and acceptance by the Association staff unless further action is requested from the Constitution Committee.
- b. Chapter governing documents shall not be inconsistent with the governing documents of its State Organization.

#### **2. Officers**

- a. Each Region shall elect a Region President for a one-year term as outlined in the Field Operations Guidebook. Region Presidents may not concurrently serve as directors.
- b. Each State Organization and Chapter shall have officers and a governing body as outlined in the Field Operations Guidebook.

3. Association dues are paid at the national level. Each Chapter may levy assessments or establish chapter dues within the limitations established in the Field Operations Guidebook.

4. Region Presidents, State Organizations and Chapters shall not enter into any agreements, leases, or make other commitments which directly or indirectly legally obligate or constrain the Association without prior written approval of the Vice Chairman of the Board for Field Operations, in coordination with the President. They shall not engage in any activity contrary to, or inconsistent with, the purpose or policies of the Association.

5. Any chartered State Organization or Chapter which is separately incorporated and is using the name "Air Force Association" as part of its corporate title, shall also include the name of the state, county or city where it is located as part of its title.

6. Any chartered State Organization or Chapter which is separately incorporated shall be deemed to have agreed and consented to eliminate the words "Air Force Association" from its corporate title in the event of revocation or termination of its charter.

7. Region Presidents have a special responsibility to interface with the Field Council (FC) as their conduit directly to the Board of Directors on policy and procedure matters affecting the field. Region Presidents serving in their second term are eligible for nomination to the FC and must consult and advise the Vice Chairman of the Board for Field Operations on potential candidates and qualifications of nominees to the FC.

8. The Region Presidents and the State Presidents shall meet face-to-face at least once every two years to meet the AFA National Leadership and learn their roles and responsibilities as field leaders.

## VI. RULES AND PROCEDURES

### A. NATIONAL CONVENTION<sup>6</sup>

#### 1. Delegates

- a. The delegates to the Convention shall be those persons who have been duly selected or appointed as delegates in accordance with the Constitution, have registered for the Convention, and have been duly certified as delegates by the Credentials Committee. No person may participate in the business sessions of the Convention who is not a delegate as defined in the Rule, is not a national officer or director of the Association, or has not been expressly invited to do so by the Presiding Officer. This provision does not apply to persons with AFAVBA business as described in [paragraph VI.A.2.k.](#) below.
- b. The total voting memberships and the number of active chartered Chapters in each State Organization have been computed in accordance with the Constitution with the results set forth in the schedule attached to these Rules, except as the same may be revised by the Credentials Committee, the voting strength of each State Organization will be set forth therein.
- c. Not later than two (2) hours before the opening of the First Business Session, the Chairman of each State Organization delegation shall furnish the Credentials Committee with the names of its official delegates, shall certify that each delegate is registered for the Convention, and shall report the number of vacancies which exist in its delegation to the Convention. Also within said time period, any person who claims the right to be a delegate to the Convention but who has not been designated as such in the list of official delegates of his State Organization furnished to the Credentials Committee as foresaid, shall file with said committee a written statement to such effect, setting forth the reasons why the claim is deemed to be valid. From time to time, a State organization may find that it is unable to send any delegates to the National Convention. Should this arise, and the State wishes to insure its votes are cast in the election, it may make a request, that its Region President, or other Region officer who plans to attend the convention, change their Chapter affiliation to one of that State's chapters and act as the State's Head of Delegation. This re-affiliation is not deemed to be a proxy as defined in [Paragraph VI. A. 3 b.](#) of this Manual. However, this request shall be either in writing or electronic mail, and the other State involved shall send a copy of its request to National Field Services.

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<sup>6</sup> Approved by the Convention Delegates 09/12/2015



- d. Thereafter, the Credentials Committee shall hold such hearings as it deems necessary to determine all disputes as to the qualifications of delegates and the voting strength of the respective State Organizations, and shall submit its report at the first business session for approval. In addition, the said committee shall notify the Chairman of each delegation (who, for the purpose of this Rule, as it applies to chartered State Organizations shall be the State President, or his designee, and, as it applies to un-chartered states, shall be the person elected as Chairman by a majority of the duly selected delegates from such state) as to the number of vacancies which exist in his delegation. As soon thereafter as it is practicable, said Chairman shall notify the Credentials Committee as to the names of the delegates whom they have appointed to fill such vacancies. Upon such notifications and the approval of the report of the Credentials Committee, such appointees shall be deemed to be official delegates to the Convention. In the case of un-chartered states, the appointees shall be those persons who have been appointed as delegates under the Constitution. All disputes concerning the report of the Credentials Committee, if any, shall be resolved by the Presiding Officer.
  
- e. If a re-affiliation as described in [VI. A. 1. c.](#) above takes place after 1 May of the election year, and, if the person who elects to re-affiliate for purposes of acting as Head of Delegation for an unrepresented State in his/her Region is also a candidate for one of the positions being voted on at the Convention (either through the Nominating Committee or through nomination from the floor), they may cast a only single vote for that office for which they are a candidate – all remaining votes shall remain uncast for that office. For all other offices, this person may cast the entirety of the State’s credentialed votes in the manner prescribed by the Constitution. The Credentials Committee, in consultation with the Parliamentarian, shall notify the Inspectors of Elections when such a case arises in order that the voting may be conducted in accordance with these procedures.

## **2. Resolutions, Policy and Position Papers**

- a. Except as provided in [subparagraph 2.c.](#) of this Section, the Convention will only consider resolutions and/or recommendations for inclusion in policy and position papers (hereafter referred to collectively as resolutions) which have been reduced to writing and personally delivered, by mail (as evidenced by postmark), or electronic mail to the Secretary by active State Organizations or Chapters, by standing or ad hoc committees or councils, or by voting members of the Association, no later than forty-five (45) days prior to the official opening of the Convention. Any member of AFA Veteran Benefits Association may also follow the resolutions procedure described herein to propose changes to that organization only.

- b. Upon receipt of all proposed resolutions within the time prescribed in [sub-paragraph 2.a.](#) above, the Secretary, with the approval of the Chairman of the Board, shall promptly refer the same to the AFA committee or council which, in his opinion, is most closely concerned with the subject matter of each particular resolution, for its comments and/or recommendations. As soon thereafter as is practicable, said committee or council shall advise the Secretary as to its findings respecting each resolution considered by it. In case of the failure of any committee or council to advise the Secretary as to its findings concerning the resolutions referred to it, as foresaid, within the time period specified above, the Chairman of the Board and the Executive Committee shall take action on such resolutions without said committee or council comments. The procedure provided for in this subparagraph shall not apply to the resolutions recommended for consideration under [subparagraph 2.c.](#) below. Resolutions shall be reviewed by the Board of Directors and submitted to the Convention together with Board recommendations.
- c. Prior to the opening of the first business session, any delegate (or any member of AFA Veteran Benefits Association, for issues pertaining to that organization only) may submit in writing to the Secretary a proposed resolution, which resolution shall hereafter be called a late resolution. The late resolution shall be reviewed by the Executive Committee and shall be presented to the Convention under New Business. Late resolutions must receive a two-thirds (2/3) vote of the delegates in attendance to be received for consideration.
- d. For the purpose of these Rules, all motions proposing that the Convention take certain action or that it express itself as holding certain views shall be deemed to be resolutions.
- e. The report of the Executive Committee shall exclude any proposed resolution duly submitted to it if in the opinion of said committee such proposed resolution: (a) is repetitious of another resolution submitted to it or of any matter included in the Statement of Policy; or (b) in a proper case, is not accompanied by the requisite constitutional amendment occasioned by such resolution; or (c) is too vague and indefinite for proper consideration by the Convention; or (d) is patently unnecessary; or (e) is frivolous; or (f) proposes that this Association act unlawfully. All proposed resolutions excluded shall be returned by the Executive Committee to the State Organization, Chapter, Committee, Council, or individual who submitted the same, together with a statement as to the reason for such exclusion.
- f. So long as the intent of an otherwise unobjectionable resolution is preserved, the Executive Committee shall have the power to revise the form thereof prior to reporting upon said resolution to the delegates.

- g. Prior to making its report to the delegates, the Executive Committee shall title each resolution which it intends to include in said report.
- h. At such time as shall be specified by the Presiding Officer of the Convention, the Secretary or his appointee shall present the Committee's report to the delegates by reading the title and text of each proposed resolution, together with such explanatory remarks as he may desire to make. After the reading of each resolution, the Secretary shall move for the adoption of the recommendation of the Board. If the resolution is duly seconded, the Presiding Officer shall then declare the resolution to be before the Convention for its consideration and decision.
- i. Notwithstanding the provisions of [Rule 2.h.](#), which requires that the text of resolutions shall be read to the delegates, said reading may be dispensed with, provided copies of said resolutions are distributed among the delegates, in writing, prior to the time when they are to be considered.
- j. After all reported resolutions have been fully acted upon by the delegates, the resolutions excluded under [Rules 2.b.](#) and [2.e.](#) may be orally moved, in the identical language in which such resolutions were originally submitted to the Executive Committee, by the State Organization, Chapter, Committee or Council which, or individual who, originally submitted the same. No resolution which was excluded because it was not submitted within the time limitations prescribed in Rule 2 may be presented to the delegates under this Rule.
- k. Any individual who is not an official delegate to the Convention, but who is a member in good standing of AFA Veteran Benefits Association (AFAVBA), may be afforded the opportunity to be present during that portion of the business session set aside to deal with issues pertaining to AFAVBA only. To exercise this privilege, the individual must deliver a request to be present and issue(s) of concern in written form to the Association Secretary no later than forty-five (45) days prior to the official opening of the Convention. Upon compliance with these procedures, the individual may propose business pertaining to AFAVBA and participate in discussion/debate on such issues, but may vote only on any AFAVBA issue brought for action by the delegates.

### **3. General Election Rules**

- a. On the roll call pertaining to any question or election, the Chairman of each State Organization delegation, or designee, shall act as the official spokesman thereof, and shall in each instance announce the vote of his delegation. No designation made under this Rule shall be recognized unless it is in writing and is presented to the Chairman of the Credentials Committee prior to the commencement of the roll call upon which the designee shall

act as Chairman. Designations once made, shall continue in effect unless and until State Organization delegation Chairmen shall otherwise notify the Credentials Committee in writing.

- b. Except as otherwise provided in the Constitution or in these Rules, relating to unit voting on the election of national officers or directors, no State Organization, Chapter or member may delegate votes to any other State Organization, Chapter or member, by proxy or otherwise.
- c. Except as otherwise provided in the Constitution or elsewhere in these Rules, all motions, and resolutions considered by the delegates shall be determined by a majority vote of the delegates on the floor of the Convention at the time of the vote.
- d. In the case of a voice vote when the result is unclear, the vote may be re-taken by a rising vote or a counted rising vote as necessary. If the result of the vote remains unclear, the Presiding Officer shall call for a roll call vote of the delegations.
- e. If a re-affiliation as described in [VI. A. 1. c.](#) above takes place after 1 May of the election year, and, if the person who elects to re-affiliate for purposes of acting as Head of Delegation for an unrepresented State in his/her Region is also a candidate for one of the positions being voted on at the Convention (either through the Nominating Committee or through nomination from the floor), they may cast a only single vote for that office for which they are a candidate – all remaining votes shall remain uncast for that office. For all other offices, this person may cast the entirety of the State's credentialed votes in the manner prescribed by the Constitution. The Credentials Committee, in consultation with the Parliamentarian, shall notify the Inspectors of Elections when such a case arises in order that the voting may be conducted in accordance with these procedures.

#### **4. Nominating Committee Report and Election of Officers and Directors**

- a. Voting Sequence.

The election shall be conducted on a single ballot with candidates listed in the following order: Chairman of the Board, Vice Chairman of the Board for Field Operations, Vice Chairman of the Board for Aerospace Education, Secretary, Treasurer, Directors at-Large, and Directors from the Geographic Areas.

b. Voting Procedures

- 1) At such time as shall be specified by the Presiding Officer, the Chairman of the Nominating Committee or his appointee, shall present the report and nominations of said committee for all offices by reading the names of said nominees and the respective offices for which they have been nominated, together with such explanatory remarks as he may wish to make.
- 2) At the conclusion of said report, the Presiding Officer shall call for further nominations from the floor for each office being considered before calling for the vote.
- 3) As to each of said offices with respect to which there is only one nominee and no further nominations are made, the Presiding Officer shall move the adoption of the report of the Nominating Committee, and if the motion is duly seconded and passed, the Presiding Officer shall instruct the Secretary of the Convention to cast a unanimous ballot for the nominee for said office designated by the Nominating Committee, and said nominee shall be deemed to have been duly elected by this Convention.
- 4) If there is more than one nominee for any particular office, the Presiding Officer shall, in the foregoing order, declare the election for said office to be before the Convention, and shall entertain no more than two (2) supporting speeches for each nominee, one of which may be given by the candidate. At the conclusion of said speeches, none of which shall exceed (5) minutes in duration without the permission of the Presiding Officer, the Presiding Officer shall place the election before the Convention.
- 5) Prior to the distribution of ballots to the respective delegations, the Presiding Officer shall appoint not less than three (3) Inspectors of Election from among the delegates to the Convention, none of whom shall be candidates for election by the Convention, and one of whom shall be designated as Chairman. The Inspectors of Election shall distribute the ballots among the respective delegations, count the votes, and generally supervise the conduct of the election. All questions relevant to the acceptance or rejection of the votes shall be decided by the Presiding Officer.
- 6) Voting for the election of directors shall be non-cumulative. No delegate may vote more than once for the same candidate.
- 7) In the event of a tie, a roll call vote shall be conducted for those nominees involved in the tie; the nominee, or nominees if the situation so requires, with the majority of roll call votes shall be declared elected. At the discretion of the Presiding Officer, voting by paper ballot may be substituted for the roll call vote.
- 8) If no candidate receives a majority, the candidate with the least number of votes shall be deleted from consideration and delegates shall vote again by roll call. Voting shall be repeated until a majority is obtained. At the discretion

of the Presiding Officer, voting by paper ballot may be substituted for the roll call vote.

- 9) Following the counting of votes, the Inspectors of Election shall render a written report to the Presiding Officer setting forth the number of votes which each nominee received, and the Presiding Officer, after examining said report, shall declare the nominee(s) with the greatest number of votes, to have been duly elected.

c. Permanent and Transitional Officer Tenures<sup>7</sup>

As defined in the Constitution, Article VII, Section 1A, the tenures of the Chairman, Vice Chairman for Aerospace Education, Vice Chairmen for Aerospace Education and Field Operations, and Secretary shall be a maximum of three years each, consisting of three one-year terms. The Treasurer's tenure shall be a maximum of four years, consisting of four one-year terms. In order to transition to these tenures from those previously defined, the following transition plan will apply:

	Chairman	Vice Chairman/AE	Vice Chairman/FO	Secretary	Treasurer
Current tenure (years)	2	3	2	2	4
Current tenure ends in September of	2018	2018	2018	2019	2020
Transition tenure	1 year added	No change	2 years	1 year added	No change
Transition tenure ends in September of	2019	2021	2020	2020	2020
New tenure (years)	3	3	3	3	4
New tenure begins in October of	2019	2018	2020	2020	2020

d. Assumption of Office

All National Officers and Directors shall serve from the first day of the month following the adjournment of the National Convention at which they are elected or until their successors take office.

**5. General Convention Rules**

- a. Except as otherwise provided in these Rules, the Presiding Officer of the business sessions of the Convention, shall be the Chairman of the Board or such other person or persons as he may appoint, from time to time, to act in his place.

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<sup>7</sup> Approved by the Board of Directors 02/23/2018

- b. No delegate shall speak more than twice upon the same question, or longer than five (5) minutes at one time, without the permission of the Presiding Officer.
- c. Except as otherwise specifically provided in these Rules, the order of business at the Convention shall be as directed by the Presiding Officer.
- d. Except to present a parliamentary inquiry, a question of privilege, or a point of order, no delegate shall address the chair, while any other delegate has the floor.
- e. Motions to table any resolution, motion or other matter which is then being considered by the delegates shall be declared out of order if: (a) the party making the motion to table shall preface or support his motion by any statement against the pending resolution, motion or other matter, or (b) if the motion to table is made at a time when, in the opinion of the Presiding Officer, the opposing parties to the pending question shall not have had a reasonable opportunity to present their respective views.
- f. After receiving advice from the Parliamentarian on any questions of procedure, the ruling thereon by the Presiding Officer shall be final, except that any delegate may appeal the ruling of the chair for decision by the delegates; provided, however, that no such ruling by the Presiding Officer may be overruled except by a two-thirds (2/3) vote of the delegates on the floor of the Convention at the time of the vote.
- g. This Rule may neither be suspended, amended or rescinded, nor may any business that is out of order under this Rule be considered by the Convention, except by a two-thirds (2/3) vote of the delegates on the floor of the Convention at the time of the vote.
- h. Except as otherwise provided in the Constitution and the Operations and Procedures Manual or in these Rules, Robert's Rules of Order Newly Revised will prevail during all business sessions of the Convention.

## **B. NOMINATING COMMITTEE<sup>8</sup>**

### **1. Mission**

The Nominating Committee shall be responsible for nominating the best qualified AFA members to serve as national officers and directors. The Nominating Committee shall accomplish this mission by:

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<sup>8</sup> Approved by the Board of Directors 09/11/2015

- a. Searching for and recruiting members who are exceptionally well qualified and willing to serve. It is particularly important that the Association find candidates with the following characteristics:
  - 1) A capacity to govern with vision, think strategically and understand the business management of the three organizations for which the Board is responsible.
  - 2) A willingness to give freely of their time, talent, and treasure and to personally support the fundraising and development objectives of the Association. Every board member will be assigned to and be expected to actively serve on a committee.
  - 3) An understanding of and ability to work in a hybrid organization with a unique relationship between committed volunteers at all levels and the professional staff.
  - 4) An understanding and appreciation of the AFA mission, vision, values and history, including the legacy represented by the Air Force Memorial.
- b. Soliciting from national officers, directors, Region Presidents, State Organizations, Chapters and members the names of those members who are exceptionally well qualified and willing to serve, and also;
- c. Considering fully and determining the qualifications of members who volunteer to serve as a national officer or director.

## **2. Membership**

The Nominating Committee shall consist of the members as defined in the Constitution. The Chairman of the Board in the second year of office shall serve as an observer (nonvoting) of the committee.

## **3. Quorum**

A quorum of the Nominating Committee shall consist of two-thirds (2/3) of its membership.

## **4. Meeting Time and Place**

The Nominating Committee shall meet in executive session at times and places selected by the Chairman of the Board, in consultation with the Chair of the Nominating Committee. Notice of the meeting(s) shall be issued at least thirty (30) days prior to the date.



## **5. Chairman**

The most immediate past Chairman of the Board will be the Committee Chairman.

## **6. Nominees to be Selected/Eligibility**

The Nominating Committee shall select for the ensuing year, at least one (1) nominee for each of the elected national offices and at least one (1) nominee for each vacant director position, subject to the following restrictions:

- a. After an elected member has served a consecutive three (3) year term as a director, that member shall not be eligible for reelection to the Board as a director until one (1) year's absence from the Board in that position.
- b. Any member of the committee, once the committee is formed, will be ineligible for election to any national officer or director position during the election cycle of his/her service on the committee.
- c. The National Director – Area must be from the appropriate geographical area as defined in this Manual ([para. VI. D. 5.](#))

## **7. Search Procedures**

Primary responsibility for the search function will rest with the Nominating Committee. The Committee will:

- a. Search for, identify, encourage and recommend individuals who are exceptionally well qualified and willing to serve in positions as national elected officers and directors. This function can be performed collectively and/or individually by members of the Committee. In addition to the desired characteristics listed in [paragraph B.1. above](#), the Chairman of the Board, in consultation with the EXCOM, may provide additional, specific skills/talents needed by the board due to departing board members.
- b. The outgoing National Director for that geographic area will coordinate with the RPs and other National Directors/AFA leaders in that area to identify, encourage and recommend potential candidates for his/her replacement, and forward the recommendation(s) to the Nominating Committee. This is to ensure that the field leaders who likely have direct knowledge/contact with potential Directors with "field leadership experience" are involved in the process.

- c. Encourage all members of the Association to search for, identify, encourage and recommend individuals who are exceptionally well qualified to serve in national officer or director positions.
- d. Communicate with the Chairman of the Board and the Vice Chairmen concerning the known and anticipated leadership needs of the Association no later than six months before the National Convention.

## **8. Nominating Procedures**

### **a. Slate of Recommended Nominees**

Prior to the nominating meeting, the Association staff shall compile, from recommendations received and submitted by the Committee, a list of the individuals recommended for nomination to each office and to the Board of Directors. Said list shall be distributed to each member of the Committee as the first order of business of the meeting. Following such distribution the Chairman shall call for further recommendations from the floor and shall add all additional recommendations to the list of nominees set forth in the distributed list and declare that for the purposes of this meeting, the Committee shall consider all names set forth on the distributed list and presented from the floor as the individuals to be considered for nomination for the offices to which they have been respectively recommended. The consent of the nominees must be obtained in writing and submitted to the Nominating Committee prior to a vote being taken thereon. Any individual who withdraws from the nomination process once a written consent form has been submitted, must do so by written means directly to the Chairman of the Nominating Committee.

### **b. Order of Selection**

The Nominating Committee's slate of nominees for presentation to the Convention, shall be selected in the following order: Chairman of the Board, Vice Chairman of the Board for Field Operations, Vice Chairman of the Board for Aerospace Education, Secretary, Treasurer, directors to be elected at-large, and directors to be selected from the geographic areas.

### **c. Nominating Discussions and Procedures.**

The nature of the Nominating Committee's work, including access to personal information and opinions about potential candidates, places the members in a position of special trust.

- 1) All discussions within the Committee shall be considered privileged and confidential and shall not be disclosed outside the Committee without the expressed permission of the Committee Chairman.

- 2) Similarly, because Nominating Committee members have had access to confidential information regarding the potential nominees, no person who is serving on the committee may endorse or campaign in any way (to include supporting letters, e-mails, brochures, calls, etc.) for any candidate nominated by the committee. However, a member of the nominating committee may, when serving as a convention delegate in their respective Region Caucus, respond to questions concerning candidates and their qualifications, limiting such responses to public information only and without endorsement.
- 3) No member of the nominating committee may attempt to influence any candidate not to run for any office for any reason.
- 4) Discussions on the qualifications of each candidate shall be conducted by the Committee before voting. The Chairman may call a teleconference prior to the formal meeting of the Committee to begin the discussion process.
- 5) At the first meeting of the Nominating Committee, the Chairman will ask if any member intends to run for national officer or director during the election cycle. If anyone does intend to run, they are to withdraw from the Committee per paragraph 6 b. above.
- 6) All members "recruited by search" to be considered by the nominating committee, shall be informed in writing or electronically by the NC Chairman that such recruitment does not assure nomination or election. The candidate will acknowledge receipt of this notification in writing or electronically.

## **9. Voting**

- a. To determine their qualifications, each candidate will be voted on separately by voice vote. Those who are deemed qualified by receiving a majority of the votes of the Committee present and voting shall be considered qualified.
- b. If the first vote results in more than one qualified candidate for any open position, the committee will determine its final recommendation as to which candidates should comprise the final slate as determined by a majority vote of the Committee.

## **10. Director Eligibility**

After an elected member has served a consecutive three (3) year term as a director, that member shall not be eligible for reelection to the Board as a director until one (1) year's absence from the Board in that position.

## **11. Voting Results**

Voting results will be available to both successful and unsuccessful candidates by request to the Chairman of the Nominating Committee.

## **12. Nominating Committee Slate**

As soon as possible after the meeting, the Secretary shall distribute the slate selected by the Committee to the national officers, the Board of Directors, to Region, State and Chapter Presidents, and to all individuals included on the slate. Also, for the information of the general membership, the slate shall be published in an issue of Air Force Magazine which is scheduled for distribution at least thirty (30) days prior to the election date at the National Convention.

## **C. CREDENTIALS COMMITTEE**

### **1. Mission**

The mission of Credentials Committee is to certify that delegates to the National Convention have been duly selected or appointed and the voting strength of each State delegation determined in the Constitution and the National Convention Rules and Procedures.

### **2. Membership**

The Credentials Committee consists of a Chairman and two additional members selected by the Vice Chairman of the Board for Field Operations.

### **3. Tasks**

The tasks of the Credentials Committee are fully set forth in the National Convention Rules and Procedures. They include the following:

- a. The Committee receives the Official Delegate Roster from the Delegation Chairman for each state and compares it to the list of registered delegates to the National Convention.
- b. The Committee will add or delete names as required so that the official roster contains the names of all individuals that are to be certified as delegates. Each official roster will note the total number of delegates present and the total allocated number of authorized delegates according to the Constitution or as revised by the Credentials Committee.

- c. The Committee will receive any written statements by members who claim the right to be designated as a delegate where a vacancy exists in a state delegation.
- d. The Committee will hold hearings as necessary to determine all disputes as to the qualifications of delegates and the voting strength of the respective State organizations.
- e. The Committee will submit its report at the first business session for approval.

**D. ELECTION OF VOTING DIRECTORS**

The Constitution directs that one-third (1/3) of the nine (9) elected directors be elected at the National Convention each year. These three shall be elected as follows:

- 1. Two (2) director positions will be elected at-large by the delegates to the National Convention.
- 2. One (1) director per geographic area according to the schedule listed below.
- 3. The Nominating Committee should nominate at least one candidate for each vacancy.
- 4. Directors elected from geographic areas will be elected by all of the convention delegates from the slate provided by the Nominating Committee or from nomination from the floor, with only candidates from the respective geographic area eligible.
- 5. Geographic areas are established comprised of the Regions shown below. Directors will be elected according to the following schedule which will repeat every third year thereafter.

<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>CENTRAL</u></b>	<b><u>EAST</u></b>	<b><u>WEST</u></b>
Great Lakes	Central East	Far West
Midwest	Florida	Northwest
North Central	New England	Rocky Mountain
South Central	Northeast	Southwest
Texoma	Southeast	

## **E. ATTENDANCE REQUIREMENTS - VOTING DIRECTORS**

Any voting director who shall miss two (2) consecutively scheduled Board meetings without prior excuse by the Chairman of the Board shall be removed from the Board of Directors. Board members so removed cannot be reappointed but may be reelected at subsequent conventions.

## **F. ELECTION OF NATIONAL OFFICERS AND DIRECTORS SHOULD A NATIONAL CONVENTION BE CANCELLED<sup>9</sup>**

1. The Board of Directors, after consultation by electronic or other means, shall direct that the elections of national officers and directors be held by paper or electronic ballot from each of the states.
2. The President of each State shall serve as the Chairman of the State for purposes of this election. For those States without a State Organization, the Region President will function in this capacity. The State or Region President to serve shall be that individual whose term ends at the end of the operating year in which the election is conducted. A designee may be appointed by the Region President to serve as State Chairman for the election provided the AFA Vice Chairman of the Board for Field Operations is notified in writing of the appointment.
3. As soon as practicable after the decision of the Board, the report of the Nominating Committee shall be sent to the Chairman of each State. It shall list the candidates for each of the national elected officer positions, candidates for the vacant position(s) for National Director to be elected at-large, and candidates for the office of National Director from the Geographic Areas. This notification shall be sent by mail as well as by electronic means.
4. Each State will be afforded two (2) weeks from the date the Nominating Committee report is sent out to identify additional nominees for any position. If there are such, the AFA Chairman of the Board shall immediately be informed and provided with the following:
  - a. A statement of nomination of that candidate by a member of the Association.
  - b. A second to that nomination by a member of the Association.
  - c. A consent to serve by the nominee.
  - d. Biographical information for inclusion in the ballot package and for posting on the AFA Web site.

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<sup>9</sup> Approved by the Board of Directors 02/23/2018

- e. Initial notification should be by the most expeditious means available. Items 4.a. through 4.c. above must be signed and in writing and received no later than one week following the end of the notification period by either mail or electronic means. Biographical information should be sent electronically if possible.
5. Biographical information on additional candidates shall be provided to the State Chairmen immediately by mail as well as through electronic means.
6. Each State Chairman shall be provided a single ballot containing the total voting strength for the state and listing all elective positions open and all candidates for each position as follows:
  - a. A section listing candidates for uncontested national officer positions. This provides a place for the State to indicate it votes to adopt the report of the Nominating Committee for each candidate.
  - b. A section listing candidates for contested national officer positions.
  - c. A section listing candidates for National Directors to be elected at-large.
    - 1) If there are two vacant positions, this section will include the instruction, "Voting for the election of directors shall be non-cumulative, which means that no delegate may vote more than once for the same candidate."
    - 2) The instructions will also state that a delegate may vote for no more than two candidates to fill the two vacant positions.
  - d. A section listing candidates for National Directors to be elected from the Geographic Areas.
  - e. Voting strength shall be that computed for the states as of the previous 30 June. The voting strength of each State shall be computed as prescribed for an in-person convention in the AFA Constitution, Article IX, Section 2.
7. The Chairman of the State shall poll the chapters to arrive at the total vote for the state. The method of such polling is left to the discretion of the State President in consultation with the State Executive Committee. States may record separate totals for several candidates or agree to vote the entire State as a unit. No one candidate may receive more votes than the total number of authorized votes for that State. Ballots will be due to National two weeks after they are mailed to the States.
8. The ballots shall be returned to the designated address at the Air Force Association by the date specified. Ballots may be mailed or faxed or scanned copies may be e-mailed to [field@afa.org](mailto:field@afa.org). Mailed ballots should be returned by overnight mail so they can be tracked. If the ballots are mailed, the State Chairman should keep a

copy of the ballot and be prepared to fax or scan and e-mail it to National should that be required. Ballots that are improperly marked or received after the due date shall not be counted.

9. Ballots shall be counted at National Headquarters by a panel of three (3) Inspectors of Election selected by the Vice Chairman of the Board for Field Operations. Use of local members will be encouraged as most expeditious. Results shall be announced promptly upon completion of the balloting.

## **G. OFFICER/DIRECTOR CODE OF ETHICS**

### **1. Introduction**

The Air Force Association's mission is to: Educate the public about the critical role of aerospace power in the defense of our nation, advocate aerospace power and a strong national defense, and support the United States Air Force, the Air Force family, and aerospace education. In the pursuit of this mission, members of the AFA Board of Directors are charged with maintaining the highest ethical standards. This Code of Ethics provides guidance on how each board member should discharge his or her individual responsibilities and implements Association policies designed to further ethical governance.

A code of ethics or statement of policy cannot define appropriate moral conduct for every situation that a Director might confront. In every case, each Director is charged with a very special trust by the Air Force Association to make carefully considered moral and ethical decisions. Directors will be supplied annually with a list of industrial sponsors and advertisers with whom the Association does business. It remains the Directors' responsibility to be aware of their own involvement in business relationships and recuse themselves on decisions involving any entities that could impact their personal or financial interests.

### **2. Responsibilities**

Each Director has an obligation on behalf of the Air Force Association that encompasses two distinct duties – Duty of Care and Duty of Loyalty.

- a. **Duty of Care.** To comply with the Duty of Care, each Director should be informed and participate in Board decisions in good faith. The Duty of Care presumes that each Director will attend meetings on a regular basis, be informed about the workings of AFA and the matters to be discussed, and exercise independent judgment. Directors must always act on behalf of the whole Association and not any particular constituency group.
- b. **Duty of Loyalty.** The Duty of Loyalty requires Directors to exercise their authority in the interest of AFA, rather than in their own interest or the interest



of another entity or person. This Duty relates to three areas: (a) conflict of interest, (b) financial conflict, and (c) confidentiality.

- 1) Conflict of Interest. In the event that a Director has interests, other than financial interests, that are in conflict with the interests of AFA, the Duty of Loyalty requires that the Director be conscious of the potential for such conflicts and act with candor and care in dealing with such situations. The Director must disclose such conflicts and then abide by such directive as the Board may specify in response to the disclosure.
  - 2) Financial Conflict. Before a Director engages in a financial transaction which he or she reasonably should know may be of interest to AFA, the Director should disclose the transaction to the Board of Directors to evaluate the propriety of the transaction. A conflict of interest arises when a person is in a position of authority over an organization, such as an officer, director or manager, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. For this purpose, a conflict of interest does not include questions involving a person's competing or respective duties to the organization and to another organization, such as by serving on the boards of both organizations, that do not involve a material financial interest of, or benefit to, such person (this type of conflict is discussed in [paragraph 2. b. 1](#)) above). Officers and directors shall disclose any known financial conflicts annually within three months of assuming office and also when such conflict shall arise in the performance of their duties.
  - 3) Confidentiality. A Director should not disclose AFA proprietary or privileged information to third parties, including members of the Air Force Association. What constitutes AFA proprietary or privileged information for this purpose is a question of fact to be determined in each case, largely on the basis of the nature of the information, its confidential status pursuant to applicable law or contract, and whether applicable law or contract recognizes or does not prohibit such exception, or it is already known to the public.
- c. Gifts or Business Courtesies. A business courtesy is a gift, favor, gratuity, or entertainment given to an individual Director from a person with whom AFA maintains or may establish a business relationship and for which fair market value is not paid by the recipient. A Director should limit giving or receiving a gift, favor, gratuity, or entertainment to only what is acceptable as being customary in a normal business context.
  - d. Use of Association Property. A Director may use AFA property only in the furtherance of AFA business. The use of resources negligible in value is exempted.
  - e. Public Statements. A Director should speak on behalf of AFA only to the extent that he or she is confident that the statement reflects established AFA policy. Any other public statement by a Director should be identified as his or her personal opinion.

- f. **Other Governance Policies.** The AFA Employee Handbook contains additional Association policies concerning conflict of interest, hiring, whistleblower protection, and document retention. Copies of these policies shall be provided to Directors annually who, in turn, agree to comply with those policies to the extent they are also applicable to their uncompensated volunteer service.

### **3. Administration**

- a. **Handling a Conflict of Interest that Arises at a Meeting.** A Director should be sensitive to any interest he or she may have in a decision to be made by the Board of Directors and, insofar as possible, recognize that such interest exists prior to the discussion or presentation of such a matter before the Board. When a Director has an interest in a transaction being considered by the Board, he or she should disclose the conflict before the Board takes action on the matter. The Director shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way. The Director's presence may not be counted in determining the quorum for any AFA business transaction in which he or she has a possible interest.

If the Director recognizes that the conflict is ongoing and that the information discussed at the Board meeting will bear on that conflict, the Director should not participate in that portion of the discussion and leave the room. In this case, the appropriate material should be deleted from the minutes provided to that Director.

If the Director in good faith detects that he or she has failed to recognize a conflict, the Director, when it is recognized, shall report that failure to the Chairman of the Board, who shall take appropriate action to prevent continuation of the conflict and mitigate past action to the extent reasonable. The matter shall be referred to the Executive Committee for review and recommendation.

- b. **Infringement of the Code of Ethics**
  - 1) A Director who is unsure about the applicability of this Code of Ethics in a particular situation or has questions concerning it is encouraged to consult with the Association's Counsel after obtaining the permission of the President to do so. In such event, the Director must recognize that the Counsel's responsibility is to AFA, not to the Director.
  - 2) Upon receipt of information regarding a possible infringement of the Code of Ethics, the Counsel shall promptly notify the President. The Counsel shall

then investigate the matter with due diligence and the utmost discretion and shall provide ample opportunity for due process for all parties concerned.

- 3) Upon completing the investigation, the Counsel shall make recommendations to the President for appropriate action. These recommendations may include, but are not limited to, dismissal of the allegation, remedial action, or removal from office pursuant to the By-Laws of the Air Force Association.

A copy of this Code of Ethics and supplementary information as necessary will be presented to each Board member and the Officers of the Air Force Association prior to 1 December of each operating year. The Board members should review the Code prior to all Board of Directors and Executive Committee meetings. Full compliance with the Code of Ethics is of fundamental importance to the integrity of the Air Force Association.

## **H. GIFT ACCEPTANCE POLICY**

### **1. Introduction.**

The purpose of this policy is to provide general guidance on gift acceptance and the restrictions on gifts that the Association can accept. These guidelines are designed to provide an ongoing resource for the Association, for volunteers in its fund-raising efforts, and for potential and actual donors. These guidelines are not meant to be exhaustive, but rather to provide general guidance in keeping with recognized and standard fund-raising practices and ethical principles as documented and published by the Association of Fundraising Professionals. This policy is not intended to apply to third party provider relationships that the association may from time-to-time establish in exchange for financial considerations or to provide necessary products and services with the exception of the restriction on scholarships in [paragraph 3a.](#) below.

The Association may, from time to time, consider the merits of particular gifts, and decide to accept or decline any such gifts notwithstanding the provisions of this policy. In all cases, the Association reserves the right to decline a gift that does not fall within the parameters of its stated mission or that in any way detracts from this mission or from the Association's character, integrity, or independence.

The Director of Development will have primary responsibility for determining the acceptability of gifts to the Association and for making recommendations to the President for acceptance. The officers of the Association will be informed of all major gift proposed acceptances. Gifts that are transformational in nature or that do not clearly align with the stated goals and principles of AFA, will go before the Executive Committee for approval. It will be at the determination of the Executive Committee whether or not to seek full Board approval.

## **2. Principles and Policies**

- a. **Gift Acceptance.** AFA will accept gifts that promote the Association's goals to educate the public about aerospace power, advocate for a strong national defense, and support the Air Force and the Air Force family. The Association solicits gifts that support these commitments.

There are limits on the ability of the Association to accept certain gifts, including but not limited to the following:

- The nature and function of the person or organization donating the funds.
  - Questions as to the donor's possession of sufficient title to the assets or to his/her ability to legally transfer the assets as a gift.
  - The types of asset-disposition limitations and future maintenance costs.
- b. **Gift Appraisal.** The value of gifts will be appraised and/or evaluated by an independent authority chosen by the Association.
  - c. **Donor Recognition.** Donors to AFA will be recognized by official thank-you letters, membership in gift societies or planned gift societies, plaques, annual reports, naming opportunities, and in other ways as appropriate.
  - d. **Anonymous Gifts.** Upon request, a donor may be identified as anonymous in any or all publications of AFA. The identity of a donor who wishes to be anonymous will remain strictly confidential except to the Director of Development, the President and the Chairman of the Board.
  - e. **Legal Counsel.** AFA does not offer legal or financial advice to actual or prospective donors. AFA encourages donors to seek independent professional counsel for advice as to relevant matters.
  - f. **Anti-Terrorism Compliance Measures.** All funds and donations to the Air Force Association will be used in compliance with all applicable antiterrorist financing and asset control laws, statutes, and executive orders.

## **3. Types of Gifts Accepted**

- a. **Gifts of Cash.** AFA will generally accept cash gifts of any type and the donor will be recognized accordingly. However, if the gift is a transformational gift, or one with potential negative external ramifications to AFA (or the United States Air Force), the Director of Development, through the President, will bring the gift before the Executive Committee for review and acceptance. Gifts of cash designated for non-endowed scholarships must: 1)

be managed by AFA; and 2) may not be limited to any specific school/institution. This provision does not preclude scholarships awarded and administered by an external organization for the benefit of AFA members or to award winners of AFA-sponsored programs.

b. Gifts of Marketable Securities:

- 1) AFA will accept a gift of marketable securities in any amount. It is the policy of the Association to sell gifts of securities upon receipt. Exception to this policy may be made for gifts from major stockholders, officers and directors of corporations for whom there may be security law restrictions regarding prompt sale.
- 2) For gift-crediting purposes, the gift will be valued at the mean value of the stock on the date of the instruction to transfer to AFA's account and should not reflect any transfer assessments or commissions charged on converting gifts of stock to cash. For gift-accounting purposes, the net proceeds of the sale of the investment will be deposited into the Association's account.

c. Gifts of Remainder Interests:

- 1) The Association will accept a gift of a remainder, whether transferred by lifetime gift or bequest and without regard to the age of the income beneficiary, provided that AFA has no management responsibility for the period prior to taking possession of the remainder.
- 2) The donor will receive credit only for remainder gifts that are irrevocably vested. AFA will give the donor credit in the year in which the gift is made for the actuarial value of the remainder.

d. Gifts of Income Interests:

- 1) AFA will accept a gift of an income interest provided that there is no management responsibility.
- 2) AFA will give the donor credit for the income received in each year.

e. Gifts of Real Estate:

- 1) AFA will accept an outright gift of a home or a remainder gift in a home. For all proposed real estate gifts, a determination will be made that the real estate is immediately salable and that interim ownership by AFA will not create financial risk or impose a liability under federal or state environmental laws.
- 2) AFA will give the donor credit for the fair market value of an outright gift and for the actuarial value of a remainder gift.

f. Gifts of Tangible Personal Property:

- 1) AFA will accept an outright gift of tangible personal property, such as paintings, jewelry, etc., if the property is useful to AFA or their programs or if it is readily resalable.
  - 2) AFA will credit the donor for the value, which may be determined by an independent appraiser, of the gift.
- g. Gifts of Life Insurance:
- 1) AFA will accept gifts of life insurance policies when the donor designates the Association as beneficiary of either an existing policy or a new policy.
  - 2) AFA will give the donor credit for the cash value (as opposed to the face amount) of an existing policy plus post-gift premium payments.
- h. Qualified Plan Benefits:
- 1) AFA will accept a post-mortem lump-sum gift of any balance remaining in a qualified plan (IRA, 401(k) plan, pension, or profit-sharing plan).
  - 2) Qualified plan benefits will be credited when received.
- i. Bequests:
- 1) AFA will accept bequests, including those (1) for a specific amount or (2) for all or a specified percentage of the donor's residual estate. Bequests may be either outright or contingent.
  - 2) AFA will give the donor, in lifetime, credit for the actuarial value of a bequest if the commitment is non-contingent, capable of valuation, and supported by a legally enforceable agreement. All other bequests will be credited when realized.
- j. Pledges. In most cases, major gifts greater than or equal to \$10,000 may be made over (no more than) a five year period.
- k. Other. Other gifting opportunities (such as charitable remainder unitrusts, charitable remainder annuities, etc.) will be evaluated as the program is appropriately developed and determined to be a viable and sound fundraising strategy. Until that time, these opportunities will be evaluated as presented to the Director of Development and will then follow the same procedure as referenced in paragraph three.

#### **4. Endowments**

- a. Endowed Scholarships. The Association's endowed scholarship objective is to offer educational assistance to individuals pursuing academic degrees

and/or continuing education programs in the areas of science, technology, engineering or math. Minimum endowment level to establish a named program is \$ 250,000.

- b. **Endowed Programs.** Program or initiative directly related to the accomplishment of the AFA mission may be supported through endowment.
- c. **Administration.** An administrative fee of 5% will be applied to all realized planned gifts (i.e. bequests, trusts, etc.) and to all gifts (over \$10,000). For all endowed gifts, an administrative fee not to exceed 2% of the fund balance at the close of the fiscal year will be drawn annually from the investment income. This fee will be used to defray the costs of administering endowment programs.
- d. **Modification of Gift Purpose.** Future circumstances may make it illegal, impossible, or impractical to use an endowment for the intent originally specified by the donor. In such cases, AFA's President, in consultation with the donor when possible and appropriate, may submit to the Board a request for "modification of purpose." The Board will determine if the modification is prudent and in keeping with the donor's wishes. The donor's name shall continue to be associated with the modified purpose.
- e. **Determination and Use of Excess Endowment Revenues.** Periodically the endowment fund will be analyzed to determine if sufficient funds are available for endowed obligations. AFA's President will report the results of the examination to the Board of Directors. If endowment obligations are found to be over-funded, the Board may authorize excess investment revenues be used to support other AFA mission programs. If the endowment fund is found to be under-funded, the Board may reduce endowed obligations or supplement the deficiency with operating revenues.

## **I. BOARD POLICY ON PRESIDENT COMPENSATION AND EVALUATION**

### **1. Context**

The Air Force Association Board of Directors seeks to attain excellence in its governance and its pursuit of mission. An essential element of achieving that goal is the attraction and retention of a President who is highly skilled, experienced and effective in both management and leadership.

The Board recognizes that the market for senior executives/Presidents in Washington, D.C., is highly competitive. In addition, since AFA is a non-profit organization, the President has no opportunity for an equity stake, profit-sharing or other incentives typical in the for-profit community. While realizing that individuals will be attracted to the position by their passion for and commitment to the mission of the organization, compensation and particularly the benefits package will play a large role in attracting and retaining top individuals to/in the position.

In addition, the Board recognizes that a fair, systematic and thoughtful evaluation process and comprehensive feedback is essential to building a productive and sustainable working relationship between the elected leadership of the Association and the President. Elements of that process, including frequency, must be clear, consistent and in keeping with “best practices” in human resource management.

### **2. Relationship of Compensation Range to Annual Compensation.**

The starting and annual compensation for the President will be within a range established for the position. Actual compensation adjustments to the salary and benefits of the President will be based on merit performance alone.

The Board recognizes both the importance and accepted practice of offering incentive compensation to a President in the form of a bonus. This practice will be addressed on an annual basis using a predetermined system, with criteria that assess goal achievement and performance of the President. The system for awarding incentive compensation will be developed by the President Evaluation and Compensation Committee (PECC) (as defined later in this document) and approved by the Executive Committee and the Board, The system will take into consideration the impact of the amount of the incentive on the maximum salary range for the position. It should be clear that the potential for incentive compensation in addition to salary is an opportunity and not an entitlement.

### **3. Leadership in Tasks Accomplishment.**

The Board recognizes that the regular work involved in both assessing performance and compensation cannot be accomplished by the Board as a whole.



Therefore, a President Evaluation and Compensation Committee (PECC) is established to work on behalf of the Board.

The PECC will be Chaired by the Treasurer of the Association and will include the two Vice Chairmen, the National Secretary, and up to three members of the Board to be nominated by the Chairman of the Board and approved by the Board. The Chairman will serve ex-officio on the PECC without vote.

The primary responsibilities of the PECC are as follows:

- a. Develop and recommend to the Executive Committee and Board a compensation range for the position.
- b. Review of the compensation range every other year to assure its currency.
- c. Make recommendations to the Executive Committee and Board on any necessary changes to the compensation range.
- d. Develop an evaluation process and instrument and provide it to the Executive Committee for consideration and approval.
- e. Regularly review the evaluation process and instrument and recommend any needed modifications to the Executive Committee.
- f. Support the Chairman and Executive Committee in administering the annual President evaluation process in accordance with policies outlined in this document
- g. At least annually evaluate both this policy and the evaluation process to assure appropriateness and effectiveness.
- h. Work with the Finance Committee to determine the Salary Adjustment Pools and the Bonus Pools for the Association Staff.
- i. Other tasks as assigned by the Executive Committee

The role of the Executive Committee is to review and recommend to the Board all policies and procedures associated with the President evaluation and compensation and to be the primary evaluation group for the President. In addition, the Executive Committee will develop any appropriate compensation or benefit adjustments and recommend them to the Board for final approval.

The role of the AFA Board of Directors is to give final approval to all policies and procedures associated with the President evaluation and compensation and to specifically approve both the range for the position, the compensation

provided to the President and any adjustments to that compensation. In addition, the Board will provide input to the evaluation process on an annual basis when solicited to do so by the PECC.

#### **4. Establishing Compensation Range and Benefits.**

The process of developing proposals for both the salary range and benefits for the position will be carried out by the PECC. Thereafter, the PECC will recommend both the salary range and benefits to the Executive Committee who will then make a recommendation to the Board for final approval. In establishing the proposed salary range and benefits, the PECC may utilize outside expertise such as the references noted below and/or the use of an outside consultant.

The criteria for establishing the range will include (but not be limited to) the following items:

- a. Budget size of the AFA
- b. Staff size of AFA
- c. Membership size of AFA
- d. Scope and complexity of AFA operations
- e. Skill, knowledge and experience (including years of experience) required for the position
- f. President Compensation at other associations/non-profits comparable to AFA
- g. References and Guidelines as outlined below

The range will be reviewed every other year by the PECC with an in-depth analysis using outside expertise as required by the PECC.

#### **5. References and Guidelines on Compensation and Benefits.**

In order to assure appropriate and competitive compensation and benefits (general and personal) for the President, the following references may be used in assessing the compensation range and benefits for the President position:

- a. The Blue Chip Association Executive Compensation and Benefits Survey conducted annually by the American Society of Association Executives (ASAE).

- b. Annual CEO Salary Review by the Chronicle of Philanthropy.

## 6. Staff Compensation Procedures

### a. Compensation Determination

The Compensation Committee will annually review and recommend to the Board for approval the salary adjustment pools and bonus pools to be used for staff compensation.

- The salary adjustment pools will be used to compensate cost of living increases and increases in individual staff member responsibility.
- The bonus pools will be used to compensate performance above and beyond anticipated individual plans/goals (financial compensation in excess of that which is due).

During the budget preparation process, the Compensation Committee will coordinate with the Finance Committee to determine a target amount for the compensation pools to be included in the budget for the following year. In the last quarter of the Association fiscal year, the Compensation Committee will recommend to the EXCOM for Board approval the final compensation amount to be distributed the following year.

The amount recommended by the Compensation Committee for salary adjustments and bonuses will be based on the following criteria:

### b. Salary Adjustments

- The relative penetrations into the ranges for similar positions in non-profit 501(c)(3)s in the DC area. This penetration will be evaluated every third year using analysis and weighting of multiple applicable salary surveys: e.g. HRANCA Compensation survey Report (Human Resources Association of the National Capital Area), ASAE Association Compensation & Benefits Study. Recommendations with rationale from the President.
- The state of the economy and the level of inflation.
- The current financial health of the Association and the expected financial environment going forward.

### c. Bonuses

- Recommendations with rationale to include staff member performance against goals from the President.
- The current financial health of the Association and the expected financial environment going forward.
- The performance of the Association against the budget/financial plan and stated goals for the concluding year.

#### d. Compensation Allocation

The President allocates the salary adjustment pool and the bonus pool to the senior staff (Direct Reports) and the senior staff allocates the salary adjustment pool and the bonus pool to the staff in consultation with the President.

- On a yearly basis the President and Senior Staff should meet with their direct reports and identify a small number of key performance goals (to include teamwork) to be used as a measure of job performance.
- At the conclusion of the year each staff member should meet with his/her supervisor to receive an evaluation against the previously identified goals. The evaluation should characterize overall performance as “Failed to meet goals,” “Met goals,” or “Exceeded goals.”
- The above steps should be documented on a single page form retained by the supervisor with a copy to the staff member.
- The Association staff should complete a “360 Degree” Assessment every third year to assess organizational health. (A 360-degree feedback, also known as a multisource assessment, is feedback that comes from all around a staff member; “360” refers to the 360 degrees in a circle, with an individual figuratively in the center of the circle.) Feedback is provided by subordinates, peers, and supervisors. It also includes a self-assessment and, in some cases, feedback from external sources such as customers and suppliers or other interested stakeholders).

### **7. President Evaluation.**

The President will receive an annual performance evaluation using an instrument developed by the PECC with input from the President and with approval of the instrument by the Executive Committee. The PECC will support the Executive Committee in administering the process of the evaluation following written procedures approved by the Executive Committee. The process will include solicited input from the entire Board but with emphasis on input from the Executive Committee, which has the best first-hand knowledge of the President’s day-to-day performance and accomplishments. The final written performance appraisal will be conveyed from the Executive Committee to the full Board of Directors for approval.

The outcome of the annual performance appraisal will be conveyed to the President by the Chairman of the Board. The Chairman will convey as much detail as possible so as to assist the President in improving/ adjusting performance to meet the expectations of the elected leadership and solicit feedback from the President.

## **8. President Compensation Review and Adjustment.**

The compensation (salary, incentive compensation, and benefits – both personal and general) review and consideration for adjustment will be undertaken by the Executive Committee on an annual basis. The Executive Committee will then make a recommendation to the Board for any adjustment and/or incentive compensation. In developing its recommendation, the Executive Committee will consider the outcome of the annual evaluation, the range established for the position and any special circumstances/demands upon the President in a particular year.

In considering the appropriateness of incentive compensation, the Executive Committee may also take into consideration the elected leadership's position on retaining the President in the position.

## **J. SCHOLARSHIP, SCHOLASTIC AWARDS, AND GRANTS POLICY**

### **1. Purpose**

To establish a policy and procedures governing scholarships, grants and other monetary awards paid to recipients by AFA National to further the objectives of the Air Force Association.

### **2. Definitions**

- a. Financial Aid. Any amount paid or benefit provided toward a student's educationally related expenses to include: tuition and fees, room and board, books, travel expenses, dependent care, personal expenses, and miscellaneous expenses.
- b. Grant. An amount paid to an individual or organization to assist in the conduct of an activity as specified in an approved proposal.
- c. Scholastic Achievement Award. An amount, not to exceed \$2,000, paid for the benefit of a student. Funds are intended to support or reward academic achievement.
- d. Scholarship. An amount of at least \$2,500 to be used for academic purposes normally paid directly to the university/college of enrollment. Scholarships may include a specifically defined portion considered and disbursed as Financial Aid. A scholarship may be awarded based on need or merit or both.

- e. Full Scholarship. A scholarship intended to cover the majority of educational expenses, including tuition, living expenses, required fees, and books for the degree chosen (undergraduate or graduate). The amount and duration of such scholarships may vary by student based on the cost of attendance, and the length of the program as well as other scholarships or grants received. A full scholarship may be awarded based on need or merit or both.
- f. Merit-Based Scholarship. A scholarship awarded primarily on the basis of the student's academic achievement, special talent, and/or community service.
- g. Need-Based Scholarship. A scholarship awarded primarily on the basis of the student's financial need. Applicants or nominees shall be required to provide proof of need as certified by an accredited institution of higher education Financial Aid Office or other program official in a position to evaluate the student's financial need.

### **3. Eligibility**

AFA scholarships, grants and awards are open to all persons who meet all the applicable program criteria. AFA adheres to a strict nondiscrimination policy.

### **4. Nomination and Application Process**

There are two methods to enter into the selection process: nomination and personal application.

- a. Nomination. To the maximum extent possible nomination of scholarship, grant, and award recipients shall be made by designated entities with personal knowledge of the candidate (e.g., Professor of Aerospace Studies for AFROTC awards; Base Education Office for Pitsenbarger Awards, etc.) or by an education partner organization with knowledge of the accomplishments of the candidate (e.g., Civil Air Patrol for CAP Educator Grants; AFROTC Headquarters for ROTC scholarships and grants, etc.)
- b. Personal Application. Applications shall be screened and evaluated by a designated panel with relevant professional qualifications.

### **5. Selection Procedures**

Selection of recipients shall be based on the criteria and process established for the specific program. AFA staff or volunteer leaders will not be the primary

evaluators for scholarships, grants, and scholastic awards. AFA staff shall administer the programs and execute the disbursement of awards to remain within funds available. Staff shall also arrange for independent evaluation of scholarship applications to support award decisions. No family member (as defined in IRS publications) of any evaluator, AFA staff, or voting member of the Board of Directors shall be eligible for an AFA scholarship, scholastic award or grant.

## **6. Compliance With Donor Agreements/Criteria**

Stipulations to be placed on gifts or bequests must comply with AFA Donor Acceptance Policy and be reviewed and approved by the Aerospace Education Council prior to acceptance.

## **7. Performance Requirements for Scholarships and Grants**

- a. Scholarship recipients shall be required to provide proof of performance during and upon completion of the course of instruction funded by AFA.
- b. Grant recipients shall be required to provide proof of performance upon completion of a grant funded activity. Failure to provide this information shall disqualify the recipient from future assistance.
- c. Recipients of scholarships that can be renewed must satisfactorily complete the specified course of study to qualify for subsequent scholarships.
- d. Recipients who fail to satisfactorily complete the grant funded activity or the course of study and/or any other requirements of the scholarship as awarded shall be liable to reimburse the Air Force Association for the full financial value received.

## **8. Approval Authority for AFA Scholarships, Grants and Scholastic Awards**

Approval authority for new or changes to existing scholarships that comply with this policy shall be delegated to the Aerospace Education Council (AEC). AEC actions that are not consistent with this policy shall be approved by the Executive Committee and the Board of Directors.

## **VII. EXPENSE REIMBURSEMENT POLICIES**

### **A. NATIONAL OFFICER REIMBURSEMENT POLICY**

#### **1. Introduction**

- a. The elected national officers and President often are invited to represent the Association at functions relating to their respective activities. In addition to travel to National Conventions, committee and council meetings, plus national seminars and symposia sponsored by the Association, such invitations often include those sponsored by Regional, State and Chapter groups, by civic or other military oriented organizations. With the exception of the President, these individuals are volunteers and their time to visit these organizations is limited.
- b. However, if their presence at a function is deemed to be in the best interest of the Association, they should be encouraged to accept such invitations with travel and related expenses being reimbursable, budget provisions permitting.

#### **2. Guidelines for Travel**

- a. For the elected national officers, final decisions regarding acceptance and necessary travel shall be the responsibility of the Chairman of the Board. In addition, the President will also coordinate his acceptance and travel with the Chairman of the Board.
- b. The President shall coordinate all official invitations and provide the Chairman of the Board his assessment and/or recommendation as to the relative importance such participation will be to the Association. Considerations in this regard shall be:
  - 1) The nature of the invitation or proposed visit.
  - 2) The benefit to the Association and to the party extending the invitation of having a national officer present.
  - 3) The estimated time such participation shall require.
  - 4) The extent of participation (number of elected national officers and/or staff).



- 5) Funding available to cover necessary expenses.
- c. Travel arrangements and hotel accommodations shall be made on the following basis:
- 1) Airline and railroad reservations should be made taking full advantage of the many discount fares offered by carriers. If a discount fare is not available, regular coach will be arranged. First class travel will not normally be allowed. The traveler may upgrade such travel to first class, providing the cost to upgrade is borne by the individual involved. When traveling overseas, upgrade to business class is authorized.
  - 2) Reimbursement for personal vehicle use will be in accordance with the IRS standard mileage rates.
  - 3) Moderately priced hotel rooms shall be used at all times.
  - 4) A hotel suite may be authorized for the Vice Chairmen of the Board and/or Chairman of the Board under those conditions when tradition dictates such as during the National Convention, national symposia, separate meetings of the Board of Directors and other situations where in room entertainment is required.

### **3. Spouses**

On those occasions when it is in the best interest of the Association to have a spouse accompanying the elected national officers or the President, transportation, meals and lodging expenses shall be reimbursable consistent with the intent of the provisions contained in these Travel Guidelines. In addition, the elected national officers and the President may be compensated for any income tax liability associated with the reimbursement of spousal travel.

### **4. Meals and Other Expenses**

When considered to be in the best interest of the Association, reimbursement shall be made for reasonable meal expenses while on Association business. In addition, other related expenses incurred by the elected national officers and the President while performing Association business are authorized.

## **5. Approval of Travel and Related Expenditures**

Elected national officers shall be responsible for submitting the appropriate expense vouchers to the Association's headquarters along with copies of receipts for travel, hotel, meal and entertainment costs. These vouchers will be reviewed for consistency by the President. Approval of expenditures for elected national officers shall be the responsibility of the Chairman of the Board. The Chairman of the Board will review and approve the President's expense reports. In addition, the Chairman of the Audit Committee will annually review the elected national officers and the President reimbursement requests to determine if they are prudent and within reason. A report of the findings of the Audit Committee Chairman shall be made to the Board of Directors.

## **B. REIMBURSEMENT POLICY FOR REGION PRESIDENTS**

### **1. MEETINGS**

Region Presidents will be reimbursed for meetings of any national committees or councils of which they are members according to policies established for those bodies.

### **2. REGIONAL EXPENSES**

- a. Each Region President has an allocation available to help defray approved expenses. The maximum annual reimbursement is \$2,400. This amount may be exceeded only if approved by the Association Vice Chairman of the Board for Field Operations (VCoB-FO) prior to the excess expenses being incurred.
- b. Reimbursable expenses are limited to those of the President incurred in connection with Association activities or programs held within their region. Expenses outside the region may be approved in advance by the Association VCoB-FO if the occasion is deemed beneficial to the Association.
- c. Final review and approval of the Region President's expenses rest with the VCoB-FO. However, to eliminate unnecessary delay in processing expense vouchers, the VCoB-FO has given the Staff Director, Membership Operations, the authority to give immediate approval to routine items such as telephone calls, travel, hotel and meal expenses. Other items of expense must be approved by the VCoB-FO before they can be paid.

- d. The following are items which will be routinely disapproved.
  - 1) Costs of attending meetings of the Region President's own chapter, civic club, and other local events that they attend regularly, and not in an official sense.
  - 2) Wages, salaries, or commissions lost as a result of participation in Association activities.
  - 3) Mileage charges which exceed the air coach fare.

### **3. CLAIMS AND REPORTS**

- a. Presidents need not report their expenses if they do not claim reimbursement. If reimbursement is claimed, the request is due to the department of Membership Operations 15 days following the close of each calendar quarter. Each claimed item must be explained and justified including the background of the expense (the date, amount, purpose, place, and names and titles of those involved). Receipts must be attached for all hotel, airline, rental car, or train expenses, regardless of the amount, and for all other cash disbursements of \$25 or more. Telephone expenses should be detailed as to the name of the person called, the purpose of the call, and the cost. Vouchers which do not contain a detailed explanation of each item of expense, or are not accompanied by required receipts, or are not signed, cannot be honored for reimbursement, and will be returned for the required information.
- b. Any claim for reimbursement must also be accompanied by a quarterly report of their personal activities on Association matters within their respective regions. The report should include the date, place and nature of the activity and people who attended and is due at the same time as the request for reimbursement. Such a report is appreciated even if expense reimbursement is not being claimed. The report can be informal and should be addressed to the VCoB-FO at headquarters, c/o Membership Operations Department, Attn: Director.

### **C. REIMBURSEMENT POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, COMMITTEES, COUNCILS, AND EMERGING LEADERS PROGRAM PARTICIPANTS**

- 1. The following travel and per diem policy applies to reimbursement of expenditures and payment of per diem relating to official Air Force Association travel. The purpose of these reimbursements is to defray

a portion of the cost of Board, Committee, Council member, and ELP participant expenses. Reimbursement requests are to be submitted within 30 days of the date of meeting. For further guidance on reimbursements, please reference the AFA Travel – Expense Reimbursement Policy.

2. Expense Reimbursement: Actual expense incurred will be reimbursed to a maximum determined by the appointing authority. Receipts for lodging are required, but receipts are not required for meals and miscellaneous expenses that are under \$25. However, such meal and miscellaneous cost must be itemized on the reimbursement form.
3. Transportation: Actual transportation costs (air fare, private auto, train, etc.) will be reimbursed to a maximum of \$525. Auto mileage will be computed at the IRS Standard Rate subject to the \$525 maximum. Airline ticket stubs are required for reimbursement of air fares.
4. Local travel (home to airport, airport to meeting location, etc.) via taxi, bus or private auto will be reimbursed as part of the transportation allowance, subject to the \$525 maximum. Receipts are required for taxis and other commercial transportation.
5. Meeting Day Definition: A “meeting day” is one in which members attend a scheduled meeting as an official member of a board, committee, council, or attended an official function authorized by the by the appointing authority. A per diem will be paid for a non-meeting day when it is cost effective for the Association to do so. However, a request for an additional per diem must be made along with the explanation of the reason for the additional costs on the voucher.
  - a. For example: a committee member has a meeting on Friday but stays over Saturday, a non-meeting day, to take advantage of the special airline discount. In this case an additional per diem will be paid if the net expense is less. Therefore, a meeting scheduled on a Saturday does not result in a double per diem.
  - b. If an individual has meetings on non-consecutive days, a per diem will be reimbursable for the day(s) between meetings unless transportation costs would be less.
  - c. An additional day of per diem is authorized if a meeting is scheduled to begin and end so that it is not practical for the individual to travel to the meeting site or return home on the day of the meeting. An example: if a committee member lives in California

and the meeting is scheduled from 8:30 a.m. to 5:00 p.m. in Washington, DC, a second day would be authorized.

6. Exceptions to this policy must be approved in advance by the appointing authority.

## **VIII. FINANCIAL POLICIES**

### **A. OPERATING RESERVE POLICY**

#### **1. Purpose**

The purpose of the Operating Reserve Policy for the Air Force Association is to ensure the long term financial stability of the organization. This policy will enable the organization to respond to varying economic conditions and changes in its financial position, ensuring the continuity of its mission. The Operating Reserve is intended to provide an internal source of funds for permitted uses as defined herein. Operating reserves are not intended to replace a permanent loss of funds or to eliminate an ongoing budget deficit. The Operating Reserve is intended to serve a dynamic role and is available, as needed, rather than being static or devoted to generating long term income.

#### **2. Definitions**

- a. **Board Designated Operating Reserve:** The designated fund, established by the Board of Directors, will be reported in the Unrestricted Net Assets section of the Balance Sheet as the Board-Designated Operating Reserve. The amount to be ultimately designated will be established at a level sufficient to maintain ongoing operations for a set period of time, measured in months.
- b. **Temporarily Restricted Reserve:** Net asset balance in temporarily restricted funds that remains after the completion of the appropriate fiscal period for the contribution. An appropriate fiscal period may be the calendar year or the program year. In the case of STEM programs, the fiscal period ends on the date that the final competition is held.
- c. **Investment Account:** Funds held by our trustee in AFA investment accounts will consist partly of the operating reserve. The investments are pooled, with investment earnings allocated based on each fund's share of the total investment account.
- d. **Average Monthly Operating Costs:** One-twelfth of the current year annual budgeted operating expenses, excluding expenses specifically budgeted to be paid with releases from restriction

and including temporarily restricted STEM programs and Mitchell.

- e. Annual Budgeted Operating Expenses: Total budgeted expenses include permanently restricted and temporarily restricted expenses that are planned to be paid with releases from restriction. Investment gains and losses are excluded. Investment interest and dividends are included. Expenses that are related to the defined benefit pension plan and that have historically been excluded from operating expenses on the financial statements and budget will continue to be excluded. Net Periodic Benefit Costs are included in the operating budget and the financial statements.
- f. Operating Reserve Ratio: the ratio of the Operating Reserve Fund balance to the Average Monthly Operating Costs, showing the number of months of average expenses held in reserve in the fund.
- g. Target Minimum Operating Reserve Ratio: The goal is to maintain 6 to 12 months of average monthly operating costs, after adjusting for known long-term capital needs.
- h. Accounting for Reserves: The Operating Reserve Fund will be recorded in the accounting records as the Board-Designated Operating Reserve, separate from the Unrestricted – Undesignated fund. Assets of the fund are held in the Investment Account. The investment account is pooled, with gains (losses) allocated proportionally based on the size of the Fund. Temporarily Restricted Reserves will be tracked by the appropriate fiscal period for the contribution or grant and will be a part of restricted net assets. Assets of the fund are held in the Investment Account. The investment account is pooled, with gains (losses) allocated proportionally based on the size of the Fund.

### **3. Funding of Reserves**

- a. Calculation of the Operating Reserve Balance: The balance of the fund is equal to the beginning balance, plus additions and minus subtractions as described below. The beginning balance of the fund is the amount held in the Investment account as unrestricted. The total value of the balance on November 30, 2016 is \$12,151,073. Based on budgeted 2016 expenses (\$19,908,647), this represents 7.32 months of reserve as of the point in time that

was November 30, 2016. This ratio falls within the Targeted Minimum Operating Reserve Ratio range. However, this calculation does not include both required and planned cash outlays that will occur in the future. When determining the adequacy of reserves, the amount of unrestricted reserves must be viewed within the context of future plans and contingencies. Therefore, a schedule of the amount and timing of future uses of reserves will be used to adjust the current months of reserves calculation and to project months of available reserves into future years. This will provide a more complete picture of the adequacy of the organization's reserve balance both currently and when taking into account future requirements.

When adjustment is made for the planned 2017 operating deficit and capital outlays for repairs and maintenance on the building, the projection of months of reserves as of 12/31/2017 is 6.47. Furthermore, if the efforts to increase revenue by \$1,000,000 are not successful, the months of reserves as of 12/31/2017 will be 5.87. This is very different from the 7.32 months as of November of 2016 and is mainly due to a subtraction from reserves due to the projected deficit in 2017.

- b. Timeline for initial achievement of Target Balance. As defined above, the Targeted Minimum Operating Reserve Ratio is 6 to 12 months. If the Operating Reserve is below this level, this policy sets the goal to reach six months of Average Monthly Operating Costs within a reasonable amount of time. Until the target is reached, the budgetary process for the coming year shall take into account the cash flow implications of making a deposit to the Operating Reserve at the end of the current year.
- c. Sources of funding for the Operating Reserve Follow:
  - 1) Annual cash surpluses from fiscal operations. The President and accounting staff shall determine when sufficient cash is available to make transfers to the Operating Reserve, based on current cash levels and projections of future cash flow needs. Transfers to the Operating Reserve do not require approval by the Treasurer, Finance Committee or Board of Trustees, but shall be reported as part of the next quarterly financial report.
  - 2) Portions of unbudgeted individual large unrestricted gifts, as determined by the Finance Committee on a case-by-case basis.
  - 3) Investment income from the Operating Reserve funds, until the maximum target balance is reached (per [Section 4.d.](#) – Use of Surplus Funds)



#### **4. Use of Reserves**

- a. Permitted Uses of Operating Reserve Funds: The Operating Reserve is intended to provide an internal line of credit for use in managing cash flow and ensuring ongoing operations in the face of unexpected events. Examples of situations are: sudden increases in expenses, one-time unbudgeted expenses, and unanticipated decreases in revenue, short-term cash flow interruptions, and uninsured losses. In considering whether to appropriate Operating Reserve funds for use, the following should be taken into account: consistency of use with this policy, other potential sources of funds before using reserves, and expected time period for replenishment of funds.
- b. Replenishment of Shortfalls: Once the target level has been achieved, if the Operating Reserve falls below targeted levels, the deficit must be eliminated within the next three budget cycles. To accomplish this, the Board will adopt operational budgets with projected surpluses to rebuild operating reserves back to the targeted level within the required timeframe (in the absence of extraordinary circumstances).
- c. Authorization of Draw-Down from Board Designated Operating Reserve Fund: A draw-down from the fund that is either not intended to be replaced or cannot reasonably be expected to be replaced with operating funds in the timeframe established in (B), above, must be approved by the Board. A record of such action will be maintained in Board meeting Minutes.
- d. Use of Surplus Funds: At any time while the Operating Reserve Fund meets the maximum target balance, investment earnings on the Fund will be classified as Unrestricted Income.
- e. Uses of Temporarily Restricted Reserves are permitted as indicated in the AFA spending policy.

#### **5. Governance**

- a. Authority To Access Operating Reserve Fund: The President may access up to 10% of the Operating Reserve Fund for purposes outlined above, as long as sufficient funds will be available to repay the amount in twelve months' time. The President will notify the Treasurer in writing within three business days. Any

use of funds in excess of the dollar or time replenishment thresholds must be approved in advance by the Executive Committee.

Before Board action, the Finance Committee's review and recommendation must be obtained using the following procedures:

- 1) Management submits a withdrawal request to the Finance Committee, including an analysis of the need and payback timeline
  - 2) Review by Finance Committee, with recommendation to the Executive committee
  - 3) Executive Committee review and decision
- b. Supervision of the Operating Reserve Ratio and Balance Management: Staff shall monitor the balance on a regular basis and report the Reserve Fund balance and ratio, as well as any significant variances, as part of regular financial reporting to the Finance Committee. The Treasurer will be notified of any significant variances that occur between financial reports. The Treasurer will report the balance to the Executive Committee.

The Executive Committee is responsible for using the information provided by management to determine if/when changes to the organization's operations are necessary to conform to policy provisions. Only the Board of Directors can refine or adjust this policy.

- c. Relationship to Investment Policy: The purpose of the Operating Reserve Fund is to provide assets that are not committed to specific obligations or restrictions, and not to create long-term investment returns. However, the fund is held in the Investment Account to allow for growth, efficiency, and maintenance of the balance through investment earnings. In this capacity, the Association's Investment Policy's goals of preservation of capital, growth of capital, and liquidity are applicable to the Operating Reserve Fund. Therefore, the Investment Policy also governs the prudent investment of the Operating Reserve assets.
- d. Review of Operating Reserve Policy: The Finance Committee will review this policy annually as part of the budgetary process. The Finance Committee will consider recommendations from management and others during its review. Recommended changes will be forwarded to the Executive Committee and Board of Directors for deliberation/action.

## **B. INVESTMENT POLICY FOR THE AIR FORCE ASSOCIATION, AFA VETERAN BENEFITS ASSOCIATION, AND AIR FORCE MEMORIAL FOUNDATION**

### **1. Investment Policy**

References contained herein shall be designated as follows: BOARD shall refer to the combined Board of Directors of the Air Force Association (AFA), AFA Veteran Benefits Association (AFAVBA), and Air Force Memorial Foundation (AFMF), Finance Committee of the AFA, AFAVBA, and AFMF as COMMITTEE, Treasurer of AFA, AFAVBA, and AFMF as TREASURER or CHAIRMAN.

This policy shall remain in effect unless either superseded or amended from time to time by action of the COMMITTEE in session with approval by the Executive Committee of the BOARD.

The investment policy of the AFA, AFAVBA, and AFMF Board of Directors, Executive Committee, Finance Committee, and Treasurer is to prudently manage the investments of all organizations. The investment portfolio should strive for preservation of principal and total return within the bounds of this policy.

The COMMITTEE and the Investment Advisor jointly agree that their fiduciary duties require that this policy be administered solely in the interest AFA and affiliates. At least annually, the Investment Advisor and the Committee will meet and review this policy and the status of the collective investment portfolio. These meetings will also serve to measure portfolio performance as well as provide the Investment Advisor an opportunity to outline investment strategy and market outlook for the ensuing six months, or for shorter terms if deemed appropriate in his opinion. The Investment Advisor will also provide portfolio performance data for each fund with return on investment defined by asset group (bonds, equities, money market, etc.). Minutes will be prepared of each meeting and permanently retained by the AFA.

Segments of the investment portfolio may be managed by multiple fund managers as required. The retention or replacement of fund management is a responsibility of the COMMITTEE with the approval of the Executive Committee. Fund managers, or their representatives, will meet with the COMMITTEE, at least annually, to review this policy and report on the performance of the portfolio they manage.

## 2. Fund Allocation

- a. Funds will be allocated on a market value basis. Amounts allocated for investment in equities will not normally exceed the allocation stated for each fund defined below. The remainder of the fund will be invested in fixed income securities. The Investment Advisor has the authority to permit the amount allocated to equities to exceed the limit defined for each fund by 10% based on market conditions. Once the amount allocated to equities exceeds the fund limit by 10%, the TREASURER must be consulted and may direct a rebalancing of the fund. The need to rebalance each fund will be evaluated by the COMMITTEE at least annually.
- b. The following investment funds are maintained:
  - 1) AFA General Fund supports the general and administrative activities of the AFA. The maximum allocated to equities will not normally exceed 70% of the total of this fund.
  - 2) AFA Life Membership Fund supports the ongoing fulfillment of life members. The maximum allocation to equities will not normally exceed 70% of the total of this fund. A maximum of 25% may be invested in international equities subject to the 70% total equity allocation.
  - 3) AFA Scholarship Fund supports the scholarship, award, and grant programs. The maximum allocation to equities will not normally exceed 70 % of the total of this fund.
  - 4) AFA Endowment Fund is made up of individual funds, each with a designated purpose. The maximum allocation to equities will not normally exceed 70 % of the total of this fund.
  - 5) AFA Employee Contingency Fund is designated for employee education and emergency assistance. The maximum allocation to equities will not normally exceed 70 % of the total of this fund.
  - 6) AFAVBA Insurance Contingency Fund is designated as contingency reserve to provide resources in the event insurance losses exceed premiums collected. The maximum allocation to equities will not normally exceed 70% of the total of AFAVBA marketable securities.
  - 7) AFMF General Fund supports the general and administrative activities of the AFMF. The maximum allocated to equities will not normally exceed 70% of the total of this fund.

- c. First Priority in consideration of the total mix of funds shall be for total return, with second priority given to increasing both realized and unrealized capital values.
- d. Amounts allocated for investment in equities, fixed income and cash will be reviewed periodically and at least semi-annually. The Investment Advisor shall advise the TREASURER when fund allocations should be reviewed between meetings.

### **3. Bond Investments**

- a. Corporate Bond investments will normally be restricted to those rated investment grade by both Moody Investment Service and Standard and Poors. If a security's rating is downgraded to below investment grade, the decision to sell, or not to sell, will be made by the TREASURER.
- b. Portfolio Liquidity is a consideration in each bond investment. Marketability of bonds is of vital importance. Call features shall be considered.
- c. The maximum investment in any one company should not exceed 10%, but can be up to, but not exceed, 15% with approval of the TREASURER. However, US Treasury Securities and Federal Agency Securities are exempt from the 10% maximum.
- d. The maximum maturity of corporate bonds will not exceed ten years except for longer-term Government securities which are not callable.
- e. The bond portfolio will be structured to achieve an average bond life not to exceed seven years.

#### 4. Equity Investments

- a. All equity investments will normally be restricted to companies traded on major stock exchanges. This requirement does not apply for foreign equity investments.
- b. Maximum investment in any one company should not exceed 5% of the total funds allocated to equities, but can be up to, but not exceed, 10% with approval of the TREASURER.
- c. Investment in any one industry should not exceed 20% of the total funds allocated to equities, but can be up to, but not exceed, 30% with approval of the TREASURER.
- d. No short sales, margin trading or purchase of private placement or letter stock shall be authorized. However, covered call options are permitted at the discretion of the Fund Manager.
- e. Investments may be made in convertible preferred stock and convertible bonds. Both are considered as equity investments.
- f. Funds not invested in equities or bonds, or their equivalent, can be invested in short-term money instruments having a maturity of no greater than one year.
- g. All investments shall be at the discretion of the Fund Manager but shall conform to policies contained herein.