



Oversight

***POLICIES GOVERNING THE ARNOLD AIR SOCIETY AND
SILVER WINGS BOARD OF TRUSTEES***

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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OPR: AAS-SW Board of Trustees
(Lt Col H. L. Andrews, Jr., USAF)
Supersedes AASMAN-2, 15 April 1999

Certified by: AAS-SW Executive Director
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Pages: 6

Distribution: 1 copy each Board member, AAS
National Commander, SW National President

This manual establishes the policies and procedures that govern the Arnold Air Society (AAS) and Silver Wings (SW) Board of Trustees (hereafter known as “the Board”). The contents assist the Board in providing advice and counsel to AAS and SW in fulfillment of the requirements established by AAS and SW. This manual implements the provisions of the AAS and SW Constitutions, as well as AASMAN-1, Policies and Procedures, and the Silver Wings Manual.

SUMMARY OF REVISIONS

This manual has been completely reformatted to bring it in accordance with current AF publication standards as documented in AFI33-360V1, *Publications Management Program*. Minor typographical errors have been corrected in paragraphs 1.2 and 1.7. Paragraph 2.4 has been supplemented to address financial commitments if AAS-SW were to merge, be assimilated, disband, etc. Paragraphs 3.1 and 3.2 have been updated to recognize the Board’s involvement with the Air Force Academy. Paragraph 6 has been updated to indicate that the Board “reviews” this manual yearly, rather than “renewing” it.

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1. Composition of the Board of Trustees.

1.1. **Board Size.** The Board consists of 3 to 15 elected members who have a management or financial background and an interest in AAS and SW (IAW AASMAN-1, para 15.15.1, and SWM, para 3-9). It is the policy of the Board that membership (not including ex-officio members) be maintained at no fewer than 10 members. This policy supports the Board’s goal of ensuring an effective quorum is present for all Board meetings (IAW AASMAN-1, para 11.5.7, a “quorum” is two-thirds of the authorized voting members).

1.2. **Conditions of Board Membership.** Trusteeship is a voluntary duty and Board members receive no direct personal compensation from AAS-SW, except for courtesies and hospitality extended to [Trustees](#) in attendance at AAS-SW functions. Personal resources and time expended in the exercise of the responsibility of being a Trustee represent contributions to AAS-SW and to the officer recruiting and development program of the United States Air Force.

1.3. **Eligibility for Board Membership.** Consider the following factors when recommending candidates for Board membership.

1.3.1. Interest in AAS-SW as professional associations of USAF cadets and their supporters.

1.3.2. When reviewing professional qualifications, whether civilian or military, the Board shall retain a representative mix of senior civilian and military leaders. A spread among

professions provides an excellent resource for enhancing the academic image of AAS-SW and the ability to aid AAS-SW project endeavors.

1.3.3. Age spread among members of the Board must be evaluated to ensure continuity and the ability to relate to current campus trends and experiences.

1.3.4. Prospective members must demonstrate their willingness to participate in Board activities at the expense of their own time and financial resources.

1.4. Screening and Election of Board Members. All candidates for Board membership shall be subject to a screening (IAW AASMAN-1, para 15.15.8, and SWM, para 3-9), either in person or through a mail poll, by the present members of the Board. Only upon a positive indorsement of the Board shall the Board Chairman or AAS-SW Executive Director submit a prospective member's nomination to AAS-SW for approval. IAW AASMAN-1, para 15.15.2, and SWM, para 3-9, candidates are elected to the Board by separate majority votes of the AAS and SW general assemblies at the National Conclave (NATCON).

1.5. Ex-Officio Members. The Chairman of the Board of the Air Force Association, Commander of Air Force Officer Accession and Training Schools, and the National Directors of Financial Management of AAS and SW serve as ex-officio members of the Board.

1.6. Trustee Duties.

1.6.1. **Meetings.** Trustees are expected to attend no fewer than one annual meeting, unless excused by the Chairman (IAW AASMAN-1, para 15.15.5, the Board must meet no less than once each year).

1.6.2. **Lack of Attendance.** Trustees who do not attend an annual meeting for three consecutive years shall advise the Chairman as to their potential for continued active assistance to AAS-SW and Board membership.

1.6.3. **Length of Service.** The length of Trustee service will be considered unlimited in years, except at the Trustee's discretion or for cause, the latter being determined by a two-thirds vote of the Board.

1.7. **Trustees Emeritus.** The Board may consider for Trustee Emeritus status any [Trustee](#) (IAW AASMAN-1, para 15.15.2, and SWM, para 3-9). Under these circumstances, the Trustee in question shall have completed five or more years of service, including regular participation in Board meetings, and indicate an inability to continue regular attendance. Trustees Emeritus have voice, but no vote in Board business.

1.8. Chairman of the Board and Financial Trustee. IAW AASMAN-1, para 15.15.3, and SWM, para 3-9, the Board will elect both a Chairman and a Financial Trustee who will serve in those positions for three-year terms, unless extended by a majority vote of the Board. The Financial Trustee presides over the Board in the absence of the Chairman.

1.9. Secretary of the Board. The Executive Director of AAS-SW serves as the Board Secretary IAW AASMAN-1, para 15.15.4, and SWM, para 3-9.

2. AAS-SW Executive Director Selection and Termination.

2.1. **Selection.** The Board manages the AAS-SW Executive Director selection process IAW AASMAN-1, para 15.15.6, and SWM, para 6-2. During this process, the Board will advise nominees for this position that selection requires a written contract between the selectee and AAS-SW.

2.2. **Termination.** The contract shall include provisions for six months notice prior to termination of the agreement by either party. The Board of Trustees, acting in conjunction with the AAS and SW Boards of Directors, reserves the right to summarily terminate the Executive Director for cause with appropriate compensation (this action requires a two-thirds vote of the Board of Trustees and each Board of Directors; see also AASMAN-1, para 6.5.3).

2.3. **Recruitment.** The Board of Trustees shall ensure continuity in the position and conduct a recruitment and screening process to provide a suitable candidate (see also AASMAN-1, para 6.3, and SWM, para 3-9).

2.4. **Contractual Obligations.** Beyond the hiring provisions specified herein and in AASMAN-1, the Chairman of the Board of Trustees is responsible for specifying in writing the terms of any Executive Director hiring agreement, subject to final approval by the Board of Trustees. This agreement will be retained by the Board of Trustees as a permanent record. [Should AAS-SW merge, be assimilated, disband, etc., priority commitment, contracts, and agreements \(including obligations under the Executive Director retirement program\) are a lien against the reserve funds \(e.g., trusts\) of AAS-SW.](#)

3. Objectives of the Board of Trustees.

3.1. In conjunction with Air Force ROTC, [the Air Force Academy, and the Air Force Association](#), the Board will draw on the expertise inherent in its membership to provide counsel to the leadership of AAS-SW in matters of relationships with other institutions (e.g., media, academia, corporations for sponsorships) and other military or civilian organizations.

3.2. Trustees will bring to the attention of the Chairman any issues which they may deem useful to AAS-SW. Upon majority vote of the Board, the Chairman or Secretary will convey to the appropriate agency (AAS and SW Boards of Directors, [Air Force ROTC, the Air Force Academy](#), or the Air Force Association) the particulars of the issue in question.

4. Consolidated Programs Fund (CPF).

4.1. **Maintenance and Management.** The Board is responsible for overall maintenance and management of the Consolidated Programs Fund (CPF) IAW AASMAN-1, para 15.14.

4.1.1. **Audit and Activity Reporting.** Day-to-day maintenance and management of CPF accounts is the responsibility of the Executive Director of AAS-SW serving in his or her role as Secretary of the Board of Trustees. The Executive Director will provide the Board an annual audit performed by an outside accountant that reflects the status of the CPF. The Executive Director shall provide to the Financial Trustee copies of CPF accounts activity reports on a quarterly basis or on a frequency requested by the Chairman or Financial Trustee.

4.1.2. **Account Withdrawals.** Except for standing withdrawal accounts previously approved by the Board, no withdrawals from the CPF can be made without written approval of the Chairman or, when the Chairman is unavailable, Financial Trustee.

4.1.3. **Account Signatories.** The Chairman, Financial Trustee, and Executive Director will be signatories on all CPF accounts.

4.2. **Investment Policy.**

4.2.1. **Risk.** CPF funds will be invested in a conservative, best-yield, least risk portfolio, except when or to the extent that a higher risk investment strategy is authorized by a majority opinion of the Board. The term “higher risk” as used in this policy refers to a significant percentage increase of equity investment relative to those investments with greater security (e.g., top-rated bonds, government-backed securities, or cash instruments). This policy specifically precludes investments in venture capital groups, futures, puts/calls, short selling, possessables, initial offerings, derivatives, and similar investment strategies. Real estate investment is not ruled out in the concept of a conservative investment policy; however, investment in real estate is specifically excepted from executive decision and proposals in this area must be submitted for full Board consideration.

4.2.2. **CPF Portfolio Balance and Placement.** Portfolio balance and changes in fund placement will be determined by agreement of the Chairman and Financial Trustee. At each annual Board meeting, Trustees will consider portfolio balance and provide counsel on risk and profit adjustments.

4.3. **CPF Development.**

4.3.1. **Trustee Considerations.** A fund that fails to grow eventually withers under the stress of economic forces which constantly diminish monetary values. Growth of the CPF, except for contributions, is dependent on the yield of the CPF. Therefore, the annual yield objective is an essential consideration and will be based on recent achievements of the fund, as well as near-term market and other economic forces. Portfolio balances may require adjustment based on yield objectives projected by the Board to meet long-term requirements.

4.3.2. **Long-Term Objectives of the CPF.**

4.3.2.1. Fund viability (growth).

4.3.2.2. Funding of approved programs on a priority basis. First priority for allocation will either be contractual commitments subordinated to each other by seniority (e.g., date of initial contract). Then, other priorities, as recommended by the AAS and SW Boards of Directors and approved and authorized by the Board of Trustees IAW AASMAN-1, para 15.14.

4.3.2.3. Any legislation considered by AAS or SW which involves support from the CPF or changes the AAS or SW schedule of dues and fees must be evaluated by the Board to determine fiscal impact. (See also AASMAN-1, paras 11.1.5 and 15.15.9, and SWM, para 13-3.)

4.4. **Limitations.** The members of the Board of Trustees understand that the CPF is a trust established by AAS-SW. This trust is specifically separate from the operations of AAS-SW IAW AASMAN-1, para 15.14. Neither the Board of Trustees nor any individual Trustee may commit AAS-SW financially or professionally. Likewise, the Board of Trustees disavows any liability for the policies and procedures of AAS-SW, except for the specific responsibilities of CPF management described in this publication.

5. **Amendment of This Manual.** Any three Trustees acting together may submit a proposed amendment to this manual. The Secretary of the Board will ensure all members of the Board are apprised of the provisions of the amendment and will supervise a vote, either by mail or at the next scheduled Board meeting. A two-thirds vote of all Trustees polled by mail or in session at a meeting of the Board is required for the proposed amendment to pass.

6. **Review of This Manual.** Each year, the Board must [review](#) the contents of this manual to ensure currency and appropriateness. Should changes be needed, see para 5 of this manual.

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Secretary of the Board of Trustees