



***ROYAL CANADIAN AIR FORCE
ASSOCIATION TRUST***

Booklet 109

4th Edition

September 2005

Royal Canadian Air Force Association Trust

Nationally registered to raise and disburse funds in support of charitable programs

FOREWORD

The Air Force Association of Canada and the Chair and Trustees of the Royal Canadian Air Force Association Trust issue this information booklet.

The intent of this booklet is not only to provide basic historical information about the Air Force Association of Canada and the RCAF Association Trust, but to also serve as a guide to assist donation solicitors, as well as donors in ensuring the successful administration of a charitable donation.

This edition replaces the 3rd edition, published in December 1996.

Dean C. Black
Executive Director
Air Force Association of Canada

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1.01 GENERAL INFORMATION

- (1) The Air Force Association of Canada, formerly the Royal Canadian Air Force Association was established in 1948 as the national advocacy group to support and promote the Royal Canadian Air Force and to unite Air Force veterans of the Second World War.
- (2) The Royal Canadian Air Force Association Trust was established in 1975 under the authority of Association By-Law 7(g)(iii) after endorsement, as a Silver Anniversary project at the 1973 Annual General Meeting of the Association (NEC 52-13).
- (3) The Trust is a subsidiary of the Air Force Association of Canada, created in accordance with the Trust Agreement, included at Annex A, responsible for raising and distributing funds at the National level for the Association charitable and heritage programs.
- (4) The Trust is a registered charitable organization.

1.02 TRUST COVERAGE

The Trust may accept donations and distribute grants:

- (1) To support, assist, promote and further the training and education of young persons, particularly Air Cadets;
- (2) To support, assist, promote and further the education of all Canadians in matters relating to aviation and aviation history, particularly as it pertains to Canada's Air Force, past and present; and,
- (3) To support the Royal Canadian Air Force Benevolent Fund in the provision of relief for those in need who are covered by the mandate of the Benevolent Fund. On May 7, 2007 the RCAF Benevolent Fund was closed out and remaining assets were transferred to the Royal Canadian Legion Dominion Poppy Fund. The RCL declared that for the ensuing five years it would continue to honour the RCAF Benevolent Fund by issuing letters to loan and grant recipients explaining that their loan or grant was sourced from the Poppy Fund and assets remaining in the RCAF Benevolent Fund. Consequently, contributions made to the RCAF Association Trust Fund and designated for the Royal Canadian Air Force Benevolent Fund will be forwarded to the Royal Canadian Legion Poppy Fund unless otherwise advised.

1.03 METHOD OF OPERATION

- (1) The Trust may accept and accumulate donations where the end use has not been assigned; however, a donor may assign a donation to a designated recipient, either nationally or at a specific location, for the benefit of programs covered by the Trust.
- (2) Memorabilia and mementos relevant to either military or civil aviation will be accepted by the Trust and passed to the RCAF Memorial Museum for disposition. The latter will issue tax receipts to the donor, when applicable.
- (3) The Trust may accept bequests made in wills for the benefit of programs covered by the Trust.
- (4) Official receipts for tax purposes are issued for all donations of \$10.00 and more.

1.04 APPROVAL OF DISBURSEMENTS FROM THE TRUST

- (1) The Trust Secretary, who is also the Executive Director of the Air Force Association of Canada, is delegated approving authority annually by the Trustees, for disbursements involving designated donations. The Trust Treasurer, who is also the Association Comptroller, will distribute the funds, issue tax receipts and inform the Secretary and the Chair of the Trust following the completion of each transaction.
- (2) Disbursement of funds accumulated from non-designated donations is determined by the Trustees and approved at regularly constituted Trust meetings.

1.05 USE OF THE TRUST

- (1) **National Headquarters Level**
 - (a) The Trust provides an excellent opportunity and conduit for National Headquarters fund raising and educational and charitable programs, which all are in support of the Trust's objectives.

(2) **Association Wings**

- (a) The Trust also provides an excellent opportunity and conduit for Wing fund raising and charitable programs, particularly if the Wing is not itself a registered charitable organization.
- (b) Any Air Force Association Wing (or individual member) that utilizes the RCAF Association Trust gains recognition within the Air Force community and benefits from an enhanced public image, as the contribution/donation is published in three consecutive annual reports of the Trust. (The reports of the Trust are distributed to all national and group executives and Wings of the association, and to certain specific government and Non-Governmental Organizations).
- (c) A local solicitation may be carried out for the purpose of obtaining donations for Wing charitable purposes. The donor is allowed to designate or assign the donation to a specific organization or activity. With regards to accepted assigned or designated donations, the Trust will immediately proceed to issue the proceeds to the assignee, attributing the donation to the donor. Charitable tax receipts will be issued to the donor. Examples of such use are:
 - i. A local business wishes to contribute to the annual maintenance of a memorial aircraft established by XXX Wing. The business can make a cheque out to the Trust and assign it “For use in maintaining the memorial aircraft at XXX Wing”.
 - ii. A Wing or individual wishes to provide financial support for an Air Cadet Squadron. The assignment would be “For use at XXX Air cadet Squadron through the auspices of XXX Wing of the Air Force Association of Canada”.
 - iii. A local manufacturer wants to be identified with a Wing Christmas Basket for the Needy program. The cheque would be made out to the Trust and the assignment could be “Toward the Christmas Basket for the Needy Program at XXX Wing”.
 - iv. A Wing member wishes to create or add to the aviation collection at the local library. The cheque would be made out to the Trust with the assignment “To establish an aviation book

collection at the Town Library, Youknowhere, etc. under the auspices of XXX Wing, Air Force Association of Canada”.

- (d) Association members and friends of the Air Force Association of Canada should be encouraged to make bequests, in their Wills, to the RCAF Association Trust.
 - (e) A Wing receiving the proceeds of an assigned donation will be required to account for the disbursement of the funds for both audit and tax purposes.
 - (f) The Trustees will disburse non-designated or non-assigned donations.
- (3) The Trust reserves the right not to accept any donation where the assignment might be construed to be contrary to the purposes outlined in the Trust Agreement at Annex A.

1.06 ADMINISTRATION

- (1) The National Executive Council of the Air Force Association of Canada maintains overall responsibility for the Trust.
- (2) Day-to-day administration of the Trust is undertaken by the Chair and is supported by:
 - (a) The Trustees,
 - (b) The Association’s Executive Director as the Trust Secretary,
 - (c) The Association’s Comptroller as the Trust Treasurer.

1.07 REIMBURSEMENT OF REASONABLE EXPENSES

- (1) Reasonable administrative expenses incurred by the Chair, the Trustees, the Secretary and the Treasurer, and identified and approved in advance by the Chair and the Secretary are allowed.
- (2) Administrative expenses incurred by any of the Trustees or Trust officials must be approved by the Chair in consultation with either the Secretary or the Treasurer prior to payment.

1.08 RELATIONSHIP WITH THE ASSOCIATION'S SPONSORSHIP PROGRAM

- (1) The Air Force Association of Canada conducts a sponsorship program, with funds being allocated towards Association events and activities, as outlined within the sponsorship program.
- (2) The RCAF Association Trust conducts its own fundraising activities, in cooperation with the Air Force Association of Canada, but separate from the Association's sponsorship program.

(1.09 onward, not allocated)

ANNEX A

TRUST AGREEMENT

THIS AGREEMENT, made the 28th day of July 1975

BETWEEN:

ROYAL CANADIAN AIR FORCE ASSOCIATION
HEREIN called the Settlor, OF THE FIRST PART -

AND:

W.A. GRYBA AND E.L. SAYLE both of the City of Ottawa, in the
Judicial District of Ottawa-Carleton, and W.J.HUNT, of the Town of
Smiths Falls, in the County of Lanark, HEREINAFTER called the
Trustees which expression shall where the context permit the Trustees for
the time being of the Trust hereby created, OF THE SECOND PART –

WHEREAS: The settler is desirous of creating the trust hereinafter contained, and with
that object in view has paid to the trustees the sum of ONE DOLLAR.

NOW THEREFORE THIS AGREEMENT WITNESSES:

- (1) The Trust, hereby created, shall be known as the Royal Canadian Air Force Association Trust.
- (2) The settler may, at any time during the term of this trust, appoint another person or corporation to act as trustee in addition to or in substitution for the

existing trustee or trustees, provided that no such appointment shall take effect until the existing trustees shall have provided a proper accounting of the assets in the trust from the time of their designation as trustees until the date of such new appointment.

- (3) In this agreement:
 - a. "Trust Fund" means and includes all monies, investments or other property as may during the continuance of the trust hereby created become vested in the trustees by the settler or any other person, and the monies, investments or other property for the time being representing the same; and
 - b. "Person" includes a corporation.
- (4) The Trustees shall hold the trust fund and the income therefrom upon the following trusts:
 - a. To support, assist, promote and further the training and education of all young persons who wish to become members of the Air Cadets at the National, Group and Wing levels of the Air Force Association of Canada;
 - b. To support, assist, promote and further the education of all Canadians in matters relating to aviation and aviation history; and
 - c. To provide relief from poverty from needy citizens.
- (5)
 - a. The Trustees shall have a complete and unfettered discretion to choose among the above objects, and may apply the trust fund to one or any of the above objects to the exclusion of the other or others, or in such proportions as they may deem advisable.
 - b. Notwithstanding paragraph (5) a, if any part of the trust fund has been designated by the donor of same for one or more only of the above objects, the Trustees shall apply such part of the trust fund for the designated objects only.
 - c. The Trustees shall not accept any donations so designated or conditioned that they cannot be applied in pursuance to the objects of this trust.

- (6) Notwithstanding anything to the contrary herein expressed, the Trustees shall expend trust funds (less administrative expenses) for charitable purposes only.
- (7) The Trustees covenant that all monies received by them, and forming part of the trust fund, will be expended only for the purposes outlined herein.
- (8) In the event that this trust is dissolved or wound-up, all remaining assets after payment of liabilities, shall be distributed to one or more recognized charitable organizations in Canada, to be selected by the Trustees.
- (9) The trustees shall not cause the trust to carry on a business of any nature and kind whatsoever.
- (10) The Trustees shall receive no remuneration for acting in their capacity as Trustees.

IN WITNESS WHEREOF THE parties have hereto set their hands and seals

SIGNED, SEALED AND DELIVERED TO THE AIR FORCE ASSOCIATION OF CANADA (FORMERLY THE ROYAL CANADIAN AIR FORCE ASSOCIATION) in the presence of,

Original Signed by

W.A. Gryba
National President
Chairman

Original Signed by

E.L. Sayle