



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

Booklet 109

5th Edition

June 2014

Royal Canadian Air Force Association Trust

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

FOREWORD

This booklet is issued with the authority of the members of the RCAF Association, in concert with the RCAF Association board of trustees.

This booklet serves as a guide to assist donation solicitors, as well as donors in ensuring the successful administration of a charitable donation.

This edition replaces the 4th edition, published in September 2005.

Grant E. “Ted” Mahood, CD

Chairman – RCAF Association Trust Fund Board of Trustees

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1.01 GENERAL INFORMATION

- (1) The name of the organization shall be “The Royal Canadian Air Force Association Trust Fund”, hereinafter referred to as “The Trust”;
- (2) The Fund was established in 1975 under the authority of RCAF 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 RCAF Association, created in accordance with the Trust Agreement, included at Annex A, and is responsible for raising and distributing donations for the benefit of informative, educational, charitable and heritage programs the aims of which are to educate new generations of Canadians about the importance and historical accomplishments of their country’s air force.
- (4) The Trust is a registered charitable organization, subject to Canada Revenue Agency legislation, as well as relevant legislation promulgated in the province of Ontario.

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; and
- (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.
- (3) To support other like-minded charitable agencies and organizations.

1.03 METHOD OF OPERATION

- (1) In keeping with the exigencies of the Canada Revenue Agency, designated donations may only be accepted and disbursed if the recipient organization is itself a charitable organization and/or the recipient organization agrees to accept the terms of a co-operative partnership agreement governing the receipt and disbursement of donations by and through the RCAF Association Trust Fund for the benefit of the recipient organization;

- (2) 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 and consistent with its mandate.
- (3) Memorabilia and mementos relevant to either military or civil aviation may be accepted by the Trust and forwarded to the RCAF Memorial Museum for disposition. The latter may issue tax receipts to the donor, if appropriate and where requested;
- (4) The Trust may accept bequests made in wills for the benefit of programs covered by the Trust.
- (5) Official receipts for tax purposes are issued for all donations of \$25.00 and more, in keeping with guidance issued by the Canada Revenue Agency.

1.04 APPROVAL OF DISBURSEMENTS FROM THE TRUST

- (1) In keeping with the incumbents' *ex officio* responsibilities as officers of the board of trustees, the Trust Secretary is delegated approving authority, annually by the Trustees, for the disbursement of designated donations. This means the Secretary is authorized to disburse donations made by members and non-members specifically designated for certain projects, without seeking further permissions of the board of trustees; and, the Trust Treasurer, may distribute funds in accordance with direction received from either the Secretary or the board of trustees, issue tax receipts and inform the Secretary and the Chair of the Trust following the completion of each and every 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, consistent with 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 itself not 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 disburse designated donations 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, via the Co-operative Partnership Agreement prepared by the Secretary.
 - (f) The Trustees will disburse non-designated or non-assigned donations in keeping with motions made at meetings of the board of trustees.
- (3) The Trust reserves the right not to accept any donation where the assignment might be construed to be contrary to or inconsistent with the purposes and mandate outlined in the Trust Agreement at Annex A.

1.06 ADMINISTRATION

- (1) The RCAF Association Trust Fund Board of Trustees maintains overall responsibility for the Trust;
- (2) A portion of all donations made to the RCAF Association Trust Fund, not to exceed 10 percent annually (NH 0476), shall be retained to help defray administrative costs, to include appropriate, actual and reasonable expenses incurred in the management of the RCAF Association Trust Fund, and its projects, as well as financial management expenses to include the annual audit and preparation of annual reports for the benefit of members of the RCAF Association;
- (3) Administrative expenses related to the operation of the RCAF Association Trust Fund cannot be covered using funds which have been specifically designated for other purposes, such as membership dues in the RCAF Association;
- (4) Day-to-day administration of the RCAF Association Trust Fund is undertaken by the Chair and is supported by:
 - (a) The Trustees;
 - (b) The Trust Secretary,
 - (c) The Trust Treasurer; and

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, Trust officials, directors, officers or their delegates, must be approved by the Chair in consultation with either the Secretary or the Treasurer prior to the member incurring any and all expenses;

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)

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