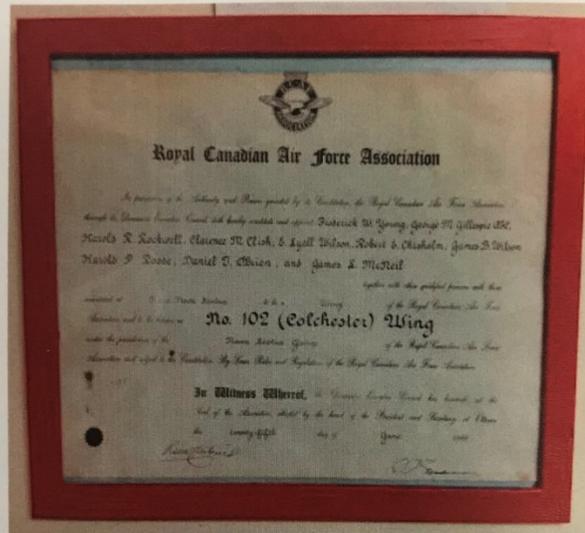


What is a Charter?



A Charter is a document issued by a sovereign, legislature or other authority creating a public or private corporation defining its privileges and purposes.

On June 25th, 1949 the Charter for the 102 Colchester Wing was issued. At that time the Wing quickly grew from 50 to 80 members. The Sponsorship of the Air Cadets also began that year. The first few meetings were held in various locations, but later that year the Wing moved to a 3 story building on the Esplanade, with the bottom floor being rented to a store. Since then, there have been 5 other locations and as of the end of June this year, we will have been at the Cottage Street location for 15 years. We now have 431 active members and still growing. Charter Night will be celebrated Saturday, June 18th.

What is a Charter?¹

There are admirable aspects to this marketing broadcast issued by 102 Wing, a few years ago. The Wing is rallying its membership around their Charter Night, seemingly expressing pride with their RCAF Association affiliation. But, there are problems with the presentation and description, too, that should not be overlooked.

The most significant problem stems from the Wing's understanding of the word Charter. Wings who see their RCAF Association Charter as Articles of Incorporation are wrong. And, this misunderstanding places the Wing's directors and leaders at significant risk. If they are operating under such a misunderstanding, they are not in fact incorporated, there is no corporation to bear the burden of a law-suit.

¹ The photograph reflects a marketing broadcast published on page 4 of the 102 Wing newsletter of June 2016.

Individuals in executive roles would be held personally liable – their personal assets (home, car, bank accounts) are at risk because the Wing chose not to seek incorporation.² The RCAF Association Charter is not sufficient to protect them. It was never intended to serve such a purpose.

What is a Charter?

- The 102 Wing claims, "A Charter is a document issued by a sovereign, legislature or other authority creating a public or private corporation defining its privileges and purposes."
- I have underlined and italicized those portions of the Wing's statement that are accurate, in terms of the Wing's relation with the RCAF Association.
- The other (red) portion of the Wing's claim is simply not applicable; an RCAF Association "Charter" does indeed create a Wing, but the RCAF Association was never bestowed with powers to create corporations, therefore, the RCAF Association Charter does not create a public or private corporation. The creation of corporations is either a federal or provincial government responsibility.
- There would seem to be a number of Wings that believe their RCAF Association Charter allows them to act as an incorporated entity. These Wings draw from this bad assumption faulty inferences about autonomy, authority, responsibility and accountabilities, faulty because they do not align with the RCAF Association nor its constitution.
- The problem is not with our Wings but with our collective leadership failure over many decades to explain the closing words: define a Wing's privileges and purposes. For example, the RCAF Association Handbook, published in 1962, offers no explanation for the meaning of or purpose for a Wing's charter.
- This long-standing failure has given rise to two meanings for the term "Wing". Only one is appropriate, consistent with and relevant to the RCAF Association constitution and by-laws, while the other meaning of the term "Wing" is neither.
- One meaning of the term "Wing" refers only to a specific body of (RCAF Association) members and their collective efforts to fulfill expressive and instrumental functions consistent with the purpose of the RCAF Association, while the other meaning of the term "Wing" refers to a wider membership, including many non-members of the RCAF Association, as well as a

² Keith Seel (2014). *Management of Nonprofit and Charitable Organizations in Canada – 3rd Edition*. LexisNexis Canada.

hospitality venue (infrastructure), economic operations, inventory (stock), employees and some social activities marginally related to the expressive and instrumental purposes of the RCAF Association, if at all. To wit:

- In the context of the RCAF Association and its vision, mission, aim, goals and objectives, a “Wing” is a body (minimum 25) of RCAF Association Regular members-at-large geographically co-located and who have applied for and have been granted a Charter collectively making them RCAF Association Regular members of “XXX” Wing;
- The second and entirely inappropriate, irrelevant term “Wing” refers to the (likely) provincially-incorporated, (supposedly) small-business-licensed hospitality-focused (club) venue consisting of its own separate body of members (Associate, Social, etc...) only some of whom may also be Regular members of the RCAF Association.
- Article 2.17.2.3 of the RCAF Association constitution prohibits the RCAF Association from having any rights to, claims against or liabilities for the assets of the Wing. This article has been imposed on the RCAF Association by the government of Canada to protect what belongs to the Wing from being used by the RCAF Association for economic pursuits that are not consistent with a federally-constituted not-for-profit organization. It also protects the RCAF Association board of directors from being held accountable for (Wing) business operations over which they have no real responsibility nor control.
- Consequently, the National Executive Council (board of directors) of the RCAF Association has a fiduciary responsibility to ensure the RCAF Association keeps its nose out of the (small) business affairs of the Wing, and this means zero tolerance for showing any interest in business-related issues that may be brought up by members of the Wing, including the RCAF Association members who have chosen to also affiliate with that Wing.
- In other words, the only Wing business that is not in conflict with the RCAF Association’s leadership, will be the RCAF Association-related business undertaken by the RCAF Association members who belong to that chartered Wing. Again, it is important to refer to the non-profit-oriented vision, mission, aims and objects of the RCAF Association so as to be able to successfully distinguish between those and the small-business, profit-oriented affairs of the hospitality-focused “clubs” that may or may not, but should be incorporated and licensed in and by the provincial authorities in which they operate and reside.

- There exists a very long list of incidents involving RCAF Association leaders, including members of the National Executive Council (Group Presidents) sticking their noses where they do not belong, and the cumulative interventions have contributed to our membership malaise, over many, many decades. It is easy to understand one's good-hearted nature to offer assistance and help, as a leader within the RCAF Association. In the beginning, the RCAF Association leaders, all of whom were more than likely retired RCAF personnel, felt obligated to come to the aid of their fellow veterans whenever their Wing was having economic difficulties. This was a natural "brothers-in-arms" type of response, but our leaders today need to ask themselves has it been worth it? A brief study of some of the more recent challenges would probably make us regret ever having "stepped in". The relationship between the RCAF Association and its Wings has been deteriorating since 1980, and accelerated downward beginning in 2003. These interventions have not yielded improvements, and did little to contribute to efforts to strengthen collective relations. With each ascendancy of a new generation of Wing and Group leaders, this misguided notion of what it means to be part of the RCAF Association has only grown worse, but this could have easily been remedied if the leadership had taken the time to fully and properly define the privileges and purposes of an RCAF Association Wing.

Where do we go from Here?

In 1959, the RCAF Association acknowledged the need to publish a handbook that would set out the duties for all Association officials as to how, when and in what manner each official should perform. Such a handbook would provide a precise and exact listing of regulations and orders, rituals and procedures "leaving no room for individual differences". Alternatively, the handbook could help standardize procedures and serve as guidelines for executive members to follow on being elected to office. The committee assigned this task opted for the latter, claiming if the RCAF Association were to succeed it must not ever be confined by strict adherence to regulations but, instead constantly adapt itself to the needs of former air force personnel and always be alert to the changes in society that affect the role of a veterans' organization.³

³ R.R. Rowlands, F/L (1962) *Royal Canadian Air Force Association Handbook*, National Headquarters (Queen's Printer).

- One of the first things we need to do is *define the privileges and purposes of an RCAF Association-chartered Wing*. A good place to start is to describe the purpose for the Wing.
- In terms of being a component of the RCAF Association, the Wing “serves as a connection between the RCAF Association and its RCAF Association members who also choose to affiliate with the separate and distinct entity known as a “Wing.” The Wing is a way for RCAF Association members to connect on a deeper level, strengthening the RCAF Association for the future. The Wing is meant to be a platform for sharing knowledge and experience, employing relevant and effective manners, methods and modalities consistent with the vision and mission of the RCAF Association.⁴
- In terms of structure, the RCAF Association was created as a three-tiered hierarchy deemed most effective in the immediate post-war period. Booklet 111 refers to the Wing Charter not as a Charter but as a certificate, entitling the Wing to the rights and privileges outlined in By-law 10. The original By-law 1.C.(1) does not refer to a Charter either, but a Certificate, issued by the Dominion Executive Council (DEC) upon receipt of a recommendation from the Group Executive Council. However, and more recently, the only part of By-law 10 that addresses anything that could constitute a “right” or a “privilege” is sub-article 10.(g) Wing Incorporation. All other parts of Bylaw 10 have nothing to do with any rights or privileges that might be considered integral to a Wing; rather, those parts deal with administrative aspects and rights and privileges extended to members-at-large residing more than 32 kilometers from a Wing.
- It is to be noted that while Booklet 111 remains in use, the set of by-laws to which it refers is no longer valid. Bylaw 10, in fact, was promulgated in 1950, long before the current RCAF Association Articles of Continuance, and the subsequent rewrite of the Constitution and By-laws. No single aspect of Bylaw 10(g) could survive in writing today, if only because it contravenes provincial regulations in almost every instance. We therefore may be able to point to By-law 10(g) as the best explanation for rogue behaviours of many Wings today, even those that are too small to establish a hospitality venue, simply owing to the fact leaders of these smaller Wings see how the larger Wing’s leaders respond, and, therefore, feel compelled to lend their voice in support. The

⁴ Lowell Aplebaum, CAE and Trevor Mitchell, CAE (2012) *Component Relations Handbook: A Guide to Successfully Managing and Motivating Chapters, Affiliates, and other Member Groups*. ASAE, 2nd Edition.

reality is that By-law 10(g) is distressingly vague. The By-law 10.(g) is reproduced below, with the most vague aspects highlighted:

10.(g) Wing Incorporation

1. Because the Association is incorporated under the Federal Companies Act, there is only one entity - the Air Force Association of Canada. The Association Bylaws have been written as flexible as possible in order to gain Federal approval, while at the same time, allowing Wings latitude in governing their activities to meet local conditions. (AM 9/50)

2. Unless Wings themselves become incorporated under provincial statutes (*sic*), they are governed by the Constitution, Bylaws, Rules and Regulations of the Association, and do not have separate Wing Constitution and Bylaws. In such an instance, more detailed requirements may be issued as Wing Regulations, under the authority of the Group Executive Council. (AM 9/50)

In a preamble to the 1950 Annual General Meeting Dominion President (Provisional) Air Chief Marshal (Retired) L.S. Breadner admitted, "...the best advertisement of the Association is our Wings. A live Wing attracts interest and before long neighbouring communities become interested and want an organization of their own."⁵ These early efforts were made to encourage the maximum number of Wings, to serve as the means by which the RCAF Association would achieve its "manifest" function or primary advocacy purpose: informing new generations of Canadians about the importance of their country's air force, in the post-war era. This national instrumental-expressive⁶ function, however, was in conflict with the more local socio-economic "latent" function of offering a relatively inexpensive hospitality venue/club atmosphere to patrons, some of whom may be veterans.

The RCAF Association conforms to a modified version of the "national association model"⁷. This governance model describes a federal-level incorporated governing body acting as an umbrella body over member organizations (Wings) which may or may not be incorporated. The term "member", in this context, does not readily apply to the RCAF Association primarily because funding of the RCAF Association comes not from Wings, but from individual people who voluntarily choose to affiliate with the RCAF Association not just for personal benefits but also

⁵ 30 April 1950

⁶ An instrumental function involves products, programs and services offered and performed for the benefit of everyone, including non-members; an expressive function is performed only for the benefit of members. Advocacy is the ideal instrumental-expressive function because it provides meaning and purpose (expressive) for the veterans and serving personnel themselves, while providing an education service (instrumental) for non-veterans and non-members the government originally wanted the RCAF Association to reach.

⁷ Keith Seel (2014). Management of Nonprofit and Charitable Organizations in Canada – 3rd Edition. LexisNexis Canada.

for something bigger than themselves. And, some may also choose to be affiliated with a Wing. Again, this is a modification of the national model, wherein, each “member organization” (Wing) should have either a name or a nonprofit purpose that is similar to that of the governing national association. Such a model offers “reduced liability exposure for the organization by containing the liability attributable to each member organization (Wing) within a separate corporate entity. Claims made against an entity known as an (incorporated) Wing will not necessarily affect the assets of the governing body (RCAF Association), and vice-versa. More importantly, where there is an entity (Wing) to bear the burden of a lawsuit, that burden would otherwise be imposed on an individual, which is possible for those organizations that choose not to incorporate, perhaps believing their “Charter” protects them when it does no such thing. Again, article 2.17.2.3 of the RCAF Association constitution makes the liability issue quite clear.

It is the National Executive Council’s desire, and the desire of every RCAF Association leader to successfully execute the organization’s vision, and to successfully pursue the objectives and goals of the (RCAF Association) organization. As we all know, however, without ownership there is no execution. If the members believe the association has nothing to do with them, if they do not feel a part of it, if they don’t “own” it in this regard, they certainly do not get behind the association nor will they work toward the aims and objects of the association to the same extent those who feel they own the organization will. We have a disturbing growth in the number of Wings (members) who are moving away from a sense of “ownership” in the mistaken belief their support for their (business) Wing is sufficient. It is not.

In Canada, the example of “Quasi-commercial Non-profits” is of interest, if we are to confront the need to more properly categorize our chartered but unincorporated Wings. The best example of such an enterprise is the global network of YMCAs/YWCAs. The YMCA/YWCAs act as a quasi-commercial non-profit establishment charging membership fees, and paying fees to the higher-level governance elements within the larger enterprise. Success stems from their profile of subsidizing membership and utility costs for the underprivileged and for those who simply cannot afford it. We should consider describing our chartered-but-unincorporated Wings in similar terms, identifying in their Articles language that refers to our Wing’s interests in building character amongst youth, and assisting in maintaining moral order in increasingly urbanized communities.⁸ Meanwhile, there

⁸ Jack Quarter, Laurie Mook and Ann Armstrong (2009). *Understanding the Social Economy: A Canadian Perspective*. Toronto, p. 73.

would seem to be a great deal of work required to remind our Wing and Group leaders what we mean when the RCAF Association bestows upon them a “Charter.” The charter is not something the Wing owns. While it is understandable for people to think of a charter in such terms, especially because they see a piece of paper, hanging from a frame on a wall. Unfortunately, the charter is not actually an object of any sort. In case of an organization, a charter defines or mandates its function(s) and lays down rules for its conduct or governance.⁹ Consequently, a charter is a way for the members of the RCAF Association to carefully consider the worthiness of their (fellow) members’ application for a charter, look them in the eye, and tell them:

Should you accept this charter you agree to the notion collectively and individually you are at all times representatives of the RCAF Association; that holding a charter signifies a privilege denoting that the holder has been adjudged worthy to represent the RCAF Association; and that you accept the responsibilities that come with the duty to sustain the confidence which has been placed in you as individuals and as a group of RCAF Association members in the community; collectively, you agree to set an irreproachable example for all RCAF Association members; the example to be set will be one that respects all regulations, legislation, orders, statutes, codes of conduct, and guidance that apply and are relevant to the RCAF Association, as if it were your personal solemn duty to do so.

In closing, it is to be emphasized that a charter is not an object. A charter is not something that is owned by the organization upon which it has been bestowed. A charter is not something which can be won in the sense that a trophy, medal or prize may be successfully competed for. A charter is an acknowledgement the applicant(s) is deemed worthy of declaring they have been granted such a charter, as a sign the organization’s very identity and integrity has been entrusted to the applicant(s) for safekeeping. Should the privileged applicant receive a charter, and subsequently dishonor themselves by showing disrespect for, ignorance of or disdain toward the statutes, regulations, legislation, guidelines and codes of conduct as well as best practices to which the RCAF Association subscribes, then the dishonoured party will have forsaken the privilege symbolized by the charter, which will then be revoked.

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⁹ <http://www.businessdictionary.com/definition/charter.html>